



THIRD ITEM ON THE AGENDA

**Annual evaluation report 2007–08**

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## I. Introduction

1. The evaluation function within the ILO provides a means for decision-makers to draw from impartial assessment of ILO programmes and operations to improve ILO impact and effectiveness. Towards this end, the evaluation function has been designed and managed to ensure sufficient independence from those responsible for implementation. It has been developed to comply with international standards of professionalism, to ensure transparency, and to serve the needs of users.
2. The purpose of this annual report is to summarize the activities and progress made between mid-2007 and mid-2008 by the ILO in implementing its evaluation strategy aimed at strengthening the function and quality of ILO evaluation. Its reference point is the 2005 evaluation policy approved by the Governing Body during its November meeting.<sup>1</sup>
3. This report provides an overview of evaluation activities and evaluation performance within the ILO, covering all types and levels of evaluations completed during 2007. It also reports on the follow-up to high-level evaluations presented to the Programme, Financial and Administration Committee (PFAC) in 2007. It presents the results of an external quality appraisal of independent project evaluations, and the findings of an internal assessment of evaluability<sup>2</sup> of a sample of projects and Decent Work Country Programmes (DWCPs). Finally, it summarizes work in progress, planned evaluations for 2008 and priority areas for action.

## II. Development of the evaluation function in 2007–08

### Strengthening independent evaluation

4. The ILO evaluation policy calls for independent evaluations of several types. High-level evaluations of major ILO policies or strategies and of the ILO's support to specific countries, particularly within the DWCP framework are carried out by the ILO evaluation unit, and led by an external evaluator. These are submitted to the Governing Body in summary form. Independent evaluations of extra-budgetary projects and programmes with at least \$500,000 in the budget are also to be conducted by the ILO regions and sectors (decentralized), with the central evaluation unit providing oversight and quality control. Finally, the Office engages in periodic independent thematic and joint evaluations with the UN and other organizational partners.
5. During the reporting period, the Evaluation Unit (EVAL) was able to meet its high-level independent evaluation schedule, with the exception of the summary of the independent evaluation of the ILO's strategy to improve the impact of standards, which was submitted during the 2008 reporting period. For high-level evaluations reviewed by the Governing Body, submissions were found acceptable but with calls for further improvement being expressed, particularly for evaluating impact and reporting follow-up action taken.

<sup>1</sup> GB.294/PFA/8/4.

<sup>2</sup> Evaluability refers to the degree to which programmes, projects and their components are defined and documented such that, once they are complete, they can be evaluated and demonstrate their effectiveness in achieving the established outcomes.

## **Harmonizing practices and quality standards for evaluation**

6. From mid-2007 to mid-2008, EVAL took further action to ensure a sufficient level of independence on decentralized evaluations by monitoring processes for managing and conducting the evaluation at critical points. It addressed specific quality constraints through targeted training and guidance and also took steps to ensure that the projects and programmes would be evaluable, with a sound results framework in place, adherence to the design, and documented progress through systematic data collection and analysis.
7. In addition to delivering training on monitoring and evaluation planning, EVAL launched an evaluability assessment. The findings highlight the current weak basis upon which to evaluate projects and programmes, particularly regarding DWCP performance planning, monitoring and reporting. An ex post external quality appraisal of 33 decentralized evaluations was also completed, the results of which are profiled in this report.
8. In late 2007, EVAL co-managed a joint UN Evaluation Group (UNEG) evaluation of the “One UN” pilot initiative, participating in two country missions (Uruguay and Mozambique) and preparation of case studies that reviewed the designs of the pilots and mechanisms put in place for implementing the reforms. The UNEG joint evaluation teams also identified and assessed the adequacy of process and substantive parameters that could guide an evaluation in the future.
9. As a result of this mission, the Office is supporting ILO staff in the “One UN” pilot countries to improve their results framework and information base for reporting progress. EVAL has drafted guidance to converge practices for monitoring and evaluation to be consistent and compatible with the United Nations Development Assistance Framework (UNDAF) procedures for monitoring and evaluation.

## **Improving the usefulness of evaluations: Follow-up, institutional learning and knowledge sharing**

10. The purpose of management response and follow-up mechanisms is to strengthen the usefulness of evaluation report findings, to increase stakeholder and management buy-in to the findings of the evaluation, and to ensure follow-up of agreed recommendations through formal processes.
11. An established practice of systematic management response and follow-up is an effective indicator of a well-implemented evaluation policy and of senior management commitment to results-based programming. The ILO has therefore used this as a key indicator of Office commitment to increasing the utility of evaluations in results-based management. In 2008, of the two high-level evaluations submitted to the Governing Body, reports on follow-up to evaluations were submitted to the Evaluation Advisory Committee (EAC) for review, with the result that 46 per cent of recommendations were found to have been satisfactorily acted upon, and 54 per cent partially addressed.
12. Progress on systems and practices to support the use of evaluation for organizational learning through improved knowledge management has been limited in part due to delays in finishing the electronic information system to underpin these processes and also due to unsystematic submission of evaluation information to EVAL. In 2008, these constraints are being addressed through the addition of a full-time evaluation knowledge and communication specialist to manage these systems and related services.

## Resourcing EVAL and the evaluation function

13. During the 2006–07 biennium, EVAL’s regular budget allocation covered the positions of director plus one professional, and 12 work-months of secretarial support. In non-staff resources, \$100,000 was allocated to cover the costs of external evaluation consultants linked to high-level evaluations. This budget was supplemented with programme support income (PSI), expenditures of which were \$332,766 and extra-budgetary funds, expenditures of which were \$445,172.
14. For the 2008–09 biennium, EVAL’s regular budget allocation increased by roughly two-thirds to cover the core positions of director plus two professionals, and a full-time secretary. A third professional is being financed through an initial PSI allocation. Non-staff RB and PSI resources are currently allocated at \$317,523 for the biennium.
15. EVAL continued to make use of extra-budgetary support through the “Decent Work Country Programmes and Results-based Management: Strengthening ILO Capacity” project. In addition to direct funding to EVAL from the Governments of the United Kingdom and the Netherlands during 2007, additional project resources were earmarked for evaluation capacity development to establish full-time evaluation positions in each of the ILO’s five regional offices. Currently, Asia, Europe and the Arab States have established dedicated evaluation officers through to the end of 2009.

### III. Quality improvements of independent evaluations, self-evaluation and evaluability: Performance information

#### Overview of independent project evaluations completed in 2007<sup>3</sup>

16. Since 2005, the ILO has monitored and reported on the number, distribution and quality of independent project evaluations completed each year. In 2007, a total of 42 independent project evaluations were reported to EVAL, of which 35 per cent were interim and 65 per cent were final evaluations. This constitutes a 24 per cent decline over the previous year and a 35 per cent decline from the 65 reported in 2005. In terms of distribution, half were of projects pertaining to rights and standards, of which the vast majority pertained to national support to eradicate child labour. Geographically, Asia constituted the largest share of independent evaluation work, the majority of which was focused on employment.
17. The decline in the number of independent evaluations conducted does not coincide with a drop in the number of projects for which an independent evaluation is required. Other reasons need to be found. An IRIS data review in 2007 of project budgets in excess of \$500,000 showed that of the non-IPEC projects, less than 5 per cent had funds reserved explicitly for independent evaluations. This is in contrast to nearly all IPEC project budgets, which reserved such funds. In addition, between 2005 and 2008, the Office did not maintain a centralized schedule of planned project evaluations. Efforts by EVAL to re-establish this practice have been hindered by the slow roll-out of the “i-track” evaluation monitoring database system. This situation has improved with a knowledge management expert now in place to work full time on evaluation information systems and products. In

<sup>3</sup> The complete list of independent technical cooperation project evaluations can be found in the annex of the long version of the Annual evaluation report 2007, which is posted on EVAL’s public web site: <http://www.ilo.org/evaluation>.

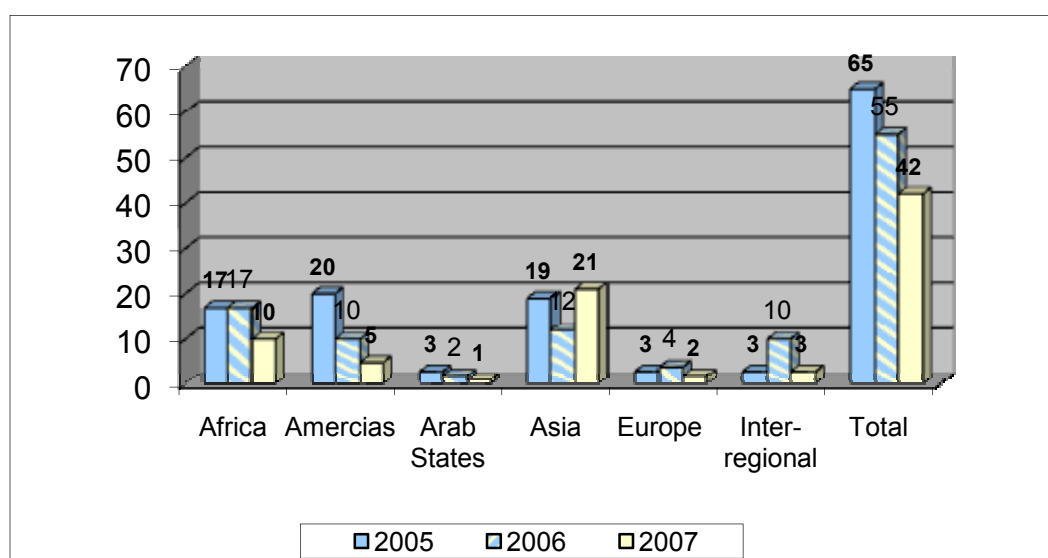
addition, beginning in 2008, EVAL now regularly monitors funds reserved for independent evaluation within technical cooperation budgets.

**Table 1. Number of independent evaluations conducted compared to number of projects subject to independent evaluations, 2005–07**

	Africa	Americas	Arab States	Asia	Europe	Interregional
No. of independent evaluations submitted to EVAL*	44	35	6	52	10	16
No. of project budgets in excess of \$500,000**	64	75	12	108	16	n/a

\*Some evaluations cover more than one project; does not include internal evaluations.  
\*\*Estimate based on IRIS data of active projects in which budget amounted to US\$500,000 or more (March, 2006).

**Figure 1. Independent project evaluations by region and year: 2005–07**



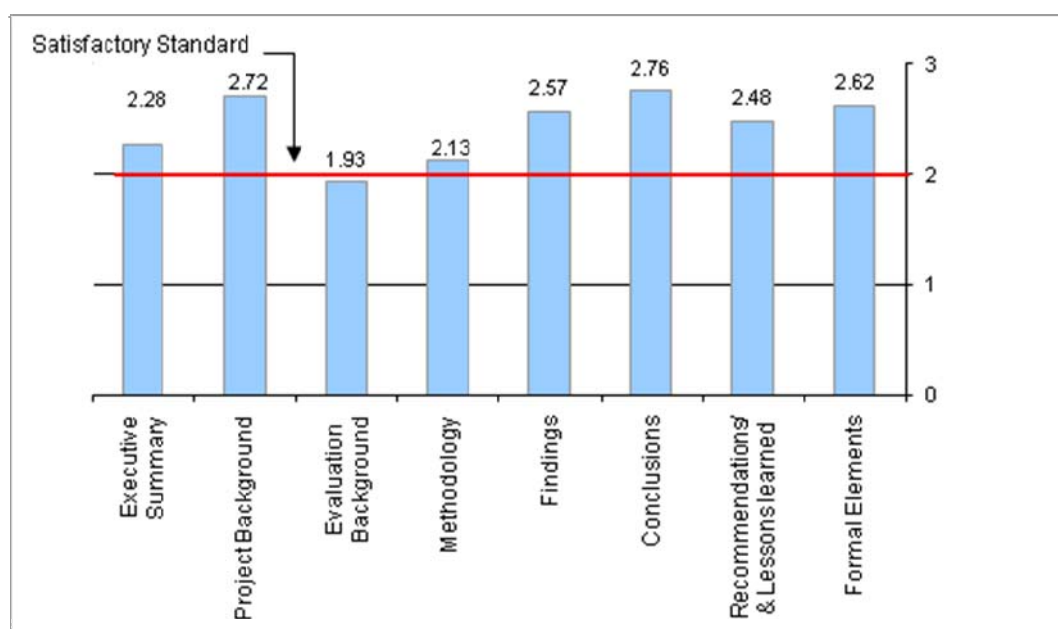
### Quality appraisal of independent project evaluation reports<sup>4</sup>

18. A summary of findings from an independent appraisal of the quality of evaluation reports from different technical cooperation projects was prepared in 2007 for internal use. The aim of this exercise is to promote discussion around strengthening the quality of future evaluations. The appraisal checklist contains 71 criteria, subcategorized into 11 subsections. These are drawn from evaluation norms and standards as laid out in two key guidance documents used by the ILO to promote international best practices in evaluation; the UN System Evaluation Norms and Standards, and the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Evaluation Quality Standards.

<sup>4</sup> A description in greater detail of the appraisal and its results with a complete list of independent technical cooperation project evaluations can be found in the annex of the long version of the Annual evaluation report 2007–08, available on the ILO's evaluation web site.

19. Based on a scale of 1 to 3, an average score of between 2.0 and 2.5 is ascribed as being of satisfactory standard for an independent evaluation. Of the 33 reports appraised, approximately 80 per cent received a score above 2.0. The satisfactory levels may be attributed to (a) high-quality findings, conclusions and project background sections; and (b) recommendations and executive summaries of satisfactory standard. The 2007 results indicate an improvement over 2006 when only 30 per cent of 31 appraised reports were considered of at least satisfactory standard.
20. The evidence presented in this report confirms that the findings, conclusions and project description subsections are of high quality, owing to strong familiarity with organizational arrangements and strong knowledge of the ILO's mandate and role. However, the average scores could be rated upwards of 2.5 – a standard of high quality – if the evaluation background and methodology sections were to be improved. EVAL is expanding guidance and advisory support in this area to ensure proper design and documentation of methodologies to be used.

Figure 2. Average score of project evaluation reports by subsection, 2007



### Assessment of evaluability of projects and DWCPs

21. EVAL has conducted the first phase of an evaluability exercise, which has assessed monitoring plans for DWCPs and related projects, as well as a validation of results frameworks and appropriate indicators.<sup>5</sup> The main objective of the exercise is to examine the degree to which DWCPs and projects are defined such that, once they are complete, they can demonstrate their effectiveness in reaching established outcomes. By focusing on well-defined and reliable metrics that allow for improved results reporting, the assessments help increase the feasibility of effective evaluations. The assessments therefore act as both a *complement* to, and a *validation* of, the Office's quality assurance mechanisms that have been developed for DWCPs and TC projects. This first phase provided an opportunity to

<sup>5</sup> The assessment tool gave credit for the presence of outcome indicators that adhered to the SMART criteria: specific, measurable, attainable, relevant and time bound.

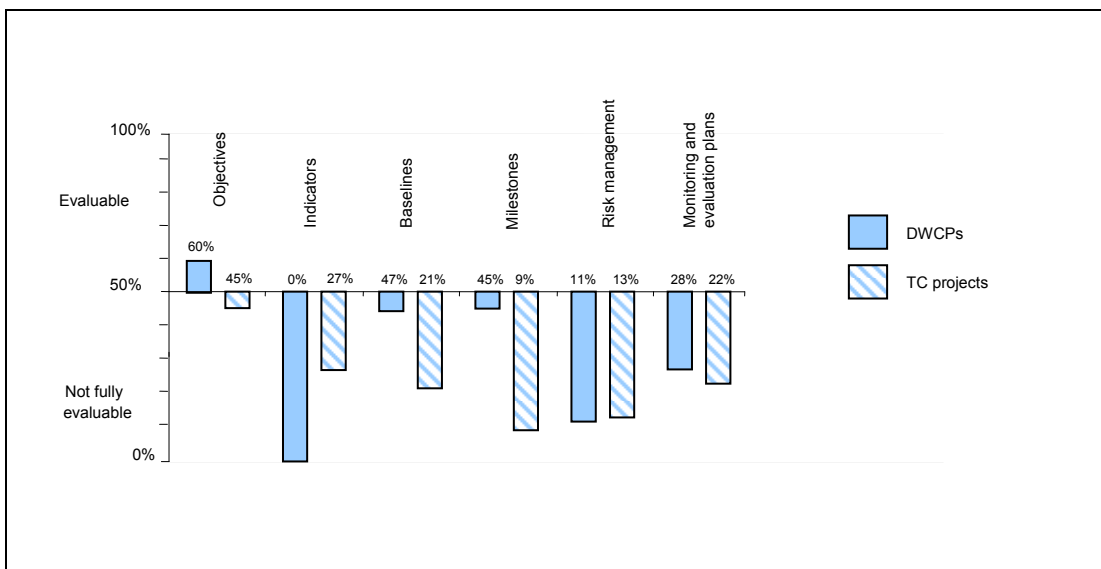
test and refine the evaluability technique by rating an initial sample of two DWCPs and six projects from two ILO regional offices.<sup>6</sup>

22. Findings and observations:

- While the DWCPs set out their priorities and outcomes in a satisfactory manner, none followed this by articulating a clear and complete set of indicators, together with appropriate baselines and milestones. From the perspective of the desk assessment, it was therefore difficult to see how these DWCPs would be able to effectively demonstrate progress towards achieving established outcomes.
- Variation in quality of results frameworks and indicators was notable among projects. Some paid reasonable attention to results-based planning, monitoring and reporting, but others gave these no consideration.
- The incomplete nature of monitoring plans at programme and project level suggests a limitation on managing for results. Monitoring plans often focused on recording progress towards outputs rather than outcomes.
- All projects reviewed fell under a DWCP umbrella, but most did not link their results to the attainment of wider country programme outcomes. This led to a narrow focus on project strategy and objectives.
- No DWCPs or projects adequately addressed the issue of risk management in the identification of objectives and indicators.

23. Figure 3 below quantifies the findings of this evaluability assessment as described above. Scores of 50 per cent or above are considered to be evaluable.

Figure 3. Summary score from first phase of evaluability assessment exercise



<sup>6</sup> Evaluability sample: 2006–09, Jordan DWCP (four projects); 2005–09, Pakistan DWCP (two projects). Assessments are pending for Honduras and Moldova DWCPs.

## Lessons learned from internal reviews of DWCPs

24. In 2007, the Evaluation Unit drafted guidance and proposed a set of methodologies by which to internally review implementation and progress being made within DWCPs. The reviews are designed as a management tool to support organizational learning. Under EVAL guidance, the Europe and Asia Regional Offices conducted five pilot internal review exercises to test the approach (Cambodia, Nepal, Pacific island countries, Moldova and Albania). The reviews gathered feedback from staff, constituents and UN partners regarding:
- the coherence and technical fit of the DWCP strategy vis-à-vis national development priorities;
  - adequacy of ILO capacity, coordination and communication in delivery of the DWCP;
  - degree to which the DWCP is managing for results, including sustainability strategies.
25. In addition, for each DWCP outcome, the reviews also considered the adequacy of resources, delivery of outputs, progress made against achieving joint outcomes, and shared risks and opportunities.
26. The pilot reviews uncovered some limitations with the methodology as well as a few flawed underlying assumptions. First, in several cases, constituents and UN partners were not adequately aware of what a DWCP entails and some had not seen the DWCP document. Familiarity was often limited to a specific project or technical area. A second limitation was their unfamiliarity with the review purpose and process, and the difficulty some had in objectively assessing implementation progress. In a few cases, there was some politicization of the exercise.
27. Overall, however, the reviews were found to be a useful means of raising constituent commitment to sharing responsibility for results, improving their know-how in the planning, implementation and evaluation of a DWCP, and jointly agreeing to focus on a few high-priority areas where collective effort could produce tangible results.
28. For future reviews, the evaluation function will make a concerted effort to regularly involve employers' and workers' specialists in the process, to keep the methodology simple and timely, to combine a participatory review approach with targeted training and to confirm the soundness of the results framework and monitoring plan as part of the exercise. Finally, actions will be taken to systematize joint follow-up to the findings and recommendations of the review.

## IV. Follow-up to recommendations of independent high-level and thematic evaluations

29. During the past year, the EAC has reviewed various options for determining its level of satisfaction with reported follow-up to recommendations, taking into account EVAL's independent assessment. It was agreed that the Committee would comment on those recommendations that required further EVAL action. The EAC also agreed that the report to the Governing Body should constitute a summary of issues raised during the discussion, noting whether the EAC was satisfied with progress being made. The following section therefore reports on the outcome of both EVAL and EAC monitoring of follow-up action

taken on the recommendations contained in the two high-level country programme evaluations presented and discussed by the PFAC in 2007.

### **Independent evaluation of the ILO's country programme of support to Ukraine: 2000–06**<sup>7</sup>

30. Regarding progress in implementing the 16 recommendations in the 2007–08 evaluation report, the Evaluation Unit considered that ten had been fully implemented and six partially implemented. EVAL will continue monitoring progress on these six over the coming year.
31. The EAC was satisfied with progress being made on follow-up to recommendations as reported by the Europe Regional Office, Budapest Subregional Office and the ILO National Coordinator in Kiev. However, the Committee emphasized the limitations within which the Office operated at country level. It noted that those recommendations dependent on constituent action were outside of the Office's direct control. The Office can continue to support the process; social partners and the Government will continue to be assisted. However, the main responsibility for follow-up of some recommendations lies with them.

### **Independent evaluation of the ILO country programme for Argentina: 2001–06**<sup>8</sup>

32. Of the eight recommendations in the 2007–08 evaluation report, EVAL assessed one as having been fully implemented and seven partially implemented. Although EVAL considers that the seven remaining recommendations are being properly addressed, these cannot be classified as fully implemented until follow-up activities are reported as completed by the Regional Office.
33. The EAC noted that satisfactory action is being taken by the Americas region. However, it requested that EVAL continue to monitor follow-up of the recommendations not fully implemented so far. The EAC also noted the positive cooperation between the regional and the country offices and EVAL in monitoring the implementation of these recommendations.

### **Independent evaluation of the ILO–Irish Aid Partnership II: 2004–07**

34. In 2007, the evaluation units of Irish Aid and the ILO jointly managed an independent evaluation of the second phase of their partnership programme. The thematic evaluation gave special focus to how the ILO was building sustainable capacity development of the strategic and implementing partners in mainstreaming disability and women's entrepreneurship.
35. The evaluation found that the activities supported through the partnership programme were relevant and consistent with the needs of the partner organizations. The evaluation also noted that country selection did not appear systematic based on clear criteria, nor did there

<sup>7</sup> GB.300/PFA/13/4(&Corr.).

<sup>8</sup> GB.300/PFA/13/3(Add.) The evaluation report including recommendations can be found on the ILO web site.

seem to be a systematic approach to capacity building required of the partners. To improve programme effectiveness and efficiency, the ILO should reinforce technical support in the field which appears to be inadequate. Additional recommendations for improvement are found in the full report.<sup>9</sup> The Office has satisfactorily reported on follow-up to specific recommendations, which EVAL has monitored.

## V. Work in progress and proposed evaluations

36. This chapter presents an overview of independent evaluations of all types being done in 2008 as well as the proposed agenda for independent evaluations in 2009.

### Work in progress for 2008

37. As part of the Evaluation Unit's workplan for 2008, table 2 below gives an overview of all the independent evaluations that are being carried out in 2008.

**Table 2. Type, topic and timing of independent evaluations in 2008**

Evaluation type	Topic of evaluation	Timing	Dissemination
Strategy	Independent evaluation of the ILO's strategy to support member States to improve the capacity to develop policies or programmes focused on the protection of migrant workers	Apr.–Sep. 2008	Summary submitted to PFAC Nov. 2008 Full report public (Internet)
Strategy	Independent evaluation of the ILO's strategy for increasing member State capacity to improve the impact of standards	Apr. 2007–May 2008	Summary submitted to PFAC Nov. 2008 Full report public (Internet) – postponed from Nov. 2007
Country programme	Independent evaluation of the ILO's country programme of support to Zambia	Feb.–Aug. 2008	Summary submitted to PFAC Nov. 2008 Full report public (Internet)
Country programme	Independent evaluation of the ILO's country programme of support to Jordan	Mar.–Sep. 2008	Summary submitted to PFAC Nov. 2008 Full report public (Internet)
Project (independent evaluations for projects above US\$500,000)	As every year, about 50 independent project evaluations will be carried out: the evaluation focal persons with the support and oversight of EVAL are currently monitoring the project portfolio and appraising evaluation processes and reports	Jan.–Dec. 2008	Full reports to donors, partners, national constituents, other stakeholders Summaries public (Internet)

### Proposed evaluations for 2009

38. The 2009 portfolio for high-level evaluations in the ILO has been developed with consideration of relative benefits in terms of organizational learning and strategy development, the feasibility of a credible evaluation being conducted, and the need for accountability for results within a broader development context (see table 3).

<sup>9</sup> The evaluation report including recommendations can be found on the ILO evaluation web site.

39. As a result of these factors, Indonesia and Honduras have been selected for country programme evaluations and the ILO's support to member States to develop policies or programmes focused on youth employment for a strategy evaluation. The latter will also consider ILO support for Millennium Development Goal 8 (Indicator 16) on youth employment.

**Table 3. Type, topic and timing of independent high-level evaluations planned for 2009**

Evaluation type	Topic of evaluation	Timing	Dissemination
Strategy	National capacity development of member States to develop policies or programmes focused on youth employment	Jan.–July 2009	Summary submitted to PFAC Nov. 2009 Full report public (Internet)
Country programme	ILO's country programme for Indonesia	Jan.–June 2009	Summary submitted to PFAC Nov. 2009 Full report public (Internet)
Country programme	ILO's country programme for Honduras	Jan.–June 2009	Summary submitted to PFAC Nov. 2009 Full report public (Internet)

## VI. Conclusion

### Priority areas for action and emerging issues

40. As emphasized by the PFAC in 2007, improving the usefulness of evaluations by demonstrating results, providing lessons learned to inform for future decisions, and ensuring follow-up is the real aim of the evaluation policy and strategy.
41. Within its core strategy components (improving evaluation quality, building capacities, upgrading knowledge management, and promoting effective use of evaluation), EVAL will expand measures to improve the quality and coverage of decentralized evaluations, through systematic use of ex ante evaluability checks, and ex post evaluation appraisals.
42. EVAL will also continue to technically backstop and train in areas such as logic models, the management and use of evaluation, and application of common evaluation methodologies. Particular attention will be paid to capacity building of the ILO constituents to enhance their evaluation know-how. As evaluation practices improve, EVAL will give greater attention to upgrading the methodologies used for evaluations. Greater attention will also be paid to participatory reviews of country programmes, and reinforcing constituents' efforts to develop their own monitoring and evaluation capacities.
43. To improve the usefulness of evaluations, the Office will upgrade its IT systems to better target and disseminate evaluation information, both publicly and to its main stakeholders – e.g. national constituents, UN partners, donors. It will continue efforts to systematize monitoring of evaluation follow-up and scale up the system to track follow-up to recommendations of decentralized evaluations.
44. Finally, EVAL will conduct a stocktaking exercise of the monitoring and evaluation requirements generated by donor funds and the Office's own mechanisms. The objective of this exercise will be to contribute to the streamlining of current practices by identifying challenges and ways of striking the right balances and actions needed in harmonizing activities to minimize the burden on national capacities while enhancing practices that can contribute significantly to improving the ILO's governance.

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## Addressing risks to the ILO evaluation function

45. Implementation of the evaluation strategy is not without risks and bottlenecks. Those factors needing particular attention are:

- high-level support for internalizing evaluation-linked management practices;
- significantly improved quality of the programme and budget and DWCP indicators and documentation of results being achieved;
- regional capacity to support decentralized evaluation for DWCPs and technical programmes and projects and themes;
- ILO adherence to UN norms and standards for evaluation to protect the credibility of its evaluation function.

46. *The Committee may wish to recommend that the Governing Body:*

- (i) request the Director-General to continue to strengthen the evaluation function in accordance with the findings of the report, taking into account the deliberations of the Committee; and*
- (ii) note its agreement with the implementation priorities for 2009.*

Geneva, 14 October 2008.

*Point for decision:* Paragraph 46.