



International Development Law Organization
Organisation Internationale de Droit du Développement

Annual Management Plan 2012

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Executive Summary

1. 2011 was a year of significant transition for IDLO. The Organization was honored to welcome its new President of the Assembly of Parties, the United States of America, as well as its new Vice President, the State of Kuwait, and who join the permanent ex-officio Vice President, the Republic of Italy. IDLO is equally honored to recognize the strong legacy of leadership left by its outgoing President, The Kingdom of The Netherlands, and its outgoing Vice President, Burkina Faso.
2. IDLO spent much of 2011 managing the impact from the financial, operational, and human resources reductions that the Organization undertook in 2010. These reductions, while essential in order to bring about a balanced budget for 2011, placed a heavy burden on the Organization to put in place viable mechanisms for maintaining and supporting the high level of quality IDLO has always strived for in its program development and implementation activities. Despite this and other structural challenges endured in 2011, the unwavering commitment of IDLO's staff allowed the Organization to remain focused on its mission and propelled IDLO to a position of strength and stability.
3. Most notable in 2011 is the fact that IDLO pursued and successfully grew an impressive global program portfolio and responded effectively to this noteworthy surge in activities through high quality delivery and support. As such, IDLO will be finishing 2011 with an impressive portfolio of work to carry out in the coming months and years.
4. The core strength of IDLO's operations and management systems enabled the Organization to successfully see itself through this transition period and to continue advancing its mission and strategy effectively. The strategic and operational ambitions of the Strategic Plan 2009-2012 remain sound and the current projects under implementation were rigorously designed, competently staffed, and responsibly delivered. This track record, combined with the strength of IDLO's existing capabilities, both in headquarters and the field, will allow IDLO to pursue even stronger programming and implementation results in the coming years.
5. The financial and operational constraints faced by IDLO in 2011 required constant and diligent monitoring of resources and activities. As a result, IDLO expects to finish the 2011 budget year with a modest surplus. The Organization has shown that it is well placed to meet a variety of operational challenges, which are affecting all development agencies around the world, and is prepared to overcome significant obstacles as they arise. Most importantly, IDLO remains proud of its success managing the complexities of delivering an international portfolio of program work that brings real change and measurable impact to its beneficiaries.

6. Evidence of the relevance of IDLO to international legal and development priorities continued to grow. The increasing focus on rule of law in connection with development has allowed the Organization to further develop and strengthen partnerships with a range of stakeholders internationally, thereby extending its impact.
7. IDLO's 2011 Program of Work was implemented consistently with the Strategic Plan 2009-2012. The Organization made progress towards each of its five strategic objectives and gained new insights into the catalytic effects it can have for rule of law and development by realizing synergies between all the strategic objectives. Further to this commitment to learning and results-based management, IDLO was pleased to publish its first Annual Performance Report in 2011 based on 2010 programming results.
8. In 2012, the Program of Work will be conducted in a consistent manner with the Strategic Plan 2009-2012. Broadly speaking, Strategic Objective One (National Strategies and Frameworks) remains a dominant emphasis of the work; however, increased activity and collaboration is occurring between the overall implementation of programs and all strategic objectives. Experience delivering programs, in line with the Strategic Plan, has validated certain assumptions, most notably the value of approaching the rule of law from multiple directions and societal levels. Accordingly, results show that the interaction between the Strategic Plan's five strategic objectives is occurring and generating positive results for the development of the rule of law in beneficiary states. Moreover, these results appear to hold across different substantive areas of the law. Although more evidence remains to be collected, the basic model of legal change IDLO hypothesized in the Strategic Plan appears largely sound and sufficiently robust to guide current and future programming within different substantive program streams.
9. Although the election of a new Director-General in 2011 will result in further transition measures to be carried out in 2012, the Organization expects to maintain its focus on advancing its management objectives, which are critical to enabling continuity and ensuring a shared commitment to its priorities. The 2012 Annual Management Plan sets forth an ambitious agenda of work, and significant effort must be committed to achieve the desired operational and administrative enhancements necessary to operate in a more sustainable manner. However, new funding and resources were secured in 2011 to assist the Organization carry out these essential activities in the areas of resource mobilization and communications.
10. IDLO is proposing a total budget for 2012 of just over €15 million, which represents a 15% increase on the level of activity forecasted under the 2011 budget. Nearly all of the Organization's internal revenues and costs are consistent with 2011, although some variation exists as a result of increases to certain institutional activities related to program development as well as stakeholder relations and communications functions.

2011 Program of Work Accomplishments

External Environment

11. In 2011, the central importance of the rule of law for international development was underscored in dramatic fashion as a result of the series of uprisings in the Arab world. Among the countries experiencing upheaval during this period, the lack of rule of law was cited as a major cause and the development of the rule of law has been cited as a chief priority in the reform initiatives that these countries must undertake.
12. The importance of the rule of law in rebuilding societies which are threatened or broken by conflict remains a frequent topic throughout the United Nations, particularly within the Security Council and Peacebuilding Commission. While virtually all actors acknowledge the fundamental importance of state institutions in the process of recovery from conflict, the role of traditional, customary, and religious-based justice systems in dispute resolution and in the creation of stability continued to gain greater acceptance. Likewise, recognition of the importance of the legal empowerment of poor and marginalized populations continued to grow as many organizations began to devote greater attention to such issues. The outcome of the Millennium Development Goals Summit affirmed the value of human rights, including the right to development, the rule of law, gender equality, and an overall commitment to just and democratic societies for development.
13. In the context of national and regional conflicts as well as natural disasters, the need to uphold humanitarian law as well as human rights standards has been repeatedly demonstrated. With respect to the rights of vulnerable populations, including women and children, supporting gender equality, civic education, and combating human trafficking have become central areas of focus, as has providing access to legal services for people suffering from disease or living with HIV.
14. In the context of the shift of development assistance to regional and local ownership mechanisms, capacity building and technical assistance to strengthen or develop national procurement, anti-corruption bodies, and alternative dispute resolution techniques are critical. In the context of national ethnic, tribal, or religion-based disputes, post conflict and reconciliation techniques are increasingly required to provide the conditions necessary for sustainable legal reform and development. In all of these areas, IDLO's focus on the specific legal dimensions of issues such as these and their inter-relationship continues to gain recognition as an essential component in addressing the issues effectively.

Context

15. In 2011, IDLO conducted its Program of Work consistent with the 2009-2012 Strategic Plan (Strategic Plan). Broadly speaking, Strategic Objective One (National Strategies and Frameworks) remains a dominant emphasis of the work; however, increased activity and collaboration is occurring between the overall implementation of programs and all strategic objectives. Experience in delivering programs, in line with the Strategic Plan, has validated certain assumptions, most notably the value of approaching the rule of law from multiple directions and societal levels. Accordingly, results show that the interaction between the Strategic Plan's five strategic objectives is occurring and generating positive results for the development of the rule of law in beneficiary states. Moreover, these results appear to hold across different substantive areas of the law. Although more evidence remains to be collected, the basic model of legal change IDLO hypothesized in the Strategic Plan appears largely sound and sufficiently robust to guide current and future programming within different substantive program streams.

Program Portfolio Accomplishments

16. A key accomplishment in 2011 has been the continued application of a Results-Based Management system to program activities. The strategic results framework informed the preparation of all projects that are now under implementation.
17. In addition, at the time of writing this document, IDLO's Evaluation function has carried out four program evaluations thus far in 2011. The results of the evaluations and the overall program of work accomplishments will be described more fully in the 2011 Annual Performance Report.

Beneficiaries

18. The model of legal change set forth in the Strategic Plan is based substantially on IDLO's ability to target and reach change agents in different countries. Implementing each of the five strategic objectives entails interaction with different beneficiaries in an effort to catalyze change. Not only does IDLO reach beneficiaries through training, but also through the creation of aid organizations and technical capacity building activities.
19. As of August 2011, IDLO conducted twenty-two courses from which 391 participants benefited. These participants represented forty-one countries and covered seven regions from around the world. In turn, direct beneficiaries of IDLO intervention through their routine work as trainers, judges, prosecutors, defense attorneys, policy makers, and change agents multiplied IDLO's project impact to thousands of indirect beneficiaries across the globe.

Table 1: Gross Numbers of Direct Beneficiaries (January 1, 2011 – July 31, 2011):

Region	Participant Numbers	Percentage Breakdown
Asia	295	75%
Europe	12	3%
Latin America and Caribbean	14	3.50%
North America	4	1%
Pacific	2	0.50%
MENA (Middle East and North Africa)	4	1%
Sub-Saharan Africa	60	16%
Total:	391	100%

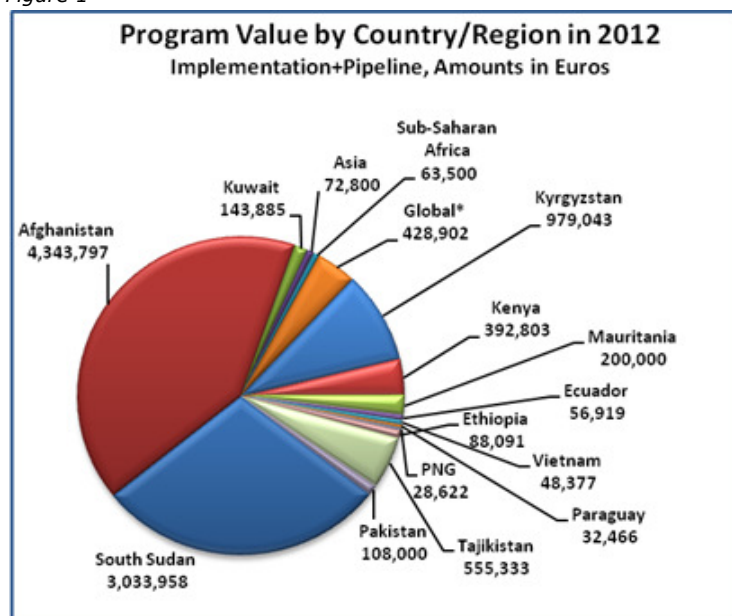
2011 Program of Work Across Strategic Objectives

20. In 2011, IDLO’s program of work involved activities across all the strategic objectives. This experience suggests that significant synergies exist between the different strategic objectives and that efforts should be made to capitalize on those synergies. While IDLO Management is confident of the value of both Strategic Objective Four (Networks) and Strategic Objective Five (Knowledge), greater efforts must be made to generate support for future funding opportunities for activities under each in order for them to contribute their full potential.

Geographical Distribution

21. *Figure 1* shows the geographical distribution of IDLO’s programs currently under implementation as well as the high and moderate probability programs in the pipeline. As can be seen in *Figure 1*, IDLO’s current work is heavily concentrated in Afghanistan and South Sudan (representing 41% and 28% of the program values, respectively).
22. However, it should be noted that IDLO’s performance in Afghanistan and South Sudan is an indication of the Organization’s success leveraging up and expanding its existing program portfolio. IDLO expects to replicate this approach in other geographic areas as well. A recent example includes Kyrgyzstan where IDLO was able to leverage its ongoing EBRD Judicial Capacity Building partnership to secure new programs in Central Asia.

Figure 1



2011 Performance Highlights by Strategic Objective

Strategic Objective One (SO1) – National Strategies and Frameworks

23. In 2011, the largest component of IDLO's activities involved work under SO1. General highlights of this work included country and sector assessments, stakeholder consensus building events (including peace dialogues by religious and tribal leaders in Nigeria and research on peace building through integration and citizenship), development of legal and institutional reform action plans (including support to the Ethiopian Federal Justice Organs Professional Training Center (JOPTC)), organizational work plans, and the development of legal instruments. In addition, capacity development continued to represent a significant share of work under SO1.
24. Specifically under SO1, strategic plans were developed for justice institutions in the newly established Republic of South Sudan, including for the Supreme Court, the Ministry of Justice, the Law Reform Commission, and the Legal Training Institute. Additionally, IDLO helped to establish and provided technical assistance to a committee to oversee the process of developing the first Constitution for the Republic of South Sudan.
25. In Afghanistan, IDLO provided assistance in the implementation of the National Justice Sector Strategy, which included developing expansion plans for a specialized unit of prosecutors for crimes of *Violence Against Women*. Furthermore, IDLO led the institutional strengthening of a national legal training institute and the expansion of legal aid services in twelve provinces.

26. IDLO also provided assistance in the development of the first National Status Report in Human Rights in Ethiopia.
27. In 2011, IDLO's e-learning platform has been used in areas of procurement law and health law capacity building.

Strategic Objective Two (SO2) – Legal Empowerment

28. Legal empowerment remained a significant portion of the overall program portfolio, complementing work under SO1. Key outputs under SO2 in 2011 included efforts to increase awareness of rights among disadvantaged and disempowered populations, reducing administrative barriers to realizing rights, strengthening legal services, establishing functioning alternative dispute resolution mechanisms, increasing capacity of informal justice institutions, improving monitoring and reporting of human conditions and human rights violations, and improving knowledge of legal empowerment among actors responsible for drafting strategies.
29. Activities under SO2 have primarily concentrated on the provision of legal services for vulnerable populations. In 2011, IDLO piloted activities relating to girl child victims of human trafficking in India in 2011 and continued to advance its work around legal services related to HIV/AIDS, including launching a new initiative aimed at enhancing the knowledge of intellectual property in order to ensure access to life-saving drugs.

Strategic Objective Three (SO3) – Global Challenges

30. IDLO identified climate change and food security as two global challenges it would increasingly strive to address in 2011. IDLO's work on the Legal Preparedness for Climate Change program involved a series of activities designed to achieve the goal of SO3 to create "effective responses to global issues undermining development, supported by an enabling legal and governance environment." Among the accomplishments of IDLO under SO3 in 2011, the Organization increased awareness among policymakers in forums such as the FCCC Conference in Cancun on relevant legal issues associated with climate change, developed leading publications that provided practical guidance on the legal aspects of mitigating climate change, and identified various legal and institutional reforms needing prioritization in international climate change mitigation efforts.
31. With respect to food security, IDLO worked to increase awareness surrounding critical legal issues associated with food security, particularly in relation to small holder farmers. Engagement in various forums, including the World Bank's Land Tenure Conference and IFAD's conference on small holder farmers and food value chains, among others, have helped IDLO draw attention to the unique legal issues involved in financing and facilitating small holder access to commodity markets.

Strategic Objective Four (SO4) – Networks

32. Numerous capabilities of the virtual IDLO Sharing Network platform became fully operational in 2011, providing, for example, searchable databases for all alumni and registered members of the Sharing Network as well as extensive legal documentation within the topic-specific areas. Thematic workspaces, such as those on Health Law and HIV/AIDS in English, French, and Spanish, and on Intellectual Property provided discussion forums where practitioners worldwide shared knowledge on issues critical to the development of laws and policies in their home countries. The Sharing Network platform offers an important value-add to IDLO's program of work across all strategic objectives by providing a virtual link among development law practitioners who might otherwise operate in isolation.
33. An important section of the online Sharing Network platform is devoted to the Alumni Associations. Each Alumni Association is able to manage its own personalized country-specific space that can be accessed separately, and a number of these spaces are already active. Additionally, an ongoing Alumni Association forum allows Associations to dialogue with each other and share lessons learned.
34. In May 2011, the Sharing Network hosted its first "issue specific" forum. The forum is a web-based discussion designed to provide opportunities for dialogue on cutting-edge issues. It takes place over a two-week period and is led by a Facilitator/Moderator, who may also be joined by other international experts. Documents relevant to the subject being discussed are provided as background resources for forum participants. The first forum in 2011 was a collaborative effort between the IDLO Health Law team and the IDLO Research team who organized a web-based discussion on "Realizing the Human Rights of Sexual Minorities." The event raised awareness and discussed ways in which the legal community can support and promote the Yogyakarta Principles: *A set of principles on the application of international human rights law in relation to sexual orientation and gender identity. The principles affirm binding international legal standards with which all States must comply.*
35. The Alumni Associations also play an integral role in IDLO's Strategic Networks and continue to provide the Organization with the ability to remain closely engaged with beneficiary countries. During 2011, IDLO continued to strengthen Alumni Associations by providing capacity building technical assistance and modest financial support for tailor-made local programming activities that responded to the specific needs in each legal community. Additionally, Alumni and Alumni Associations often represent and endorse IDLO at the highest levels of government within a beneficiary country and increase the Organization's credibility as a development partner for legal and judicial reform initiatives. As an example, the IDLO Alumni Association in Tunisia (ATDD) was instrumental in initiating contact between IDLO and the Tunisian High Commission for the Realization of Revolutionary Goals, Political Reforms and Democratic Transition. Similarly, Mauritanian Alumni and the Alumni Association assisted IDLO in proposing its participation in an EU-sponsored Program for the Training of Justice Sector Personnel in that country. Contacts such as these, in both

the public and private sectors, enable IDLO to acquire the necessary insights and knowledge of the needs and priorities of the institutional stakeholders and to establish the appropriate alliances required in order to design and implement programs for reform and capacity building.

Strategic Objective Five (SO5) – Knowledge

36. IDLO continued to make progress on SO5 throughout 2011 through research, evaluations, and knowledge sharing activities. IDLO deepened its expertise in legal empowerment approaches to development programming through a series of action-oriented research projects and cutting-edge research publications. In 2011, IDLO published three books on legal empowerment and customary justice as well as a series of online research products on the challenge of advancing legal empowerment strategies in respect of various areas of development. IDLO plans to consolidate and share its recognized knowledge in legal empowerment by engaging in discussions with key players, donors, and institutional partners in 2012.
37. In 2011, IDLO launched a *Legal Working Paper Series on Sustainable Development Law on Climate Change* to address key issues related to the United Nations Framework Convention on Climate Change negotiations and implementation. In 2012, IDLO plans to expand the “Working Paper Series” to include a greater number of topics and to actively pursue new funding for this and other publications.
38. In 2011, IDLO also took steps to further consolidate its expertise in the justice and rule of law fields by updating and scaling up IDLO's Rule of Law Assistance Directory and National Justice Strategies Platform.

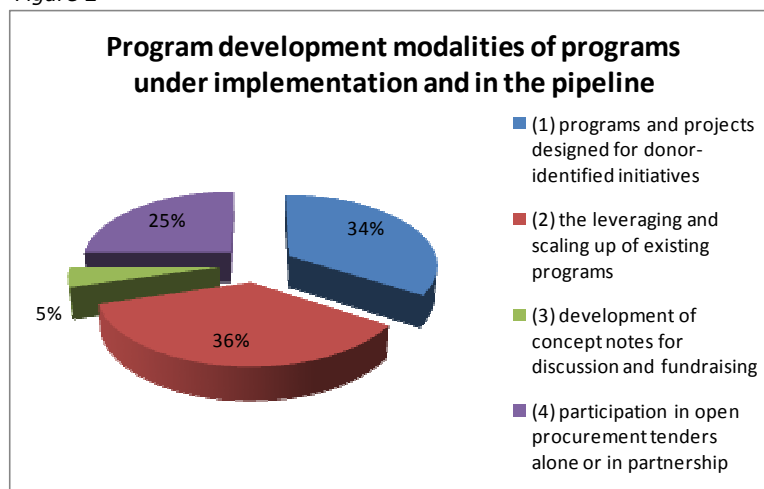
2012 Program of Work

Programming Outlook for 2012

39. The consolidation of country operations and the development of new thematic and regional opportunities will characterize IDLO's programming strategy for 2012. The Organization's programming approach increasingly reflects the actions of governments and international donor agencies to further decentralize their operations to fulfill the objectives of the Paris Declaration on Aid Effectiveness and increasingly rely on international procurement tenders. As a result, IDLO will continue to apply a multi-track approach to program development in an ever increasing demand- and market-driven environment. This development approach includes: (1) programs and projects designed for donor-identified program initiatives; (2) the leveraging and scaling up of existing programs; (3) development of concept notes for discussion and fundraising; and (4) participation in open procurement tenders alone or in partnership with other private and public sector institutions and corporations.

40. New thematic opportunities will also be developed for consideration by Member Parties and public and private donor agencies. Priority will be given to countries where IDLO is well known and where effective Alumni Associations are present. Notwithstanding an increasing focus from donors on country operations and an ongoing country presence in several key multi-donor working environments, efforts will be made to identify regional opportunities to transfer and communicate knowledge and practical experience through leadership and sharing activities.
41. IDLO will also continue its development of unique program concepts to serve as discussion and fundraising tools with a variety of stakeholders, including those in the private sector and with foundations in both the United States and Europe. These projects will reflect gap analyses or bridging opportunities uniquely suited to IDLO's status as an international intergovernmental organization and to its reputation as a non-partisan, technical institution.
42. Program development will continue on both a centralized and decentralized basis, but will be managed through a unified program development cycle and process. Efforts will focus both on leveraging program operations where there is a permanent in-country presence and where there is donor ability to provide directed assistance. Additionally, efforts will continue to focus on the identification of procurement opportunities aligned with IDLO's strategic objectives and programmatic streams. Country operations will be strengthened and staffing decisions taken to identify consultants able to meet both current obligations and also respond locally to new operational or thematic opportunities. Current operations in Afghanistan, Kenya, Kyrgyzstan, and South Sudan will serve as pilots for this approach and these program teams will assist in developing new operational and program development procedures. *Figure 2* illustrates the breakdown of the current program portfolio according to this multi-track development approach.

Figure 2



43. At the time of writing this document, IDLO is implementing forty-three signed contracts totaling approximately €30 million in value. It is projected that the implementation of these programs will generate gross program revenue in 2012 of €12.2 million. The current portfolio reflects an increasing number of larger, more comprehensive, and longer-term contracts from a greater number of donors.
44. The greatest determinant of success in any given country or region continues to be the success of IDLO's past and ongoing program activity in that country or region. As a result, increased efforts will be made to communicate not only the nature of IDLO's current operations, but also the interim- and long-term results of those past activities. Efforts will also be made to further increase not only the number of IDLO Alumni Associations, but also the contributions they make to ongoing activities as well as the development of new initiatives by developing strategic partnerships.
45. Trends in IDLO programming secured through all development methods continue to be closely aligned to regional or sub-regional priorities. Efforts will be made to extend IDLO's operational scope in new markets by sharing regional and thematic work experience on such sub-themes as HIV/AIDS, non-communicable diseases, access to justice, sustainable economic development, promotion and protection of innovation, and the green economy. In this manner, IDLO's reputation in thematic and sub-thematic areas less often associated with its current programming will be internationalized and will facilitate a stronger understanding of the types of assistance IDLO could provide donors on emerging medium- and long-term global priorities.
46. Although a dedicated rule of law trust fund has yet to be created to support rule of law development, the need for rule of law assistance and a systematic approach in this field has never been greater. The "Arab Spring" provides a stark reminder of the importance of a new global mechanism to receive funds and facilitate funding for preliminary fact finding and program design activities to support the rule of law. In the alternative, IDLO's program development activities in several countries affected by this transition have proceeded on a bilateral basis and remain largely determined by traditional donor disbursement techniques.
47. Given the limited availability of unrestricted funding, IDLO continues to be affected in its ability to fully determine programming priorities or quickly respond to emerging programmatic opportunities. Nevertheless, the leading principle for IDLO's program development efforts is to further its Strategic Plan. The need to remain "market-oriented" has not obscured the underlying purpose the Organization seeks to achieve. As the results of 2010 and 2011 attest, IDLO can and will continue to have a significant international development impact for an increasing number of donors and a wide range of beneficiaries at both the national and regional level.
48. Program activities under Strategic Objective Four (Networks) for 2012 will continue to support internet-based peer-to-peer dialogue within the Sharing Network platform among legal professionals around the world across all of IDLO's program themes. Program Directors in each thematic

area within all five of IDLO's strategic objectives are able to use the resources of the Sharing Network platform to bolster and reinforce their own goals and purposes. While the Sharing Network can stand on its own as an independent results-based activity, it will continue to contribute to all of the goals of the Organization through open dialogue on important issues and the sharing of knowledge and best practices among IDLO's beneficiaries. For example, participants in IDLO e-learning courses are able to continue connecting with each other and with IDLO after a formal course ends. In addition, "Hot Issue" discussions will continue to be implemented in 2012, either to support current funded programs or at the request of local partners, including Alumni Associations.

49. IDLO Alumni and the Alumni Associations will continue to be an important resource. Whenever possible, Alumni Associations will be engaged as local partners for program implementation and will be offered assistance for local activities that advance the rule of law, including the ongoing Intellectual Property Development Program funded by Microsoft.
50. For 2012 and beyond, IDLO's training activities, including the ongoing implementation of the Intellectual Property Development Program, will continue to play a crucial role in the range of technical assistance capabilities offered by the Organization. International training courses at IDLO's Headquarters in Rome as well as the delivery of training (especially IDLO's *Training of Trainers* course) in beneficiary countries remain an integral part of the overall program of work in 2012. It will also remain important to ensure that IDLO's training methodology is rigorously applied by IDLO program staff, facilitators, and consultants.
51. Looking forward to 2012, IDLO expects to increase the breadth and quantity of publications on key aspects of the rule of law, access to justice, and legal reform. IDLO will continue to explore ways to generate knowledge and contribute to program design as well as to build on synergies between research and programs, including through the publication of project materials.
52. In 2012, IDLO will also engage in a renewed effort to find external financial support for the Rule of Law platform. IDLO's involvement in the justice and rule of law international agenda will also be consolidated in 2012. In this respect, IDLO plans to conduct empirical research on (1) the implementation of the Paris Declaration of Aid Effectiveness and the Accra Agenda concerning the rule of law, access to justice, and human rights, (2) best practices to improve national ownership, harmonization, alignment, and evaluation techniques, (3) the drafting of a practice manual on strategies for justice sector reform, and (4) the establishment of a "knowledge center" on these issues. IDLO will also ensure the active involvement of leading intergovernmental organizations and promote its image of excellence as a recognized international hub for information on national and international development efforts for justice sector reform and the rule of law.

Management Objectives

Introduction

53. IDLO's eight Management Objectives, as listed in *Annex 1*, remain as relevant for 2012 as they were when they were first developed at the beginning of the 2009-2012 strategic planning process. During this period, a strong focus has been maintained in the areas of *Values, Performance, and Teamwork*. While progress has been made with respect to the objectives relating to *Processes and Procedures*, the formalization and documentation of these outputs has been delayed due to the Organization's priority activities in the areas of program development, implementation, and support in order to raise operational revenues.
54. IDLO had planned to update its resource mobilization and communications strategies in 2011, but it was determined that existing human and financial resources would be better spent on program development, implementation, and support. At the same time, IDLO was successful in securing new funding from the Bill & Melinda Gates Foundation to specifically invest in its Stakeholder Relations and Communications functions for the purpose of building its core capacity in these areas and to establish the systems necessary to increase and diversify its donor base.
55. As described in the 2011 Management Plan, the Organization anticipated challenges related to the two expected leadership changes during the course of the year, including the election of an Interim Director-General at the Extraordinary Session of the Assembly of Parties in March 2011, and then to be followed by a new Director-General to be elected at the November 2011 Assembly of Parties meeting. However, one of these leadership changes, and the consequent resource implications for IDLO, was avoided when the Member Parties requested that the Acting Director-General, a member of IDLO's senior management team, serve throughout 2011. As a result, the ability for the Organization to focus its time and resources uninterrupted during this interim period attests to the resilience and strength of its management systems and to the dedication and commitment of its staff to the Organization's mission.
56. The appointment of a new Director-General at the November 2011 Assembly of Parties meeting will still impact the Organization in 2012. In this context, it is imperative that the Organization maintain its focus on long-term goals and institutional priorities while at the same time preparing the new leadership to effectively manage and execute the Organization's objectives and overall mission.
57. Below is a brief description of the progress made in 2011 with respect to each of the eight Management Objectives. The status of these activities, as shown in *Annex 1*, highlights that many of these priorities have an inherent, ongoing nature and will continue to be a focus for IDLO in 2012.

2011 Performance Highlights by Management Objective

Management Objective One: Values

58. IDLO's first Management Objective is *Values*. The Organization's values and Code of Conduct have and will continue to drive its business practices and internal relationships. As a development assistance partner contributing to legal reform and rule of law, our development work is centered on implementing client-driven, results-oriented, multicultural, and politically neutral assistance programs. IDLO continues to engage effectively with its partners and program beneficiaries through these fundamental principles and practices. Additionally, in 2011, IDLO further defined and adopted organization-wide core competency measurements for staff performance, which include: Technical Awareness; Performance Focus; Results Orientation/Driven; Client Service; Valuing People & Partnerships; Commitment to Innovation; and Practice Management/Leadership.
59. In 2011, IDLO's promotion of its shared values had a positive impact on its work and contributed to its success in establishing sustainable partnerships. This resulted in a significant increase to its global program portfolio and advanced the Organization's mission through the results it achieved in its programming work.
60. In 2011, IDLO also continued to focus on cultivating its staff orientation processes to provide top quality results. Examples of this include launching a "client survey" by the Finance & Administration Department in order to seek feedback on how to improve levels of service in 2012 and the institutionalization of formal orientation and consultation procedures for all new and current field based staff.
61. The Performance Management System, including the organization-wide core competencies to be implemented by the end of 2011, will be a tool to further reinforce IDLO's values in 2012 and beyond, especially as it relates to the manner in which IDLO defines success.

Management Objective Two: Performance

62. IDLO's primary asset is its staff and the extensive capabilities and commitment they bring to the Organization. The Performance Management System, mentioned above, will serve to encourage and support ongoing dialogue between supervisors and staff, especially as it relates to their respective work plans, career planning, competencies, and expectations for individual performance. Recognition and discussion of these topics are inherent in the performance management process and it provides the basis for efforts to recognize and reward exceptional performance. A targeted investment in performance will lead to higher retention rates and strengthen staff talent by providing clear feedback on career advancement opportunities. It will also help to identify the necessary resources for staff to grow in their relevant areas of expertise.

63. In 2012, the full implementation of the newly-adopted Performance Management System will represent a positive transition for staff and the way in which they view their career goals and performance. Career advancement opportunities will be more easily identifiable through this new system and supported by the professional development program already in place. Investments in staff training and development remain crucial for the Organization; however, in a challenging financial period, IDLO may not be able to invest in this area to the extent that it believes ideal. Nevertheless, new levels of accountability and a more rigorous approach to monitoring and evaluating performance will contribute to building a stronger workforce.

Management Objective Three: Teamwork

64. The third Management Objective, *Teamwork*, articulates IDLO's desire to operate as "one team" in service of IDLO's strategy.
65. IDLO Management focused extensively on evaluating the organizational structure throughout 2011 and made adjustments or continued planning potential changes to enhance the effectiveness of the Organization. IDLO's key priority has been to strengthen the resources related to program development and delivery both from Headquarters and from the project field offices.
66. In an effort to build a cohesive team to ensure the effectiveness and well being of project consultants, new consultants have attended enhanced orientation sessions in Rome before being deployed. Field offices have also focused on capacity building by increasing direct involvement in Headquarters activities that relate to their respective areas of work. Efforts have also been made to increase the connection of field staff to core activities undertaken at Headquarters by increasing opportunities for participation in visitor briefings, presentations to staff, and external representation activities.
67. Integration between research, knowledge generation, and programming was also strengthened in 2011 to better leverage limited resources and ensure the consolidation and continuity of IDLO's activities. For example, research on human trafficking and legal empowerment has been effectively integrated into a new programming initiative on human trafficking in Paraguay. At the same time, research and program staff members have been effectively integrated into an increasing number of field activities.
68. Monitoring the effectiveness of the organizational structure and improving the vertical and horizontal integration between all departments and units in IDLO, including project field offices, will continue to be a priority for 2012.

Management Objective Four: Programs & Processes

69. The fourth Management Objective, *Programs and Processes*, articulates IDLO's commitment to continuously improve the design, effectiveness, and delivery of programs to achieve results.
70. In 2011, as it relates to being a results-oriented development organization, IDLO continued to incorporate Results-Based Management principles and practices. This includes the implementation of the Strategic Results Framework, the continued implementation of an Evaluation Policy, the consolidation of results-based program development cycles and design practices, including the alignment of programs outputs and indicators in alignment with the Strategic Results Framework, and the refinement of standard practices and tools for monitoring, evaluating, and reporting on program results. All of these measures have significantly contributed to IDLO's growing credibility in the international development arena and have informed the Organization's own view of best practices throughout its global portfolio of programs.
71. In 2012, IDLO will continue to expand its program portfolio, further improve methods of program delivery, and maximize learning from projects. IDLO will also continue to implement these best practices and further improve efficiency by standardizing these practices throughout 2012. As an example, IDLO will institutionalize a function to exercise quality control on training events, ensuring that IDLO's training methodology is rigorously applied by IDLO managers, facilitators and consultants.
72. IDLO's first Annual Performance Report will be published by the end of 2011 (based on a selection of 2010 program activities). Significant efforts will be made to develop a prototype for effective program monitoring and for the future preparation of Annual Performance Reports, which will allow for its consistent replication annually. Efforts will also be undertaken to ensure that the Annual Performance Report to be produced in 2012 will document results achieved on all program activities.

Management Objective Five: Accountability

73. Accountability is a means by which individuals and organizations take responsibility for their actions so that those who depend on them can be assured there are safeguards in place. This philosophy encourages best practices and prevents or mitigates poor practices or abuses. It further provides for redress for problems that arise and assurances of equitable and fair treatment. IDLO's fifth Management Objective, *Accountability*, articulates IDLO's commitment to ensuring effective compliance and transparency regarding IDLO's rules and procedures as well as its performance goals across the Organization.

74. In 2011, procurement rules for both Headquarters and field offices were reviewed and updated to ensure their adherence to new principles of donors and similar organizations. In 2012, IDLO will further review levels and lines of authority to streamline general decision-making. This effort is expected to include ongoing refinement and revision of internal rules and processes. More specifically, the ongoing detailed review of IDLO's Staff Rules & Regulations and Personnel Handbook is expected to be completed in 2012.
75. Accountability is also closely linked with Objective Two, *Performance*, in that the introduction of the Performance Management System will help to address accountability. Similarly, the improvement of processes and the publishing of the Annual Performance Report outlined above in Objective Four, *Programs and Processes*, will address accountability with respect to the Organization's programs.

Management Objective Six: Resources

76. IDLO's capacity to successfully achieve the vision laid out in its Strategic Plan is dependent upon the Organization securing the necessary funds to implement the activities outlined in its 2012 Annual Management Plan and respond effectively to emerging program priorities. IDLO's sixth Management Objective, *Resources*, highlights the necessity for IDLO to raise resources to meet requirements in an efficient and timely manner. These resources come from two sources: (1) as unrestricted institutional contributions or (2) as programmatic contributions. The latter is a limited resource given that it only generates a form of revenue which is recovered during the implementation of projects and is subject to the volatility of the countries in which IDLO works.
77. The level of unrestricted contributions received over the last three years has not been sufficient to sustain the level of growth and institutional change that was foreseen in the Strategic Plan 2009-2012. As a consequence, a reduction in the workforce and other administrative costs were required in 2010 to more closely align IDLO's expenses with its predicted revenue streams.
78. A proposal for a funding mechanism that establishes stronger financial sustainability for the Organization was presented to the Assembly of Parties by IDLO Management at its Extraordinary meeting in March 2011. Management was requested to further elaborate on this proposal, particularly in terms of its resource requirements, and to resubmit it to the November 2011 Assembly of Parties meeting.
79. The lack of sufficient internal resources has also delayed the development of a new fundraising strategy. However, as noted above, a new grant from the Bill & Melinda Gates Foundation will provide an excellent opportunity to expand the Organization's Stakeholder Relations and Communications functions in order to attract new donors and stakeholders as well as increase support from IDLO's existing base of contributors. The activities foreseen within the context of this targeted grant include a Member Party

Fundraising Program, a Private Sector Fundraising Program, and a series of investments to increase IDLO's visibility and to showcase its accomplishments.

Management Objective Seven: Partnerships

80. Creating and maintaining strategic partnerships will strengthen and expand IDLO's impact by increasing the number of beneficiaries reached as well as leveraging its resources through synergies developed with other actors working in the field of development and rule of law. IDLO's seventh Management Objective, *Partnerships*, outlines the Organization's commitment to developing partnerships which augment and extend IDLO's impact.
81. As of 2011, IDLO has entered into a total of twenty-two (22) partnerships. Each partnership is unique and has the ability to generate different forms of value for the Organization. However, such agreements are intended to establish the basis for cooperation rather than serving as ends in themselves. A number of programs initiated in 2011 are connected with partnership agreements, such as initiatives on climate change in Mexico, agricultural development in Ecuador, E-Parliament initiatives in the Middle East & North Africa region, the completion of the UNCITRAL process, and a re-housing initiative for Haiti.
82. The priority in 2012 will be to continue to translate cooperation agreements into active partnerships involving, in some cases, joint projects between IDLO and these partners. As in previous years, IDLO will continue involving partners in knowledge dissemination efforts.

Management Objective Eight: Communications

83. In order for IDLO to expand and develop, the Organization needs to maximize its efficiency through internal communication as well as raise its profile through external communications strategies. IDLO's eighth Management Objective, *Communications*, outlines the Organization's goal to improve both external and internal communications activities.
84. In 2011, the means of disseminating knowledge and information on its work created in 2010 were maintained. This included proactive website management, electronic newsletters, targeted program press releases and public relations materials, and the Sharing Network Platform.
85. At the same time, a lack of sufficient unrestricted resources has meant that progress on the review and update of IDLO's communications strategy and dissemination activities has been limited. The new grant from the Bill & Melinda Gates Foundation will provide an excellent opportunity to raise the Organization's profile through building in-house capabilities for external communications, optimizing resource planning for proactive and strategic advocacy, and raising IDLO's visibility through various media.

Results Based Budget

Overview

86. IDLO is proposing a total budget for 2012 of just over €15 million (*Table 2*), which represents a 15% increase on the level of activity forecasted under the 2011 budget. Compared to 2011, specific highlights of the 2012 budget include increases to certain institutional activities related to Stakeholder Relations and Communications functions, using the targeted grant received from the Bill & Melinda Gates Foundation. Additionally, program implementation activities are expected to increase by 15% compared to the level forecasted for 2011.

Table 2

2012 Budget by Activity					
Expressed in Thousands of Euros					
Activity	2011		2012 Proposed	Variance	
	Approved Budget	Forecast		vs 2011 Budget	vs 2011 Forecast
Institutional Activities*	2,617	2,610	2,998	15%	15%
Program Support	2,010	1,273	1,464	-27%	15%
Program Delivery	1,340	2,211	1,770	32%	-20%
Program Direct Activities	9,967	7,127	8,968	-10%	26%
Total Program Activities	13,317	10,611	12,202	-8%	15%
Total Budget	15,934	13,221	15,200	-5%	15%

* Institutional Activities are non-program related activities. The value reflected in this table includes all Function Specific costs plus the value of staff time involved in those activities. (See *Annex 2* for further details.)

87. Institutional Activities are what distinguish IDLO from profit-driven service providers who only act as implementing agencies for programs. By maintaining its commitment to Strategic Networks, including the Alumni Associations, and by carrying out important knowledge generation activities related to the rule of law and international development, the learning from IDLO's activities can inform IDLO Member Parties in their own rule of law policy work and programming. As such, the strengthening of IDLO's core functions is vital to enhancing its unique organizational identity and to facilitate the servicing of Member Party priorities.
88. IDLO's total budget of €15.2 million can also be viewed in terms of internal and external costs as shown in *Table 3* below. It should be noted that the internal costs are being maintained at similar levels as those in 2011 while direct expenditures on programs, which are classified as external costs in *Table 3* below, are expected to increase by 26% compared to the forecast for 2011. This illustrates that with virtually no increase in internal expenditures in 2012, IDLO expects to successfully carry out a significant increase in program implementation activities. The relationship between internal costs and the activities of the Organization is further illustrated in *Annex 2*.

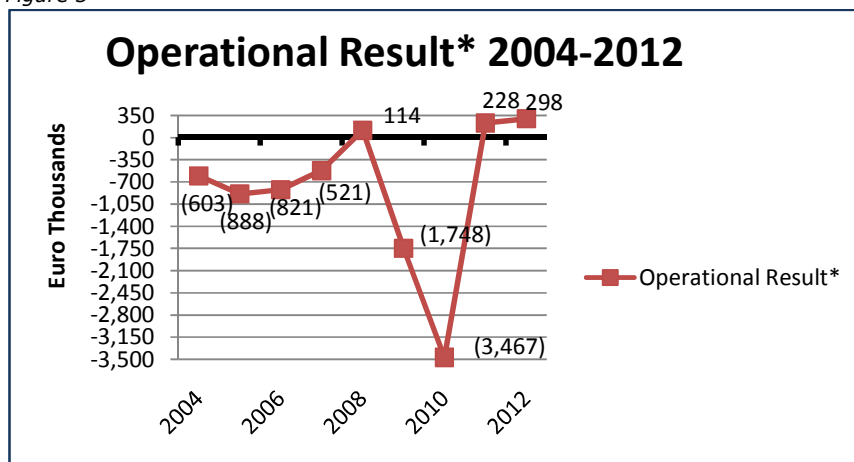
Table 3

IDLO Internal & External Costs <i>Expressed in Thousands of Euros</i>					
Type	2011		2012	Variance	
	Budget	Forecast	Proposed	vs 2011 Budget	vs 2011 Forecast
Internal Costs	5,969	6,093	6,232	4%	2%
External Costs	9,967	7,127	8,968	-10%	26%
Total Budget	15,936	13,220	15,200		

Balancing the Internal Budget

89. In accordance with IDLO's financial operating model, IDLO is not requesting the Assembly of Parties to approve expenditures of funds that have already been received, but rather to approve costs based on forecasts for revenue that have yet to be received. Given that the majority and largest of IDLO's programs are implemented in conflict, post conflict, or post disaster countries, this puts IDLO in a precarious situation if the revenue estimates derived from the implementation of programs cannot be realized due to unforeseen circumstances in the field that negatively affect the forecasted pace of project delivery.
90. The external costs shown in *Table 3* are entirely funded by program contributions; however, internal expenditures are funded from program contributions only to the extent that they can be recovered from the implementation of such programs. As a result, there are internal costs related to program development, governance, strategic networks, research, communications, and resource mobilization that cannot be directly charged to program budgets and which need to be funded by unrestricted contributions.
91. IDLO is only able to present a balanced budget when revenue derived from program implementation and unrestricted contributions are sufficient to cover internal expenses. *Figure 3* below shows that the forecasted result for 2011 with a surplus of €228,000 and the proposed budget for 2012 with a surplus of €298,000 together bring IDLO into a multi-year, stable, and balanced budget environment which has not been achieved in the last eight years. This recently established stability provides a basis upon which IDLO Management and the Member Parties have an opportunity to operate with a strong focus on the Organization's mission.

Figure 3



* Results from Operations do not include Investment Portfolio gains or losses. 2011 and 2012 are forecasted figures.

92. IDLO is presenting an internal cost budget as shown in *Table 4* that is in line with secured or highly likely revenue streams for 2012. An operating surplus provides a necessary buffer against any unforeseen events that may affect program implementation. If such events do not occur and the expected program revenue level is reached, the surplus can be transferred into the Investment Portfolio to re-build IDLO's reserves to further improve the Organization's future stability.

Table 4

IDLO Internal Cost Budget Expressed in Thousands of Euros			
Description	2011		2012 Proposed Budget
	Approved Budget	Forecast	
Internal Cost Budget			
Staff Costs	3,910	4,176	4,194
Office Costs	1,509	1,367	1,368
Function Specific Costs	550	550	670
Total Internal Costs	5,969	6,093	6,232
Covered by the Following Revenue			
Unrestricted revenue	2,850	2,838	3,307
Program Revenue	3,322	3,483	3,223
Total Revenue	6,172	6,321	6,530
Operating Result	203	228	298

93. It is useful to compare total costs against revenue sources as presented in *Table 5* below. The same operating surplus of €298,000 can be seen, but the data include both internal and external costs presented by activity.

Table 5

Comparing Total Costs to Revenue					
<i>Expressed in Thousands of Euros</i>					
Activity	2012	Unrestricted Revenues	Program Revenue	Total Revenue	Surplus/ (Deficit)
	Costs				
Institutional Activities	2,998	3,307		3,307	309
Program Support	1,464		1,453	1,453	(11)
Program Delivery	1,770		1,770	1,770	-
Program Direct Activities	8,968		8,968	8,968	-
Total Program Activities	12,202				
Total Budget	15,200	3,307	12,191	15,498	298

94. The operating result trend shown in *Figure 3* above indicates that IDLO's financial stability is expected to improve in the immediate term, but it is important to consider the outlook for 2013 in order to underscore that resource mobilization efforts must remain a top priority for IDLO Management and Member Parties. The outlook in *Table 6* below reflects only what is known today about IDLO's unrestricted funding and revenue derived from the implementation of programs. This predicament demonstrates that due to the insufficient level of predictable and multi-year commitments for these types of revenue, the Organization's ability to strategically plan for its future is limited and can only be accomplished on a year-to-year basis.

Table 6

IDLO Internal Cost Budgets		
<i>Expressed in Thousands of Euros</i>		
Description	2012	2013
	Proposed Budget	Outlook
Internal Cost Budget		
Staff Costs	4,194	4,278
Office Costs	1,368	1,395
Function Specific Costs	670	683
Total Internal Costs	6,232	6,357
Covered by the Following Revenue		
Unrestricted revenue	3,307	2,305
Program Revenue	3,223	1,951
Total Revenue	6,530	4,256
Operating Result	298	(2,101)

95. The forecasted shortfall of €2.221 million for 2013, as seen in *Table 6*, which is based on maintaining the current expenditure levels (with a 2% increase for costs) and on a secure or probable revenue stream, demonstrates the importance of two key issues. First, a focused and consistent use of internal resources dedicated to stakeholder relations, resource mobilization, and communications in such a way that IDLO can maintain, or even increase, sources of unrestricted revenue is crucial to the Organization's future. Second, the immediate allocation of internal resources to program development is essential in order for IDLO to continue to develop its program pipeline so that it can maintain revenue derived from program implementation in the future. While IDLO Management believes that sufficient unrestricted and program revenue will be realized in 2013, the figures used in the forecast, which are based on what is certain now, demonstrate the lack of predictability and inherent instability of IDLO's funding model.
96. It should be noted that, due to IDLO's recent track record of converting pipeline programs into implementation, assisted by the fact that the Organization has been mindful of maintaining its current level of program development capacity, albeit limited, it is highly likely that the program revenue for 2013 will be more than what is shown in *Table 6*. However, the fact that the predictable unrestricted revenue is 30% lower than 2012 is of greater concern and needs to be addressed through a concentrated resource mobilization effort.

Unrestricted Revenue

97. The current forecast of unrestricted revenue that IDLO is expected to receive in 2011 is €2.838 million as shown in *Table 7* below. The budget of €3.307 million proposed for 2012 foresees existing Member Party contributions to continue, but also includes the multi-year contribution received in 2011 from the Bill & Melinda Gates Foundation as well as an amount for expected new contributions as a result of new, concentrated efforts on resource mobilization activities throughout 2012.

Table 7

Unrestricted Revenue			
<i>Expressed in Thousands of Euros</i>			
	2011	2012	2013
Source	Forecast	Proposed	Outlook
Secured/Probable unrestricted revenue from:			
Member Parties	2,785	2,740	2,140
Non Members	53	467	165
New Contributions		100	?
Total Unrestricted Revenue	2,838	3,307	2,305

98. The estimates for unrestricted revenue shown in *Table 7* above are based on the continued support from Member Parties which have historically contributed unrestricted funding over the past two years and include the Government of Italy, the Government of The Netherlands, the Government of the United States of America, the Government of the People's Republic of

China, the Government of the State of Kuwait, and the Government of the Philippines.

99. In 2011, IDLO Management has been successful in securing non-member contributions, notably the three year grant from the Bill & Melinda Gates Foundation earmarked to improve IDLO's Stakeholder Relations and Communications functions, and from the Microsoft Corporation for the Intellectual Property program and a software donation valued at \$768,000. These contributions, combined with the Member Parties' efforts to target and enlist new Member Parties to join IDLO, are expected to generate new contributions in 2012 and beyond. The level of potential new unrestricted funding is difficult to predict with certainty at this early planning stage, but the proposed budget for 2012 includes a conservative figure of €100,000. *Table 7* above illustrates that the resource mobilization efforts will need to be intensified in order to maintain the unrestricted contribution levels in 2013.

Program Revenue

100. *Table 8* below illustrates how the estimated revenue generated by program implementation has been calculated. The expected level of recovery in 2012 from those programs that are currently funded and already under implementation is estimated to be €2.338 million. Together with the estimated recoveries of an additional €885,000 from program implementation which are already in the pipeline and are expected to begin implementation in 2012, the total recovery that IDLO expects to receive from gross program revenue is estimated to be €3.223 million.

Table 8

2012 Program Revenue & Recovery Forecast				
<i>Expressed in Thousands of Euros</i>				
Source		Gross Program Revenue	Recovery Rate	Program Revenue Recoveries
On-going projects	A	8,661	27%	2,338
<u>Pipeline programs @ September 2011</u>				
High probability		2,663		
Medium probability		1,752		
Low probability		3,047		
Total Pipeline value		7,462		
Assuming only high probability + 50% medium probability will convert into contracts	B	3,539	25%	885
Grand Total	A+B	12,200		3,223

101. In the preparation of the budget for 2012, the potential for programs in the pipeline to be converted into committed programs for implementation has been closely reviewed and, in order to present a prudent and conservative budget for 2012, the proposals in the current pipeline have been classified according to their probability of being awarded and implementation commencing in 2012. The €3.539 million of gross program revenue seen in

Table 8 above, to which a recovery rate of 25% has been applied, represents only the value of those programs in the pipeline with a high probability, plus 50% of those programs that fall into the medium probability category: €2.663 million plus €1.752 million x 50%, respectively.

102. A project pipeline is a living document representing the status of the Organization's ongoing program development efforts. It frequently changes depending on the evolving circumstances of donor or beneficiary requirements. The list of programs in the pipeline which support the figures used for the 2012 budget is based on IDLO Management's best estimate and on the information available at the time of preparation of the budget. Implementation of programs in developing countries, especially post conflict countries, is volatile and unpredictable. Therefore, the surplus forecasted for 2012 will act as a buffer against potential variations that may arise.

Internal Cost Details

103. The total internal cost budget of €6.232 million proposed for 2012, shown in Table 9 below, is 4% higher than the 2011 approved budget and 2% higher than the €6.093 million forecasted actual expenditures for 2011. The internal cost reduction measures initiated in April 2010 have been effective in lowering expenditure levels by 28% from €8.4 million in 2010 to €6.093 million in 2011, and this level will be generally maintained throughout 2012.

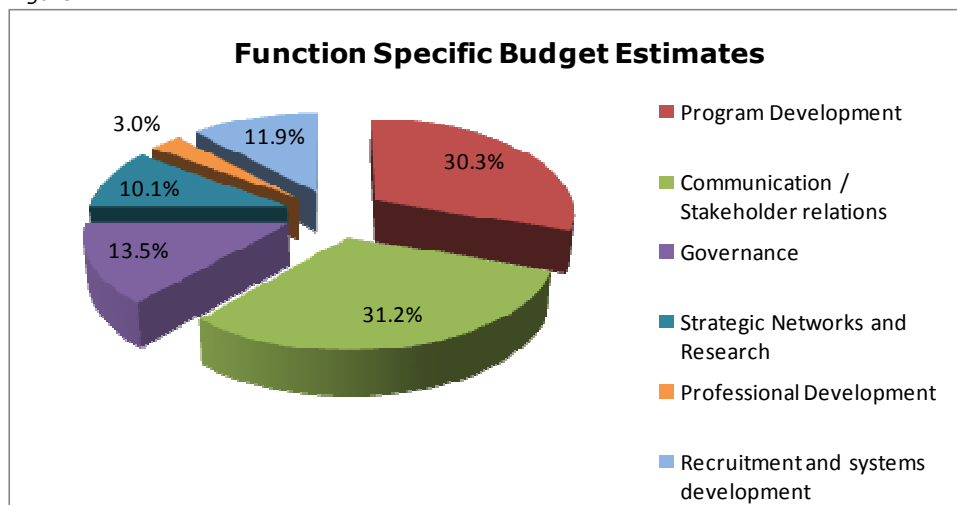
Table 9

IDLO Internal Costs 2011 and 2012 <i>Expressed in Thousands of Euros</i>					
Description	2011		2012 Proposed	2012	
	Budget	Forecast		% Var Proposed to Budget	% Var Proposed to Forecast
Internal Costs					
Staff Costs	3,910	4,176	4,194	7%	0%
Office Costs	1,509	1,367	1,368	-9%	0%
Function Specific Costs	550	550	670	22%	22%
Total Internal Costs	5,969	6,093	6,232	4%	2%

104. The addition of a Stakeholder Relations Manager, and two communications positions (funded through the Bill & Melinda Gates Foundation grant) and the retirement of one staff at the end of 2011 will result in a net headcount increase in 2012 of two positions, bringing the total core staff to 63, which does not include project consultants. Staff costs related to these positions are expected to be 7% higher than the 2011 budget, but at the same level as the 2011 forecasted result.

105. Office and Other Support costs in the 2012 budget are expected to remain at the same levels as those in 2011, although there will be changes in individual expenditure lines. Rent, utilities, and cleaning expenses are all expected to decrease in 2012 due to the fact that IDLO will no longer lease the residence building attached to its Headquarters and which has been used for housing participants for past training courses. In response to donor demand, IDLO has turned its focus to activities in the field, rather than a high volume of training workshops in Rome; therefore, the economic benefit of maintaining the residence was significantly reduced.
106. Interest on the Credit Line will no longer apply in 2012 because the loan from UBS was fully repaid in June 2011.
107. These combined decreases will be offset by increases in the level of telephone costs, which were under-budgeted for in 2011 as well as additional insurance costs and the monthly fees for the new Provident Fund administrator. See *Annex 3* for details.
108. Function Specific costs represent the discretionary portion of the budget that is provided to the Department heads across IDLO to support its institutional activities. It should be noted that only non-staff costs are included in the total Function Specific amount of €670,000. The chart in *Figure 4* indicates how these funds might be spent and that the emphasis in 2012 will be on program development as well as on communications and stakeholder relations activities.

Figure 4



Capital Budget

109. The proposed capital budget for 2012 is €152,500 and is classified into Information Technology and Building Works, and Furniture & Equipment, as shown in *Table 10* below, and in more detail in *Annex 4*.

Table 10

IDLO 2012 Capital Budget Proposal
Expressed in Thousands of Euros

Description	Amount
Information Technology	44
Building-works, Furniture & Equipment	109
Total	153

110. In June 2011, the Microsoft Corporation confirmed its software donation to IDLO consisting of an extensive list of office and infrastructure related software valued at \$768,000. In order to be able to utilize this software, it is necessary for IDLO to purchase a number of new servers and to engage outside consultants in order to install many of the products. These expenditures will not only allow for the upgrade of the document management software, SharePoint, but it will facilitate the upgrade and integration of IDLO's ERP system, Navision, thereby creating a streamlined data and information management system.
111. With respect to Building Works, IDLO occupies only a portion of the building which serves as its Headquarters and, as of 2012, will occupy even less space because part of the ground floor and basement will be returned to the landlord along with the residence building which had been used to house Rome-based training participants in the past. These changes necessitate the repositioning of certain utilities and the cost of these represents more than half of the Building Works costs included in the capital budget. The remainder is made up of replacement of furniture and equipment as well as the upgrade of certain items to be in compliance with building regulations.

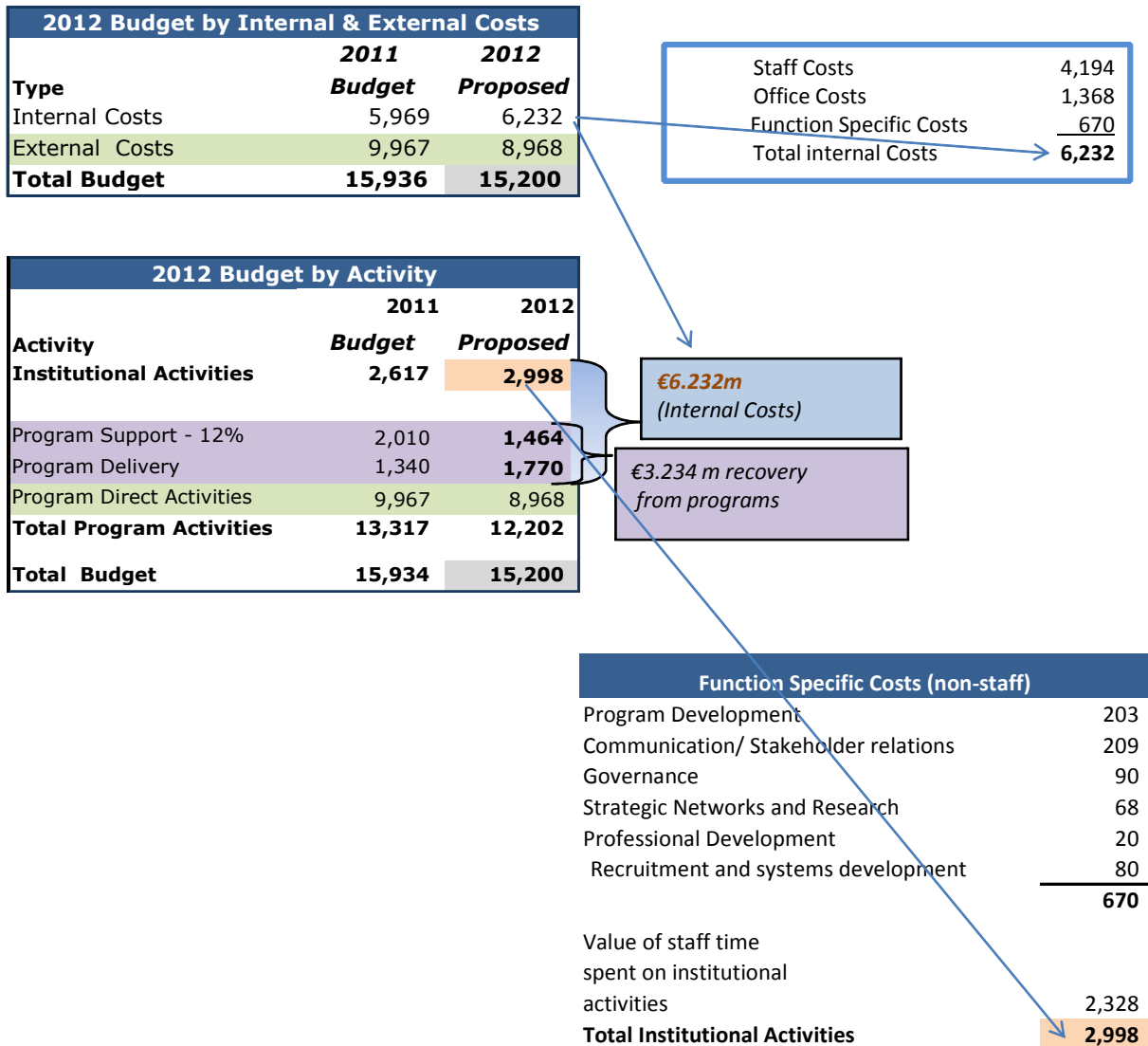
Annex 1: Management Objectives

Status	Management Priorities by Management Objective
	MO1 - Values
≈	Reinforce values through core competencies & Performance Management System
≈	Explicit focus on cultivating orientation to service (beneficiaries, donors, internal units)
	MO2 - Performance
√	Implement Performance Management System
	MO3 - Team
≈	Monitor and evaluate effectiveness of organizational structure
≈	Continue to strengthen level of engagement between management and staff
≈	Improve integration between research & knowledge development and programming
≈	Develop mechanisms to assist field staff to be more effective
	MO4 - Programs & Processes
≈	Complete business process review of program management and delivery
≠	Standardize field operating manuals
≈	Improve program monitoring and field office reporting mechanisms
√	Expand IDLO's consultant database
≈	Emphasis on integrating research and evaluation information into program development
√	IDLO's first Annual Performance Report to be published
	MO5 - Accountability
≈	Clarify lines and levels of authority, including related internal rules & procedures
≠	Complete update of Staff Rules and Regulations
≠	Takes steps to reduce IDLO's environmental footprint
	MO6 - Resources
≠	Formalize IDLO resource mobilization strategy
≈	In collaboration with Member Parties to revise IDLO's funding mechanism
	MO7 - Partnerships
≈	Translate existing agreements into active partnerships
≈	Operationalize MOU with UNDP Peacebuilding Fund
	MO8 - Communications
≠	Review and update IDLO's communications strategy
≈	Strengthen internal communications between management & staff and across units
Legend:	
√	Completed or expected to be completed by 31 December 2011
≈	Ongoing from 2011
≠	Delayed

Annex 2: Linking Activities to Cost Types

In accordance with the results-based approach to management, the total budget of €15.08 million shown below can also be broken down into the specific cost categories and/or program activities, which were initially defined in 2009: (1) Institutional Development and Management; (2) Program Support; (3) Program Delivery; and (4) Direct Program Costs. These activities aim to align the budget with IDLO's 2009-2012 Strategic Plan, as outlined in the previous sections of this document.

Internal costs, totaling €6.232 million in 2012 will be used for Institutional Development and Management, Program Support, and Program Delivery.



Annex 3: Office & Other Support Cost Details

IDLO Office & Other Support Cost Budget 2012			
Description	Approved Budget 2011	Proposed 2012	Variance
Cellular Phone	28,000	45,000	61%
Cleaning Services	77,000	60,000	-22%
Electricity, Water and Refu	88,000	60,000	-32%
General Costs	2,000	4,000	100%
Insurance	17,000	60,000	253%
Internet	21,600	21,600	0%
IT Maintenance	8,000	15,000	88%
Mail & Shipping	1,000	3,000	200%
Maintenance	35,000	35,000	0%
Photocopying	23,000	30,000	30%
Printing	17,000	17,000	0%
Professional Services	66,000	74,600	13%
Rent	527,000	400,000	-24%
Security	15,000	40,000	167%
Stationery Supplies	18,000	20,000	11%
Telephone	27,000	40,000	48%
Transportation	10,000	8,000	-20%
Subtotal	980,600	933,200	
Bank charges	8,500	9,000	6%
Depreciation	490,000	426,000	-13%
Interest on Credit Line	30,000	-	
Subtotal	528,500	435,000	
TOTAL	1,509,100	1,368,200	-9%

Annex 4: Capital Budget Details

Description	Cost
Information Technology	Euros
Hardware	
Server	15,000
Workstations (5)	7,000
Laptops	2,500
Printer	1,500
Software	
Software renewal (mailstorage, faxaway, GtomyPC, Antivirus, On conference)	5,000
Software purchase	3,000
WEB / SOFTWARE DEVELOPMENT	
Sharepoint Upgrade (2003+2007 to 2010)	10,000
Sub-total Information Technology	44,000
Building-works, Furniture & Fittings	
Fire doors replacement	10,000
Electricity meter and fiber optic cables move from Via Veniero to Viale Vaticano	30,000
Electrical cables move from underground floor to 1st floor	10,000
Electrical cables move from underground floor to 1st floor	20,000
installation of roof to protect AC machinery on top floor terrace	2,000
shutters replacement	3,000
installation of new water meter	10,000
Architect fees for electrical cables move, water and electricity meters move	10,500
VC equipment upgrade	5,000
Office furniture	5,000
Office equipment	3,000
Sub-total Building-works, Furniture & Fittings	108,500
TOTAL	152,500