International Labour Office

1 7 MAI 2017

Dear Ambassadors,

On behalf of the International Labour Organization (ILO), I wish to express my appreciation for the 2015-16 Multilateral Organization Performance Assessment Network (MOPAN) Institutional Report on the International Labour Organization.

In this exercise the ILO has benefitted from fruitful collaboration with the MOPAN Secretariat, the IOD Parc and by no means least, with the Institutional Lead for the ILO (the Netherlands), throughout the assessment process.

We welcome the final institutional assessment report and are pleased to observe that its overall findings are positive, with the ILO being recognized as "*highly relevant and an improving organization*". Having commenced an institutional reform process in late 2012, we see the findings of the MOPAN assessment as validation and verification of the reform effort and as an encouragement in our commitment to continuous improvement.

We have appreciated the consultative approach that has characterized the assessment and the opportunity given to the ILO to review draft reports and provide inputs before finalization. You will find attached detailed feedback on the assessment findings, including indications on how the assessment will contribute to ILO efforts to make further improvements.

We look forward to engaging with MOPAN members in the coming months to build on the assessment and pursue our common goals centred on realizing decent work and the Sustainable Development Goals.

Yours sincerely,

Guy Ryder

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ILO's Management Response to the 2015-2016 MOPAN institutional assessment report

The ILO is pleased to observe that that the majority of the findings in the report have awarded the ILO scores of "*satisfactory*" and "*highly satisfactory*" against the KPI's and MI's. This provides an important validation of the results from the ILO's reform efforts initiated in 2012, aiming at increased effectiveness and efficiencies.

As a normative agency within the UN system and with its tripartite constituency, the ILO welcomes the fact that the generic MOPAN assessment was applied and in some areas adjusted in a way so that captures the essence of the ILO's mandate and governance.

Overall, the ILO recognizes the scoring methodology as sound, but the process could have benefited from a stronger dataset, greater triangulation of findings and a more detailed log of how comments were addressed to increase consistency between findings, scores and the narrative. We would, however, suggest to revise the field survey approach to give a more active role to the MOPAN country leads. We received feedback that our constituents and partners in the 16 countries surveyed often had limited briefings before receiving the on-line survey request.

In terms of the substantive findings, the ILO welcomes the recognition of the following as its "*key strengths*" and will use the findings and guidance from the assessment to build further on these:

- Relevance, strategic clarity and awareness of comparative advantages
- Tripartite constituency
- Specialist technical expertise and experience
- Integrated, systemic intervention models within five flagship programmes
- Core resource base and financial management
- Organisational and business process reform and innovations
- Commitment to results-based management

We take note of the areas identified as "*for improvement and/or for action*" and will use these findings to drive changes in these areas going forward. We have already started this work and would like to provide some specific insights on the following:

- **Results-management framework and performance reporting** -> the ILO is aware of the need for improvements in this area and the MOPAN findings will assist several internal initiatives related to RBM and results-based budgeting, improvements in reporting etc. The detailed feedback per micro-indicator provides further information.
- **Evaluation quality, synthesis and use** -> The ILO acknowledges the issues identified with the enabling environment such as systematic monitoring, reporting and use of evaluations by various parts of the office as requiring further attention. The findings on quality and systems and the need for more synthesis reviews are noted although considered to be less supported by evidence. The findings in these areas are consistent with those from the 2014 UN Joint Inspection Unit report '*Analysis of the Evaluation Function in the UN System*' and the '*Independent evaluation of the ILO's Evaluation Function*', (February 2017). In terms of follow-up, the Office will review reporting lines, incentive structures and funding arrangements with the aim of optimizing evaluations, from more strategic coverage to enhanced use. Further details are provided under the relevant micro-indicators in the table below.
- **Coherence and co-ordination of partnerships** -> this is an important focus for the ILO as it engages in a series of multi-stakeholder partnerships around the SDGs and the ILO's active role in the UN Development Group. The findings will strengthen our efforts in this area, building on examples such as the Alliance 8.7, the Grand Bargain and the new MoU with UNHCR, as well as the Partnership for Action on Green Economy (PAGE) which brings together five UN agencies – UN Environment, International Labour Organization, UN Development Programme, UN Industrial Development Organization, and UN Institute for Training and Research.
- **Administration and recruitment for project implementation** -> the issues raised here are acknowledged and are part of the objectives of the Business Process Review (BPR). MOPAN's findings will be integrated into the further steps of the BPR process.
- **Mainstreaming of gender, environment, and governance** -> the relevant cross-cutting policy drivers are integrated into the Programme & Budget from 2016 onwards and are monitored at the

level of country programmes. The table below gives further detailed insights on specific actions going forward regarding work on gender and the environment.

- **Additional funding sources including private sector funding** -> the diversification of funding sources is a key element of the ILO's development cooperation strategy. While continuing to rely on voluntary funding from MOPAN members, the assessment findings will be used to strengthen efforts already underway to: i) expand domestic funding for the ILO's technical assistance, in particular in middle-income countries, ii) increase contributions from emerging development partners, including through South-South collaboration and iii) expand engagement with the private sector, which is supported by the Enterprise Initiative, the ILO's collaboration with the UN Global Compact and pro-active engagement with private enterprises in the scope of the programme of work on Global Supply Chains.

Following a careful review of the findings, the ILO has opted to provide, where relevant, comments under each Micro-Indicator. These comments indicate the extent to which ILO agrees with the findings, how these are addressed or being addressed as part of action going forward. Where relevant, links are provided to specific documents to underpin our views[1].

KPI / Micro Indicator		Comments and/or outline of next steps
Performance Area : Strategic Management *Clear strategic direction geared to key functions, intended results and integration of relevant cross-cutting priorities*		
KPI 1 : Organisational architecture and financial framework to enable mandate implementation and achieve expected results		
MI 1.1: Strategic plan and intended results based on a clear long term vision and analysis of comparative advantage		Agree --- Since **June 2016**, the ILO's Strategic Plan 2018-21 and the Director-General's Programme and Budget proposals for 2018-19, have been endorsed by the Governing Body in November 2016 and March 2017, respectively. The strategic framework is structured around ten policy outcomes focused on priority issues affecting the world of work, supported by three enabling outcomes designed to facilitate the effective and efficient functioning of the ILO and four cross-cutting policy drivers that apply to all areas of ILO work. All ILO policy outcomes are specifically linked to one or more targets of the Sustainable Development Goals and draw upon and incorporate the Organization's main comparative advantages, especially its normative function, its tripartite structure and the promotion of social dialogue. As from **January 2018**, the ILO will implement a revised 'resource mapping tool' that will provide management with improved oversight on staff time expenditure by outcome. At the same time, the ILO's Centenary Initiatives, especially on the Future of Work, contribute to equipping the Organization with the necessary knowledge and tools to develop its long-term vision within ongoing transformations occurring in the world of work.
MI 1.2: Organisational architecture congruent with a clear long term vision and associated operating model		Agree --- The ILO's organisational architecture and operating model are being further revised in line with the results of the ongoing business process review and the commitments established in the Strategic Plan 2018-19. This includes the new Outcome Coordinating Teams (OCTs) to ensure better teamwork and coordination across technical departments at headquarters and between headquarters and field offices.
MI 1.3: Strategic plan supports the implementation of wider normative frameworks and associated results (i.e. the quadrennial comprehensive policy review (QCPR), replenishment commitments, or other resource and results reviews)		Partially agree --- The **ILO's Strategic Plan 2018-21** endorsed by the Governing Body in November 2016 sets the vision of an ILO that, in 2021, has significantly enhanced its influence as an actor and advocate for social justice and decent work, including by becoming a leading actor in the implementation of the 2030 Agenda at the global and national levels. From the ILO perspective, it is crucial that the 2030 Agenda explicitly recognises the central place of decent work as an instrument and goal of sustainable development, hence opening opportunities to engage national partners and the multilateral system in its promotion. To realise this vision, each policy outcome included in ILO's Programme and Budget proposals for 2018-2019 is explicitly linked to the SDG targets to which it contributes the most. The ILO is also custodian of 13 indicators of

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[1] ILO notes that the assessment covered the period up to June 2016, while the report was only released in March 2017. Where possible, the ILO has set out additional information available at June 2016 that may not have been fully considered by the assessment team and information on action now underway to further strengthen the ILO's work in particular areas, including future actions under consideration.

KPI / Micro Indicator		Comments and/or outline of next steps
		the SDG Global Indicator Framework and is involved in measuring other decent work-related indicators of that Framework. The Office will make a significant contribution to monitoring and measuring progress towards the relevant targets through these indicators and to building capacity of national statistical institutions for data gathering in relation to these and other decent work indicators.
MI 1.4: Financial Framework (e.g. division between core and non-core resources) supports mandate implementation		Agree --- ILO would like to provide two clarifications on the narrative pertaining to Elements 1 and 4 (page 47 of the report): *Element 1*-Financial and budgetary planning ensures that all priority areas have adequate funding in the short term or are at least given clear priority in cases where funding is very limited: The distribution of funding from the Regular Budget towards priority areas is established by the Governing Body (GB). The GB decides on what the priorities are within the Strategic Plan and then recommends a programme and budget to the International Labour Conference reflecting these priorities. Therefore, whilst the priorities may not match those of the MOPAN members, they do match those of ILO member States. *Element 4* - Funding windows or other incentives in place to encourage donors to provide more flexible/un-earmarked funding at global and country levels: The RBSA provides donors with a modality for contributing un-earmarked funding to the ILO in full compliance with the OECD–DAC guidelines, with reduced overhead charges and streamlined administration. RBSA resources enable the Office to allocate funds within the ILO's strategic framework when and where they are most needed in an independent, flexible and rapid manner, as a complement to other ILO resources. The ILO priorities for RBSA allocation are low and lower-middle income countries as well as fragile States
KPI 2: Structures and mechanisms in place and applied to support the implementation of global frameworks for cross-cutting issues		Partially agree --- The Strategic Plan 2018-2021 and the Programme and Budget proposals for 2018-2019 retain gender equality and non-discrimination, international labour standards and social dialogue as cross-cutting issues. A new 4th cross-cutting policy driver on a just transition to environmental sustainability is introduced, which has been conceived as a specific contribution to the implementation of the 2030 Agenda and the Paris Climate Change Agreement. This builds on the 2013 International Labour Conference's conclusions on development, decent work and green jobs and the ILO Guidelines for a just transition towards environmental sustainable economies and societies for all. As from 2016, the ILO's planning system at the national level requires the coding of the cross-cutting policy drivers in each country programme outcome against a system of markers aligned with the methodology applied across the UN, that is, "0" (no contribution), "1" (limited contribution), "2A" (significant contribution) or "2B" (targeted action). The ILO biennial Implementation Reports include information on the contribution of the ILO programme to advancing these cross-cutting issues.
a) Gender equality and the empowerment of women		Agree --- The Office reports to the GB on the biennial ILO Action Plan 2016-17 on gender equality. The **ILO Action Plan for Gender Equality** has indicators and business owners of the corresponding targets. It is linked

KPI / Micro Indicator		Comments and/or outline of next steps
		with and helping to strengthen organization-wide efforts, such as the cross-cutting policy driver on gender equality and non-discrimination. Training for staff on gender equality is being conducted during courses at the **ILO International Training Centre** including new staff orientation programmes, the evaluation manager certification programme and the South-South and Triangular Cooperation Academy. Specific "how to" webinars on gender-responsive development cooperation and gender-inclusive indicators are being conducted. Good practices and lessons learned are being disseminated during international events, such as the global meeting on the UN System-wide Action Plan for Gender Equality, comprised of 37 UN entities. ILO was just featured in a UN Women compilation of good practices including in mainstreaming evaluation processes.
b) Environmental Sustainability and Climate Change		Agree --- The Governing Body approved in March 2017 the addition of "a just transition to environmental sustainability" as a new fourth cross-cutting policy driver in the 2018-19 Programme and Budget. The integration of a just transition to environmental sustainability moves environmental considerations from a peripheral issue to a central dimension in all areas of the work of the Organization. It means that HQ departments and field offices will undertake actions in relation to a just transition to environmental sustainability and report against defined indicators.
c) Good governance (peaceful and inclusive societies for sustainable development, reduced inequality, provide access to justice for all and build effective, accountable and inclusive institutions at all levels)		Agree.
Performance Area: Operational Management _Assets and capacities organised behind strategic direction and intended results, to ensure relevance, agility and accountability_		
KPI 3: Operating model and human/financial resources support relevance and agility		
MI 3.1: Organisational structures and staffing ensure that human and financial resources are continuously aligned and adjusted to key functions		Agree --- ILO has invested intensely in strengthening the capacity to deliver high quality results in line with the organization's priorities and goals as set out in the Strategic Plan. This involves strengthening field offices' delivery of front-line services and deepening technical expertise. Beyond the increased technical capacity established in field offices during 2016-17 (equivalent to 17 additional positions), the ILO will in 2018-2019 biennium further increase this capacity by the equivalent of 26.5 technical positions (of which 10 will be in field duty stations). These increases are being made possible by savings realized through enhancing efficiency and effectiveness in the administrative areas, including as a result of the on-going Business Process Review.
MI 3.2: Resource mobilisation efforts consistent with the core mandate and strategic priorities		Partially agree --- The findings underpinning this score could be updated by referencing the March 2017 Governing Body report on the Development Cooperation Strategy (GB.329/POL/5). This shows an increase in voluntary funding mobilised (2015: USD 225 million, 2016: 242 million) and the renewal of all multi-annual partnerships. While it is clear that 'traditional' donors continue to play and important role, the

KPI / Micro Indicator		Comments and/or outline of next steps
		report shows an increase in 'Direct Trust Funds' (domestic funding) and a diversification with emerging donors. Private sector funding to the ILO as a category ranks 7th in terms of overall voluntary contributions. During 2008 - 2016, the Office has engaged in 284 Public-Private Partnerships. More recently, during January-May 2017, ILO has signed 25 PPPs (funded and in-kind) with a total budget of USD 11 million. Although, as the assessment notes, overall ODA has seen shifts to humanitarian and refugee-related work, contributions to the ILO have increased from 2015 to 2016. Quickly expanding ILO programmes in Turkey, Lebanon and Jordan further show the relevance of ILO's work in response to the Syria Refugee Crisis.
MI 3.3. Aid reallocation/programming decisions responsive to need and can be made at a decentralised level		Partially agree --- All resources available to the ILO are programmed within an integrated resource framework, with a view to achieving the results set for the Organization for the biennium. Within that context, and in accordance with the Financial Regulations and Rules, ILO managers have substantial flexibility in the use of resources to achieve results. For example, Regular Budget Technical Cooperation Resources (RBTC) – a fund with the purpose of providing direct support to ILO constituents - is allocated for 80% directly to country offices on the basis of priorities and needs as identified by regions themselves. These resources can be reprogrammed by managers in case of changing priorities. At the same time the ILO maintains a strict control of expenditure of RBTC funds, including six-monthly expected thresholds, to ensure effective redeployment of resources in cases of under-delivery. For RB and RBSA funding, the ILO has a Programme Allocation Change mechanism that allows for timely reprogramming of resources. For major expenditure types such as staff budgets, approval from PROGRAM and FINANCE is however required. As from 2016, the ILO has set a system, based on a quarterly analysis, for the rapid redeployment of unspent and unobligated staff resources in its Regular Budget to fund priority activities.
MI 3.4: HR systems and policies performance based and geared to the achievement of results		Agree --- Fostering a strong and responsive management and leadership culture requires continuous effort. Since 2014, when the ILO introduced a four-tiered leadership development framework, the Office has continued to comprehensively invest in management and leadership skills among current and future managers. Furthermore, a range of new initiatives were implemented in mid-2016 to foster stronger links between assessed performance and organizational improvements and results. Among these new initiatives was a new five-point Performance Management rating scale allowing for more granularity in performance assessment, and an awards initiative recognising individual ILO staff members and teams who have made an outstanding contribution to advancing the ILO's mandate, goals and values. In 2017, a new management tool for career development conversations is being introduced and an on-line library of available courses has been launched. The progress is encouraging and has demonstrated a positive spill over effect on compliance with the Performance Management Framework (PMF). Office wide compliance is currently 86% (May 2017). Within the scope of existing policies and procedures, the ILO continues to focus on reducing the lead time in recruitment to ensure efficient delivery and good use of resources.

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KPI 4: Operational systems are cost- and value-conscious and enable financial transparency/accountability		The ILO acknowledges the findings. Specifically on the finding which highlights "*delays in recruitment and contracting processes, particularly for short-term projects as well as slow procedures and payment delays hindering some activities*", the ILO would like to highlight that the Office has no authority to use regular budget resources nor contributions from other extra-budgetary donors to pre-finance activities. Therefore, delays in the receipt of donor funds inevitably delay project start-up. Increasing customized demands from donors, member States and oversight bodies requires the Office to ensure full transparency and value for money throughout project delivery. Processes in support of such demands require a certain level of administration which represents prudent business practice. The Office has recently established local procurement advisory committees and decentralised further authorities to the regions to introduce greater autonomy and accelerate certain processes. Additionally, the ILO's Development Cooperation Dashboard provides transparent public access to detailed information on voluntary contributions for the past 10 years.
MI 4.1: Transparent decision-making for resource allocation, consistent with strategic priorities		Partially agree --- The Programme and Budget proposals for 2018-19 reflect the continued commitment of the Organization to shifting resources from back office to front-line technical and analytical work that benefits directly ILO's constituents (equivalent to 26.5 new technical positions relative to 2016-17 in a zero real growth budget environment). In addition, ILO's efforts to increase flexibility and transparency in allocating resources to partners has led to the adoption of a procedure for "implementation agreements" in 2012, a procedure for "grants" in 2015 and a revised procedure for "seminars, workshops and events funded by the ILO" in 2016.
MI 4.2: Allocated resources disbursed as planned		Partially agree --- The ILO makes available its regular budget resources to every department and field office before the start of each biennium, including regular budget technical cooperation resources (RBTC). In the 2016-17 biennium, the Office has tightened the delivery targets for RB and RBTC. It has significantly improved its monitoring system and procedures for all sources of funding, including uncommitted staff-related funds, to facilitate the timely redeployment of resources to high priority activities in cases of under-delivery (see response under MI 3.3).
MI 4.3: Principles of results based budgeting applied		Partially agree --- All ILO offices and departments are required to prepare strategic budgets in line with the policy outcomes and to monitor the use of staff and non-staff costs in relation to country programme outcomes and global products. Work to improve the monitoring of expenditure against outcomes is ongoing and will be further strengthened in 2018-19.
MI 4.4: External audit or other external reviews certifies the meeting of international standards at all levels, including with respect to internal audit		Agree --- Periodic external quality assessments of the internal audit function as required by the Institute of Internal Auditors will continue.
MI 4.5: Issues or concerns raised by internal audit mechanisms (operational and financial risk		Agree --- The ILO has in place a tested system to respond to oversight recommendations, which is functioning well. Nonetheless, procedures will continue to evolve as necessary to further improve systems in place.

KPI / Micro Indicator		Comments and/or outline of next steps
management, internal audit, safeguards etc.) adequately addressed		
MI 4.6: Policies and procedures effectively prevent, detect, investigate and sanction cases of fraud, corruption and other financial irregularities		Agree --- In order to reinforce the message of its policy of zero tolerance towards fraud and other acts of misconduct, the ILO recently published an IGDS (International Governance Document System) providing a summary of disciplinary cases relating to acts of fraud and other acts of misconduct, and the respective outcomes.
Performance Area: Relationship Management *Engaging in inclusive partnerships to support relevance, to leverage effective solutions and to maximise results (in line with Busan Partnerships commitments)*		
KPI 5: Operational planning and intervention design tools support relevance and agility (within partnerships)		
MI 5.1: Interventions aligned with national /regional priorities and intended national/regional results		Agree --- The ILO Decent Work Country Programme Guidebook (DWCP), issued in August 2016, highlights the centrality of decent work in the 2030 Sustainable Development Agenda and provides guidance on DWCP alignment with national sustainable development plans and with the United Nations Assistance Frameworks at the country level. The Guidebook also puts greater emphasis on DWCP tripartite governance structures as a mechanism to ensure continued alignment with the priorities of the constituents throughout the DWCP cycle.
MI 5.2: Contextual analysis (shared where possible) applied to shape the intervention designs and implementation		Agree --- The 2016 DWCP Guidebook pays renewed attention to contextual analysis as the foundation of sound design and implementation. It provides detailed guidance in this respect, with greater focus on the ILO's normative function and its support to countries in the follow-up to comments of the Supervisory Bodies, on data as well as on a just transition to environmental sustainability. This is in line with the approach articulated in both the 2017 UNDAF guidance and its companion guidance on the Common Country Analysis, whose drafting the ILO has actively contributed to.
MI 5.3 Capacity analysis informs intervention design and implementation, and strategies to address any weaknesses are employed		Agree --- Taking into account the fact that evidence for this MI was unclear, ILO will revisit its guidance regarding capacity analysis. In so doing, the ILO will take into account the UNDAF-related Capacity Development guidance, developed at UNDG level as part of system-wide efforts to strengthen the outcome and measurement of capacity development by embedding it systematically in the design and implementation of country-level interventions
MI 5.4: Detailed risk (strategic, political, reputational, operational) management strategies ensure the identification, mitigation, monitoring and reporting of risks		Agree --- The ILO has undertaken a review of its Enterprise Risk Management Framework. Greater emphasis will be given to programmatic and resulting reputational risk to complement the success that has been achieved in managing risks in the administrative and operational sectors of the Office. Additional training and support materials are being prepared in this area. The ILO is exploring options for a risk assessment exercise linked to output/outcome work planning in autumn 2017. The ILO will develop a Risk Management intranet site to contain policy, guidance and tools on this topic.
MI 5.5: Intervention designs include the analysis of cross-cutting issues (as defined in KPI 2)		Partially Agree --- As from 2016, the ILO's planning system at the national level requires the coding of the cross-cutting policy drivers (see KPI 2) in each country programme outcome against a system of markers aligned with

KPI / Micro Indicator		Comments and/or outline of next steps
		the methodology applied across the UN, that is, "0" (no contribution), "1" (limited contribution), "2A" (significant contribution) or "2B" (targeted action).

The ILO biennial Implementation Report for 2016-2017 will include information on the contribution of the ILO programme to advancing these cross-cutting issues. Furthermore, as of 2018 the marker system used in the context of the biennial planning at the country level will be expanded to also cover the cross-cutting policy driver on a just transition to environmental sustainability. |
| MI 5.6: Intervention designs include detailed and realistic measures to ensure sustainability (as defined in KPI 12) | | Partially agree --- The 2016 ILO Decent Work Country Programme Guidebook establishes as a general programming principle the need to promote policy coherence and national ownership to improve sustainability of the DWCPs. ILO will monitor how measures to ensure sustainability are included in future DWCPs and are assessed through corresponding evaluations. |
| MI 5.7: Institutional procedures (including systems for engaging staff, procuring project inputs, disbursing payment, logistical arrangements etc.) positively support speed of implementation | | Agree --- The institutional procedures support the expectations of member States, extra-budgetary donors and oversight bodies. They are designed to ensure accountability, transparency and to protect member States, donors and the Office.

Through the ongoing Business Process Review study, a number of measures have been identified to improve the delivery of these procedures through, in particular, improved training and communication, and more rigorous planning.

Since the MOPAN assessment, the Enterprise Resource Planning system has been extended to facilitate electronic invoice processing to facilitate payments to suppliers and constituents. In addition, procurement thresholds for decentralized approvals have recently been revised to more closely align with other UN organizations. The ILO continues to review its business processes to foster agility and expedite implementation of project activities. |
KPI 6: Works in coherent partnerships directed at leveraging and/or ensuring relevance and catalytic use of resources		
MI 6.1: Planning, programming and approval procedures enable agility in partnerships when conditions change		Partially agree --- Please refer to responses under MI 3.3 and MI 4.2
MI 6.2: Partnerships based on an explicit statement of comparative advantage e.g. technical knowledge, convening power/partnerships, policy dialogue/advocacy		Agree --- The ILO is engaged in an increasing series of partnerships where its comparative advantage and mandate are well recognized, , notably in the UN context and around the SDGs. Examples include the Alliance 8.7 (on child and forced labour) and the Social Protection Inter-Agency Cooperation Board.
MI 6.3: Clear adherence to the commitment in the Busan Partnership for Effective Development		Agree --- ILO is committed to the GPEDC principles. A clear update in this regard is the March 2017 Governing Body paper, 'ILO Development Cooperation Strategy 2015–17: Report on progress.'

KPI / Micro Indicator		Comments and/or outline of next steps
Cooperation on the use of country systems		
MI 6.4: Strategies or designs identify synergies, to encourage leverage/catalytic use of resources and avoid fragmentation		Partially agree --- The 2016 ILO Decent Work Country Programme Guidebook requires a discussion on key synergies, collaboration and coordination arrangements with partners, especially in the context of the UNDAF, as an essential component of the implementation strategy. This is based on the premise that successful delivery needs to draw on country- level partnerships and appropriate funding plans. The procedures governing the allocation of RBSA, revised in 2016, are intended to foster a more strategic use of resources, leveraging funds within and outside the Office with a view to reducing fragmentation and achieving greater impact.
MI 6.5 Key business practices (planning, design, implementation, monitoring and reporting) coordinated with other relevant partners (donors, UN agencies, etc.) as appropriate.		Agree --- In addition to its active participation in joint planning and implementation at the country level, the ILO is very involved in regional and global coordination bodies, including the United Nations' Development Group. ILO recognizes that where it is a non-resident agency, there is scope to improve coherence and coordination, within the limits of available resources. Please see the March 2017 Governing Body paper: ILO and the United Nations Development System.
MI 6.6: Key information (analysis, budgeting, management, results etc.) shared with strategic/implementation partners on an ongoing basis		Agree --- In addition to the Development Cooperation Dashboard, ILO has started to share Regular Budget and core voluntary expenditure information with the OECD-DAC for reporting purposes, in line with efforts to increase transparency as regards the use of funds at country level. The ILO has also been publishing financial information through IATI.
MI 6.7: Clear standards and procedures for accountability to beneficiaries implemented		Partially agree --- It is acknowledged that some ILO interventions may lack an explicit statement on standards and procedures for accountability to beneficiary populations. However, principles of participation are featured in all programme design guidance and are reviewed during evaluations. This is also in line with the development cooperation manual's requirement for communication to stakeholders, including beneficiaries. An example relates to ILO's work on child labour, which uses specific guidance on: ▪ Access to information: provision of information about the interventions / project implementation to beneficiaries in accessible places, local language and friendly way; access to complete, relevant, timely and accurate information. ▪ Representation of the vulnerable: Identification the most vulnerable with relevant written records, mechanism and records that identified specific individuals as being legitimate representatives of the most vulnerable. ▪ Involvement of beneficiaries in making decisions: assessment of beneficiaries' needs, setting the objectives and strategies for interventions and designing of specific activities for children and adult family members, including development of Individual Plan of actions to be taken, monitoring and adapting / adjusting activities are agreed and undertaken with direct involvement of beneficiaries. ▪ Project staff performance: treating beneficiaries with respect, understanding beneficiaries' points of view by regular communication, modelling open, inclusive and respectful behaviour.
MI 6.8: Participation with national and other partners in mutual assessments		Agree.

KPI / Micro Indicator		Comments and/or outline of next steps
of progress in implementing agreed commitments		
MI 6.9: Deployment of knowledge base to support programming adjustments, policy dialogue and/or advocacy		Agree --- the ILO has strengthened the collaboration between the Research Department, Regional Economists and Country Offices. Through the Research Global Task Team, the Research Department is sharing data, information and knowledge, which in turn increase the capacity of the office to address research topics which are viewed as critical to members states. The main aim of the ILO's research agenda is to guide the ILO's policy advice at the global, regional and national levels.
Performance Area: Performance Management --- Systems geared to managing and accounting for development and humanitarian results and the use of performance information, including evaluation and lesson-learning		
KPI 7: Strong and transparent results focus, explicitly geared to function		
MI 7.1 Leadership ensures application of an organisation-wide RBM approach		Agree --- The ILO is committed to continuously improving its RBM approaches and systems. As part of ongoing efforts in this regard, the Office will set up an internal working group, involving the Strategic Programming and Management Department (PROGRAM), the Partnerships and Field Support Department (PARDEV) and the Evaluation Office (EVAL), to identify and implement further improvements.
MI 7.2. Corporate strategies, including country strategies, based on a sound RBM focus and logic		Partially agree --- At the corporate level, the ILO's Strategic Plan 2018-2021 sets the vision of a reinforced Organization with the capacity of delivering quality services to its constituents to realize social justice through the Decent Work Agenda. This vision translated into 10 policy outcomes focused on priority issues affecting the world of work, 3 enabling outcomes that set goals in terms of organizational effectiveness and efficiency and 4 cross-cutting policy drivers that apply to all areas of ILO work. All these elements form the ILO's strategic results framework described in the Programme and Budget proposals for 2018-2019. This document sets out global strategies to achieve the outcomes, including the most significant outputs contributing to them, as well as indicators and criteria for measuring levels of success. For accountability and learning purposes, the biennial Programme Implementation Report (PIR) refers to achievement and deviations from plan for the corresponding two years. The PIR 2014-2015, however, did also include a comparison of results against targets for the full six years cycle of the Strategic Policy Framework 2010-2015. The 2016 ILO Decent Work Country Programme Guidebook provides instructions to prepare country-level strategies based on RBM principles and clearly linked to the corporate principles and outcomes as defined in the Strategic Plan and the Programme and Budget. This constitutes a foundation to build on and to continue to improve RBM tools and practices in the ILO.
MI 7.3: Results targets based on a sound evidence base and logic		Partially agree --- At the corporate level, all indicators include baseline information and targets. The Programme Implementation Report 2014-2015 assesses results achieved against the targets set by indicator, providing also an explanation for cases of underachievement. The Programme and Budget proposals for 2018-19 incorporate an improved methodology for establishing baselines and targets for the policy outcome indicators. The baselines are derived from an informed estimation of the number of member States requesting ILO assistance in relation to

KPI / Micro Indicator		Comments and/or outline of next steps
		the scope and the qualitative dimensions of the change implicit in the indicator. Baseline data take into account priorities in Decent Work Country Programmes as well as formal requests for ILO assistance to follow up on decisions of the International Labour Conference, the Governing Body and the supervisory bodies. Political, institutional and financial considerations are factored into the target setting exercise.
MI 7.4: Monitoring systems generate high quality and useful performance data		Partially agree --- While information about progress on implementation at the corporate level is included the biennial Programme Implementation Report, monitoring of country-level results is ensured during the biennium through Office-wide work plans of the P&B outcomes. As regards the latter, six-monthly reports produced for the Senior Management's review since June 2016 have provided an important tool to track performance trends and inform decisions. Additionally, the 2016 DWCP Guidebook provides instructions and tools to ensure appropriate monitoring of work plans and progress towards country programme outcomes Monitoring and measuring results is also an essential component of the corporate training for effective programming that has been delivered in all regions during the period September 2015 – April 2017. Also, financial delivery of ILO development cooperation projects is now publicly available and can be monitored through the DC Dashboard.
MI 7.5: Performance data transparently applied in planning and decision-making		Partially agree --- At the corporate level, the Programme Implementation Report 2014-2015 included a section reviewing lessons learned, which fed into the implementation of the programme during 2016-2017 and into the preparation of the Programme and Budget proposals for 2018-2019. Performance data is captured through the Office-wide outcome-based work planning exercise, which in turn informs internal resource allocation decisions.
KPI 8: Evidence-based planning and programming applied		
MI 8.1: A corporate independent evaluation function exists		Agree with the finding that "the evaluation policy and practice in ILO is overall strong", which is consistent with two other recent independent assessments (JIU, IEE). We acknowledge the issues identified with the enabling environment such as systematic monitoring, reporting and use of evaluations as requiring further attention. The findings on quality and systems and need for more synthesis reviews are also noted.
MI 8.2: Consistent, independent evaluation of results (coverage)		Agree --- Follow-up on the findings of the MOPAN assessment related to Evaluation will be done in the context of follow-up the 2016 Independent external evaluation of the evaluation function (IEE). The Office will review reporting lines, incentive structures, and integration of existing work planning tools at the global and regional level as well as funding arrangement combining both regular and extra-budgetary resources with the aim to optimize evaluations, from more strategic coverage to enhanced use. The existing quality assurance mechanism for project evaluations will be expanded to include internal evaluations as part of ongoing efforts to enhance organization learning. Decentralized evaluations will be more clustered and the management response strengthened building on the existing i-eval discovery database complemented with a dynamic recommendation follow-up system. A revised evaluation policy will be presented to the Governing Body in November 2017, to be followed by a detailed evaluation strategy as of 2018 to give effect to the policy

KPI / Micro Indicator		Comments and/or outline of next steps
MI 8.3: Systems applied to ensure the quality of evaluations		Partially agree --- While quality improvement remains a consistent concern of any evaluation function the findings regarding quality of evaluation reports and evaluation systems are not supported by triangulated evidence nor the conclusions from other recent independent assessments of the evaluation function in the ILO. That some of these findings are considered as areas for improvement can be attributed to the tendency of the assessment to conflate monitoring, reporting and data quality issues with evaluation issues. This is difficult to reconcile with the role of an independent evaluation function and runs counter to OECD and UNEG standards.
MI 8.4: Mandatory demonstration of the evidence base to design new interventions		Partially agree --- the 2016 ILO Decent Work Country Programme Guidebook emphasizes the importance of using lessons learned and findings from previous DWCPs, including from country programme reviews, independent DWCP evaluations and, where relevant, project evaluations, to inform the country diagnostic and situation analysis. The Guidebook also underlines the need to assess the evaluability of country programme outcomes. The evaluability assessment is intended to support the Office and the national tripartite steering committee to report more comprehensively on DWCP achievements, and to improve their ability to generate lessons which can be fed back into the design and implementation of the subsequent DWCP. This builds upon work on using the evaluability assessment for DWCPs and projects above USD 5 million.
MI 8.5: Poorly performing interventions proactively identified, tracked and addressed		Agree --- The new knowledge sharing platform allows for easier identification of lessons learned, which could be used as a basis for tracking poorly performing interventions.
MI 8.6: Clear accountability system ensures responses and follow- up to and use of evaluation recommendations		Agree.
MI 8.7: Uptake of lessons learned and best practices from evaluations		Partially agree --- The ILO has a highly acclaimed repository of evaluation reports, lessons and good practices are distilled in a meticulous manner. The dissemination is done through the database and in addition through an evaluation newsletter and other communications.
Performance Area: Results --- Achievement of relevant, inclusive and sustainable contributions to humanitarian and development results in an efficient way		
KPI 9: Achievement of development and humanitarian objectives, results		
MI 9.1: Interventions assessed as having achieved their stated development and/or humanitarian objectives and attain expected results		Agree --- Since 2011, EVAL has undertaken meta-studies of independent project evaluations to provide feedback on the effectiveness and operational performance of technical cooperation. The two studies undertaken so far covering the period 2009-2012 showed that the ILO rated successful performance (4.6 on average on a scale of 6) in all areas of effectiveness, including advancing policies, generating and sharing knowledge, innovation, capacity development support and addressing gender issues. A similar meta study covering the period 2013-2016 is underway and expected to be completed by August 2017. Additionally, the six-monthly reports on progress on programme delivery produced for the Senior Management's review since June 2016 have provided for an improved mechanism to monitor performance trends and inform decisions thereon. Half-way through the biennium progress towards the achievement of country-level results is on track.

KPI / Micro Indicator		Comments and/or outline of next steps
MI 9.2 Interventions assessed as having realised the expected positive benefits for target group members		Agree---The meta-studies mentioned under 9.1.also show that technical cooperation has contributed to impact (at the beneficiaries' level). However since ILO's work is largely upstream focussed on policy outcomes that causal link can only be made based on the presumption that impact is likely. Impact studies undertaken by IPEC, Better Work and other large programmes show that the presumed causal link is present as reflected in attributable changes in the lives of sizable numbers of beneficiaries.
MI 9.3: Interventions assessed as having contributed to significant changes in national development policies and programs, or needed system reforms		Agree --- The Office is committed to continued improvements in performance information and data in this regard and will do so in the context of its Programme Implementation Report 2016-17.
MI 9.4: Interventions assessed as having helped improve gender equality and the empowerment of women		Agree --- An important driver here is the '**Women @ Work**' **centenary initiative** which for instance published on 8 March 2017 the first-ever account of global attitudes and perceptions of women and men regarding women and work based on the 2016 ILO - Gallup World Poll.

ILO's corporate and country strategies for 2016-17 incorporate gender equality and non-discrimination as a cross-cutting policy driver, which is essential to achieve ILO's constitutional objective and as such are an integral component of all policy outcomes. The strategic framework for 2018-19 puts further emphasis on these dimensions and will enable the Office to collect and report on improved performance data in this respect. |
| MI 9.5: Interventions assessed as having helped improve environmental sustainability/helped tackle the effects of climate change | | Disagree --- The Review has not sufficiently recognized elements that were in place by June 2016: an ILO Environmental Sustainability Policy (ESP) and an Environmental Management System (EMS). Concrete examples that should justify a better score in any future assessment:

Implementation of the ILO Environmental Sustainability Action Plan: Nearly 100 commitments contained in the Action Plan, consisting of new initiatives addressing environmental sustainability and climate change, policy advisory documents, tools and guides; and new training courses and material; Integration of environmental considerations in ILO programming manuals, including a new "How to Guide on Environmental Impact Assessment".

ILO environmental and social safeguards: In November 2016, the ILO Environmental Sustainability Committee decided the formulation of ILO environmental and social safeguards (ESS). The establishment of ESS will bring significant changes, making social and environmental considerations even more present in the programming processes. A task team has been established under the Committee to formulate ESS for adoption at the meeting of the Committee before the end of 2017.

ILO Programme and Budget 2018-19 and DWCPs: The inclusion of "a just transition to environmental sustainability" as a cross-cutting policy driver in the 2018-19 ILO Programme and Budget moves environmental considerations from a peripheral issue to a central dimension in all areas of the work of the Organization. In |

KPI / Micro Indicator		Comments and/or outline of next steps
		implementing the programme for 2018-19, the Office will undertake actions in relation to a just transition to environmental sustainability and report on progress and achievements against related dimensions specified in the indicators. Furthermore, a renewed attention to this issue is also devoted in the 2016 Decent Work Country Programme Guidebook.
		Global strategic partnerships: In March 2017 the ILO and the secretariat of the UN Framework Convention on Climate change (UNFCCC) signed an agreement to promote decent work and a just transition of the workforce towards sustainable economies and societies. The agreement follows the adoption and entry-into-force of the Paris Climate Change Agreement, the first-ever universal, legally binding global climate agreement that aims to deliver a climate stable future for every man, woman and child.
		The ILO has requested accreditation to the Green Climate Fund (GCF), as a means to leverage resources at scale to enable the organization to deliver support to its member States on climate change and decent work. In cooperation with national designated entities, the ILO is already in the process of submitting project proposals for funding through the GCF.
		A certification programme for ILO staff on green jobs. The training programme is delivered by the International Training Centre of the ILO in Turin. In the first edition of the course in 2016, 24 ILO officials have taken part, the 2017 edition is planned in the second half of the year.
		Lastly, the Director General's report to the 2017 International Labour Conference will focus on the Green Initiative: "Work in a changing climate".
MI 9.6: Interventions assessed as having helped improve good governance		Agree.
KPI 10: Relevance of interventions to needs and priorities of partner countries and beneficiaries		
MI 10.1: Interventions assessed as having responded to the needs/priorities of target groups		Agree.
MI 10.2: Interventions assessed as having helped contribute to the realisation of national development goals and objectives		Partially agree. --- At the Decent Work Country Programme level, all high-level evaluations include an analysis of relevance of the results achieved as compared to national needs and objectives. Ensuring alignment is one of the requisites to design a sound Decent Work Country Programme. In fact, consultations with ILO's constituency and other stakeholders are singled out in the 2016 ILO Decent Work Country Programme Guidebook as the first step in the country programming process. The Guidebook also states that independent DWCP evaluations should assess the extent of ILO contributions towards supporting national development within the Decent Work Agenda and in relation to the broader sustainable development agenda.
MI 10.3: Results assessed as having been delivered as part of a coherent response to an identified problem		Partially agree --- Coherence is a challenge, within the ILO and the wider UN family. However the score is contested given the recognition in other parts of the report that the Flagships do provide a clear way of ensuring improved coherence across the ILO programme, linking global and regional dimensions to country work.

KPI / Micro Indicator		Comments and/or outline of next steps
		Within the UN, the assessment appears to have given insufficient recognition to major efforts by the ILO to improve effectiveness in its partnerships. New or renewed agreements with for instance UNCTAD, UNOPS or UNHCR all provide for more coherent inter-agency work. The collaboration with the Global Compact on private sector engagement provides another example, as does the 2017 UNDAF Guidance, which was developed at UNDG level by an inter-agency task team co-lead by the ILO within the UNDG Programme Working Group. With the World Bank, the ILO/WB Road Map sets out an ambitious programme that fosters coherence. This is backed up by a new Memorandum of Understanding signed in November 2016 that provides for template agreements for collaboration at country-level.
KPI 11: Results delivered efficiently		
MI 11.1: Interventions assessed as resource/cost efficient		Partially agree --- The ILO is consistently moving from activity-based budgeting to results-based/output-based budgeting. At the corporate level a rigorous and systematic approach to efficiency improvements has been at the heart of the reform process since 2012. Notwithstanding a zero real growth budget environment, this has translated into the continued redeployment of resources from administrative and support functions to front-line analytical and technical services that directly deliver value to tripartite constituents, with front-line capacity having been increased by the equivalent of 66 new professional positions since 2014. At the project-level, value for money considerations are applied in design and implementation. Staff training and manuals have been upgraded to include these topics. The reports reference to '*some negative comments on the level of overheads and efficiency but also some reasonably positive comments*' is not sufficient basis for the current score. To note that the level of ILO overheads is set in accordance with the principles set out by the ILO Financial Regulations and is based on studies of the actual cost for programme support. The Regulations are clear that regular budget resources from assessed contributions can only be used for the purposes for which they are appropriated. As such, they cannot be used to subsidize work funded from voluntary contributions. Overheads are not considered as a 'competitive' element and ILO adheres to QCPR recommendations for full cost recovery. Certainly the ILO will make further efforts to have a data-driven approach to efficiency and resource use, which is one of the elements of the Business Process Review currently ongoing. For information on how ILO's interventions are evaluated on the 'efficiency' criterion, please see Decent work results and effectiveness of ILO technical cooperation: A meta-analysis of project evaluations, 2011-2012 , September 2013
MI 11.2: Implementation and results assessed as having been achieved on time (given the context, in the case of humanitarian programming)		Disagree --- ILO acknowledges this has been a matter of concern but would like to see acknowledgment of measures already taken to fast-track start-up and implementation of projects. This includes advance selection of project staff to reduce recruitment delays, shorter turn-around of internal approvals and opening of accounts as agreed under BPR initiatives, clear inception phases of projects that are aligned with donor payments etc. Frequently contribution agreements are signed with donors but actual receipt of contributions is delayed. As ILO has no authority to pre-finance extra-budgetary activities, this delays start-up of work.

KPI / Micro Indicator		Comments and/or outline of next steps
KPI 12: Sustainability of results		ILO agrees to the general MOPAN findings and acknowledges the challenges. At the same time there is increasing evidence that ILO programmes do lead to sustainable results. At the corporate level, sustainability considerations are built into the ILO programme from the outset. The design of and delivery on the outcome strategies found in the Programme and Budget draws on the combination of complementary and mutually reinforcing services (e.g. knowledge and analytical services, policy and technical advisory services, capacity development, alliances and partnerships, etc.) and inter-disciplinary and cross-Office working methods. The renewed commitment to a more rigorous and systematic use of theories of change in programme design at global and country levels is part of ongoing efforts to further steer the sustainability of ILO interventions. At the project level, more progress is still needed across the board building on some very positive experiences (Better Work Programme, ILO's Child Labour programme). Also, co-funding arrangements with governments, including for RBSA in middle-income countries, are increasingly used as part of the ILO's strategy to secure commitment and sustainability of ILO interventions in member States.
MI 12.1: Benefits assessed as continuing or likely to continue after project or program completion or there are effective measures to link the humanitarian relief operations, to recover, resilience eventually, to longer-term developmental results		Agree --- ILO acknowledges the need for increased sustainability. This has also been discussed by the Governing Body in March 2017 as a point for attention in the continued implementation of the ILO DC strategy 2015-2018 (§30 (a)): *"**Effectiveness**: The use of theory of change, results orientation and sustainability needs to be increased in the design of development cooperation operations, with closer involvement of constituents. Continued efforts to follow up on evaluation recommendations related to development cooperation are required."*
MI 12.2: Interventions/activities assessed as having built sufficient institutional and/or community capacity for sustainability, or have been absorbed by government		Agree --- The general intervention logic for ILO is to support the capacity development of the tripartite constituents to achieve their Decent Work commitments. The independent impact assessment of the Better Work programme provides a clear example of progress towards sustainable national arrangements, supported by national governments as well as funding from global brands and participating factories. Similarly, the ILO's Child Labour programme provides clear evidence of national commitments to the eradication of child labour thanks to initial ILO interventions which are now supported by domestic policies as well as financing, carried through by national institutions that sustain the national efforts to eradicate child labour.
MI 12.3. Interventions/activities assessed as having strengthened the enabling environment for development		Agree --- The ILO agrees and this is what underpins for instance the theories of change of each of the Flagships.