



## Governing Body

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GB.319/PFA/2

**Programme, Financial and Administrative Section**  
*Programme, Financial and Administrative Segment*

**PFA**

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### SECOND ITEM ON THE AGENDA

## Steps towards a new Strategic Policy Framework

#### **Purpose of the document**

This document provides information and raises questions on possible steps to prepare an ILO medium-term strategic plan for the period after 2015. The Governing Body is invited to provide its views and guidance on the way forward.

**Relevant strategic objective:** All four strategic objectives and governance, support and management.

**Policy implications:** The guidance of the Governing Body will inform the preparation of the next Strategic Policy Framework.

**Legal implications:** None.

**Financial implications:** No direct implications.

**Decision required:** Subject to guidance from the Governing Body.

**Follow-up action required:** The Office will be required to take action based on the Governing Body's guidance.

**Author unit:** Strategic Programming and Management Department (PROGRAM).

**Related documents:** GB.319/PFA/9 – Matters relating to the Joint Inspection Unit (JIU): Reports of the JIU (paragraphs 23–25).

## What is a strategic plan?

1. A strategic plan sets out the overall direction for reaching a defined number of goals and objectives, as well as a monitoring and assessment framework to measure progress over time. A strategic plan takes account of the mandate and comparative advantage of an organization, lessons learned from past experience and expected resources.
2. A strategic plan can convey a vision of an end goal, such as ending extreme poverty by 2030 for the World Bank; ending hunger for the Food and Agriculture Organization of the United Nations (FAO); and the post-2015 development goals for the United Nations (UN).
3. A strategic plan is a planning tool that establishes the framework within which biennial programmes and budgets are defined and how progress is to be assessed. It also serves to guide the mobilization and allocation of resources towards the established priorities and the results to be achieved during the planning period.

## What has the ILO done in the past?

4. The ILO has experience with six-year medium-term strategic plans, such as those for the periods 1982–87 and 1990–95 (each were over 100 pages long). These were detailed plans and proposals covering all major programmes of the ILO, initially accompanied by provisional budgets.
5. As of 2002, with the adoption of results-based management and budgeting, the ILO introduced four-year results-based strategic plans – from then onwards called Strategic Policy Frameworks – covering the periods 2002–05 and 2006–09, respectively. Both of them comprised broad strategies and a results framework composed of outcomes and indicators, which evolved with each programme and budget document under each plan.
6. With the Strategic Policy Framework 2010–15, the ILO introduced a six-year results framework, designed to remain stable during three consecutive biennia. This results framework establishes a hierarchy flowing from the four ILO strategic objectives through a set of outcomes to indicators, against which targets are set. Guidance provided by the Governing Body and the experience gained by the Office hitherto have highlighted the key strengths and weaknesses of the results framework, which are summarized in table 1.

**Table 1. Key strengths and weaknesses of the ILO results framework set out in the Strategic Policy Framework 2010–15**

<b>Strengths</b>
Decent Work Agenda captured in 19 outcomes.
Stable results framework enabling comparison of ILO performance across biennia.
Improved performance measurement, based on indicators and measurement criteria applied Office-wide to steer planning, monitoring, reporting and evaluation.
Emphasis on integrated use of all resources available to achieve specified results.
<b>Weaknesses</b>
Limited flexibility to accommodate evolving needs without jeopardizing performance measurement.
Outcomes largely mirror the (previous) structure of the Office at headquarters and insufficiently reflect cross-thematic world of work issues.
Measurement of qualitative dimensions of results difficult and limited use of quantitative information.
Relatively sparse information on work that contributes to more than one outcome.
Weak alignment with the planning cycles of Decent Work Country Programmes, ILO technical cooperation projects and strategic plans of the United Nations, complicating consolidated planning and reporting within the Office and joint inter-agency work.

## What are other UN agencies, funds and programmes doing?

7. Most funds, programmes and agencies of the UN system have strategic plans that, for a given time frame, identify the goals and objectives to be reached, the strategies to be followed and the results framework for assessing performance and progress. The names and planning cycles of these plans vary across entities, as is illustrated in the selected examples set out in table 2. In most cases these plans provide the basis for resource allocation. The level of programmatic and resource detail varies.

**Table 2. Strategic planning instruments of other UN agencies, funds and programmes**

	<b>Strategic planning instrument</b>	<b>Cycle time frame</b>	<b>Priorities</b>
<b>FAO</b>	Medium-term Plan (199 pages)	2010–13	Three global goals, 11 strategic objectives, two functional objectives, eight core functions
<b>United Nations Development Programme (UNDP)</b>	Strategic Plan (35 pages)	2008–11 extended to 2013, to be followed by 2014–17	Four focus areas
<b>United Nations Environment Programme (UNEP)</b>	Medium-term Strategy (30 pages)	2010–13	Six cross-cutting thematic priorities, linked to 21 expected accomplishments
<b>United Nations Population Fund (UNFPA)</b>	Strategic Plan	2008–13	Three focus areas and 13 outcomes

	Strategic planning instrument	Cycle time frame	Priorities
World Bank	Corporate Scorecard	Yearly	Four-tier Scorecard: – development context; – country results supported by the Bank; – development outcomes and operational effectiveness; – organizational effectiveness and modernization
World Health Organization (WHO)	Medium-term Strategic Plan (102 pages)	2008–13	13 strategic objectives

## What should be the content of a future plan?

8. Any future strategic plan for the Organization should provide a focus to its action. It should be simple enough to be easily understood within and outside the Organization, conveying a straightforward message of the goals to be pursued, the intended direction and the strategies to achieve them. A plan should remain a living document, providing the overarching framework from which successive programme and budgets can be derived.
9. Hence a strategic plan should:
  - (a) propose an overall strategy for what the ILO plans to achieve over the planning period relative to its mission, mandate and comparative advantage;
  - (b) define the key results (expected outcomes) it seeks to achieve as well as the high-level strategies to achieve them, drawing on key lessons from past experience;
  - (c) calibrate the total resource framework required to achieve the strategic plan;
  - (d) propose performance measures to monitor and measure progress and achievements during the implementation of the strategic plan; and
  - (e) contain a brief analysis of major contextual policy and programme challenges facing the Organization.
10. The Governing Body discussion of the Programme and Budget for 2014–15, particularly in relation to the areas of critical importance for priority action, pointed to a broad consensus on the value of focusing resources on a limited number of Organization-wide outcomes rather than a longer list of specific dimensions of the Decent Work Agenda.

## What period should a strategic plan cover?

11. Currently, according to the information available, of a sample of 24 UN system organizations (including funds and programmes),<sup>1</sup> 12 have a four-year planning cycle, seven have a six-year cycle and the remaining have two-, three- or five-year cycles.
12. The UN General Assembly has called upon UN funds and programmes, and encouraged the specialized agencies, to carry out any changes required to align their planning and

<sup>1</sup> Joint Inspection Unit of the United Nations System: *Strategic Planning in the United Nations System*, Report prepared by Tadanori Inomata, Geneva, 2012, JIU/REP/2012/12.

budgeting cycles with the quadrennial comprehensive policy review (QCPR) cycle<sup>2</sup> (2009–12; 2013–16; and 2017–20). As of May 2012, the alignment of strategic plans with the QCPR cycle is mandatory for 14 funds and programmes, while four specialized agencies have decided to implement the QCPR on a voluntary basis (the FAO, the United Nations Educational, Scientific and Cultural Organization, the United Nations Industrial Development Organization and the WHO). The JIU has recommended the harmonization by the end of 2015 of the planning cycles of development organizations and entities with the QCPR cycle. Notwithstanding, four of the major funds and programmes (the United Nations Children’s Fund, the UNFPA, the UNDP and the World Food Programme) have decided to align their forthcoming four-year cycle to the 2014–17 period (to be followed by 2018–21).

13. Because its biennial programme and budget cycle starts in even-numbered years (as opposed to the QCPR cycle, which starts in odd-numbered years), the ILO could align itself only to a four- or six-year cycle starting in 2016, 2018 or 2020. This would bring it close to an alignment with the QCPR cycle.
14. The ILO could consider one of the following options:
  - (a) a four-year cycle for the period 2016–19, the end of which would correspond to the year of the ILO centenary;
  - (b) a six-year cycle for the period 2016–21, which would then allow it to consider subsequently a four-year cycle for the 2022–25 period; or
  - (c) pending the next QCPR in 2016, postpone until then the preparation of its next strategic plan, which would cover the period 2018–21.

## **How should a new strategic plan be prepared?**

15. A strategic plan is the corporate expression of what an organization wants to achieve. As such, it engages an organization wholly for the planning period. It follows logically that a strategic plan should be the subject of wide consultations and discussions in order to achieve a consensus on the way forward.
16. Several rounds of informal tripartite consultations with constituents could be conducted during 2014. The forthcoming regional meetings should be used for informal consultations, together with close consideration of the outcomes of recent Regional Meetings and sessions of the International Labour Conference. Informal consultations with ILO donors should be held as well. A series of internal Office consultations with staff in the regions and at headquarters would be organized using a combination of electronic and face-to-face means, coupled with consultations with selected UN organizations and other international institutions and technical experts.

## **Timetable for preparing a new strategic plan**

17. The current Strategic Policy Framework ends in December 2015. In March and June 2015, the Governing Body and the International Labour Conference, respectively, will discuss

<sup>2</sup> Resolution 67/226 of the UN General Assembly on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, adopted on 21 December 2012, para. 121.

and adopt a Programme and Budget for 2016–17, with a preview discussion by the Governing Body in October 2014. Should the Governing Body decide to accept one of the first two options presented in paragraph 14 above, a preview of a new strategic plan could be presented in October 2014, with a second discussion for endorsement of the plan to be held in March 2015, alongside the programme and budget proposal.<sup>3</sup> A possible timetable is set out in table 3.

**Table 3. Possible timetable for preparing a new strategic plan**

September–October 2013	January–March 2014	June 2014	September–November 2014	January 2015	March 2015
Informal exchange on preparations for a strategic plan; formal Governing Body discussion	Informal consultations on preliminary main components of a strategic plan; consultations with ILO donors	Small group informal consultations on revised key components document	Informal consultations on preview of strategic plan; and formal Governing Body discussion of preview of strategic plan and Programme and Budget proposals for 2016–17	Informal consultations if necessary	Formal Governing Body discussion of strategic plan and programme and budget for 2016–17
Consultations with ILO staff in the regions and at headquarters					
Consultations with partner institutions, donors and experts					

## Point for guidance

- 18.** The Governing Body is invited to provide its guidance on: (a) whether it is opportune to start preparations for a new strategic plan; (b) whether this future plan should follow a six-year or four-year cycle; (c) the suggested time line for preparing such a document to be adopted in March 2015; and (d) the consultations proposed to prepare such a document.

<sup>3</sup> In this process, linkages will be made with the relevant discussions taking place in the Governing Body, including with regard to the post-2015 sustainable development agenda (GB.319/INS/4) and the following matters arising out of the work of the 102nd Session of the International Labour Conference: Follow-up to the discussion of the Report of the Director-General (GB.319/INS/3/1); and follow-up to the resolution concerning sustainable development, decent work and green jobs (GB.319/INS/3/2).