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ILO FIELD OPERATIONS & STRUCTURE and TECHNICAL COOPERATION Review



Report
2013

Report of the
Field Review Team
to the Director-General

Report of the Field Review Team to the Director-General

ILO Field Operations & Structure and Technical Cooperation Review

The responsibility for the analyses and recommendations reflected in this report rests solely with the Field Review Team. The circulation of this report does not constitute an endorsement by the Director-General or the Senior Management Team of the views expressed by Team.

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Message from the Director General

I am pleased to share with you the Report of the ILO Field Operations and Structure and Technical Cooperation Review.

The Report is the result of a great deal of hard work by the Field Review Team which I set up in April 2013, as well as the contributions of a large number of ILO colleagues, constituents and development partners. Their combined efforts have produced a document which is of high quality and gives all of us a clearer insight into the way the ILO operates today and what can be done to enable us to perform even better in the future.

You may recall that the Review Team's Terms of Reference were:

- to propose an effective model for the delivery of quality services to ILO constituents;
- to identify options and make recommendations to the Director-General and the Senior Management Team.

There are a number of good reasons to share this Report with ILO staff and constituents.

Firstly, its publication is in line with the overall commitment to openness and transparency in our reform process and in the work of the ILO as a whole.

Secondly, the Report covers a wide variety of interconnected issues which touch on practically all parts of the reform. It will be useful for everybody to have access to the detailed analysis and information it contains as we move forward.

Thirdly, it is important that when so many people have contributed to the Report they are able to see how their inputs have influenced the review process. Not everybody will agree with everything in it but they can be sure that their views were heard and taken into account.

Fourthly, I believe that the Report reflects the rigour with which the Review Team has examined all relevant issues. It has not limited its work to a reconsideration of office structures, but rather has dug deep into our working methods, our resource allocation decisions and indeed the attitudes we bring to our work. I think it is this which distinguishes the current exercise from the previous reviews of ILO field work (and there have been several) and which gives us a real chance of addressing successfully the interaction between ILO staff and structures in Geneva and in the regions so that our Office can truly deliver as one.

This said, it is also important to underline the nature and status of the Report. Crucially, it is a report **to** the Director-General not a report **by** the Director-General.

That means that its content and recommendations are inputs to the important decisions that will soon have to be made but should not be taken to reflect the thinking of the Director-General.

Nevertheless, with the Report as a valuable resource, I will be announcing decisions on field operations and structures and technical cooperation in the first part of March. I will also establish a Task Force on Change Management to drive their timely and effective implementation.

With this, we will be taking another step forward in the change process which, as I have said repeatedly, makes major demands on us but is also vitally important to the future success of the ILO and our capacity to serve our constituents.

Finally, I thank André Bogui and the Field Review Team not just for this sound output but also for the spirit in which they conducted the exercise.

21st February 2014

Guy Ryder

Director-General

ILO Field Operations & Structure and Technical Cooperation Review

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Under the general direction of Gilbert Hounbo, Deputy Director-General for Field Operations and Partnerships (DDG/FOP), this report was prepared by a team headed by André Bogui and comprising Luca Bormioli, Belinda Chanda, Pierre de Lame, Christine Evans-Klock, Gerardina Gonzalez, Nicolas Grumbach, Michael Henriques, Jean-François Klein, Mohui Jiang, Chang-Hee Lee, Alexio Musindo, Giovanna Rossignotti, Jeannette Shalabi and Peter Van Rooij. The Team was assisted by Ms. Leillah Abdallah.

With respect to technical cooperation and resource mobilization, a small group led by Terje Tessem and comprising Raky Kane, Markus Pilgrim, Peter Rademaker, Dan Rees and Constance Thomas provided substantial analytical inputs and feedback to finalize the report.

The team would like to express its deepest appreciation to ILO tripartite constituents, donors, former ILO staff and other key stakeholders for their invaluable insights and feedback throughout the process.

Special thanks are due to the large number of ILO managers and staff at Headquarters, in field offices and at the Turin Centre who generously contributed their ideas, advice and experience throughout the process. This report would not have been possible without the support and commitment of so many talented colleagues who strongly believe in ILO principles and values.

We are extremely grateful to the DDG for Field Operations and Partnerships for his guidance and relentless encouragement and to the DDG for Policy and the DDG for Management and Reform for their constant support.

We wish to place on record our sincere gratitude to the Regional Directors and the Staff Union representatives for facilitating multiple meetings and interactions with managers and staff in the different regions. We also wish to thank our colleagues from the Bureau for Employers' Activities and the Bureau for Workers' Activities for their advice and support in our interactions with employers' and workers' representatives.

We are indebted to the Director-General for the unceasing trust extended to us and thank his Cabinet for providing us with all the necessary support.

It has been an honour and a privilege for each of us to be part of the Field Review Team.

Note to the Reader

“The overall purpose of the Field Operations & Structure and Technical Cooperation Review is to continue the reform process and to identify and develop proposals for *effective and efficient delivery of ILO operations* including technical cooperation, as well as for *field structures which will strengthen ILO presence* and enable the Office to provide *quality services to ILO constituents*.

The review is also aimed at a better relationship, understanding and cooperation between Headquarters and field units to ensure that the Office will act as “**One ILO**” with improved in-country work.”

The above quotes from the Terms of Reference set the parameters that have framed the work of the Field Review Team. The recommendations put forward in this report should be seen as interdependent building blocks of a service delivery model characterized by a distinct **country focus and integrated service delivery** aimed at enhancing the ILO’s capacity to deliver quality services at the country level. In that context, the overarching touchstones of the Team’s work, which in turn have shaped the rationale of the report, can be summarized as follows:

- **“Delivering as One ILO”** – This is primarily about methods of work and organizational culture. It is about making the best use of ILO human and financial resources to provide coherent solutions to the challenges confronting tripartite constituents. It is both a means and an end of the broader ILO reform agenda. The main implication is that the breadth of this review goes beyond issues related to the ILO’s field structure to cover management, financial, administrative and cultural issues affecting the operations of the Office as whole. Most of the proposed recommendations related to *business processes*, including the redefinition of roles and responsibilities within regions and between the regions and headquarters, are aimed at improvements in this area.
- **Closer to country needs and priorities** – The improvement of service delivery is premised on ILO understanding of needs, with a focus on country and constituents specifics in order for ILO action to have an impact. One of the major threads of the Team’s analysis has focused on ways to rebalance ILO resources to enhance capacity to deliver services at the country level. The recommendations put forward in relation to the *structure*, in particular changes to the geographical coverage of Area Offices, the consolidation of DWTs into fewer, larger teams, and in-country posting of technical specialists, are all meant to strengthen critical mass of technical expertise where it is most needed – that is, closer to needs.
- **Quality service delivery** – A constant effort throughout the review, including in the consultations and surveys with constituents and staff, has been made to define “quality service delivery”. This lies at the heart of the ILO’s ability to perform its mission effectively (doing the right thing) and efficiently (doing things right). Ultimately, all the proposed recommendations seek to achieve improvements in this area. In addition, a key foundation for improved service quality level in the field is linked to the proposed recommendations related to *culture and knowledge*.

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- **Staff as the ILO's main asset** – ILO staff have been a central element of the Team's work, both a source of informed insights into areas requiring improvement and as active agents of change in the field reform implementation. A large number of proposed recommendations related to *people* are aimed at strengthening capacity of ILO field staff to fulfil the role demanded from them. Special emphasis is placed on front-line managers, technical specialists and national staff in the field.

Executive Summary

The report presents the final recommendations of the Field Review Team to the Director-General. **The responsibility for the analyses and recommendations reflected in this report rests solely with the Team and the circulation of this report does not constitute an endorsement by the Director-General of the views expressed by Team.**

A very important input to the Team's work was the comprehensive and in many ways quite critical and consistent feedback received from surveys and consultations conducted with constituents and staff, as well as from qualitative interviews with selected key informants.

Feedback from constituents and staff

The ILO is considered to be a relevant organization in terms of its mandate and its importance to constituents and their organizations. The ILO is highly respected and relied upon by its constituents. The survey of constituents conducted in the course of this review found that 92% of respondents see the ILO as indispensable or important for their country while 60% rank the ILO as excellent as or more effective than other agencies.

However, ILO services are often not in tune with constituents' needs, are too supply driven and not up to the technical standard expected. Work at country level is perceived as fairly fragmented, inadequately linking with local expertise and major partners, including the UN and multilateral system. Roles and responsibilities at various levels of the Office are unanimously seen as unclear or inconsistently enforced. This creates confusion among staff and makes the Office hard to "read" for constituents. The uneven or inappropriate distribution of technical expertise in field offices, particularly in Decent Work Teams (DWTs), relative to constituents' demands is a concern. The ILO should do better at appointing, training and supporting managers, not least in the field. Addressing the current lack of geographic staff mobility is identified as a key pre-requisite for any successful field reform. Feedback also points to the need for technical cooperation (TC) to be more strategically aligned with constituents' priorities and the rest of ILO work, and for ILO research to be better connected to policy and field operations. Business processes are seen as heavy, bureaucratic, slow and require streamlining.

The proposed recommendations

The recommendations put forward have a high degree of mutual interdependence and each should be considered in the context of the overall "package" presented. This is particularly important when considering strategies for the sequencing and implementation of the various individual recommendations. The proposed recommendations aim at enhancing the ILO's capacity to deliver quality services with impact at country level. They are organized around eight (8) key areas for improvement, each falling under one out of four dimensions underpinning the proposed service delivery model – business processes, structure, culture and knowledge and people. With this overall caveat, each major area of recommendation is summarized briefly below.

1. *Rebalance ILO resources to enhance capacity to deliver services at country level*
Important gains can be achieved through improved distribution of ILO resources and stronger management of field staff. Specific proposals are presented in the following areas:

- Changes to the geographic coverage of Area Offices (AOs)¹ so as to achieve a more balanced work load and greater outreach. In addition, proposals are presented to

¹ The Field Review Team uses the term "Area Office" instead of "Country Office" as the majority of these ILO offices cover more than one country. This could be an option to consider. However, it must be noted that several organisations use the term "Country Office" regardless the number of countries covered.

enhance in-country representation in non-resident countries (NRCs) through National Coordinators, Liaison Officers, Chief Technical Advisors from TC projects and Technical Specialists.

- Consolidation of DWTs into fewer, larger teams. Options are presented to reduce the current 13 teams to between 8 and 11 teams. This should result in greater critical mass, more efficient planning and implementation of the work of technical specialists, greater opportunities for interdisciplinary work, a more stimulating work environment, as well as greater opportunities for incorporating applied research elements into the DWTs' overall work plans. **Regional technical specialists currently based in Regional Offices (ROs) should be immediately redeployed to DWTs.** Proposed recommendations also include increasing the number of field posts for technical specialists, transfer of HQ specialists (including TC staff) to DWTs and rotation scheme for technical specialists positions.
- These larger consolidated DWTs include **in-country posting of some technical specialists to address priority needs in selected countries.**
- One crucial enabling recommendation relates to staff mobility. There is a strong feeling among staff that **without a major push from the Senior Management Team (SMT) to enforce the ILO's mobility policy, the above recommendations and many that follow will not be successful.**

2. Strengthen ILO strategic management practices

The Team has identified a number of recommendations to make planning and management more strategic. The recommendations address issues at several levels:

- **A global typology should be developed under the leadership of DDG/FOP to group member States with similar needs for ILO support.** These groupings would form the basis for 5 to 10 year projections of how member States will be distributed and move between the groups, thus providing a dynamic map of present and future demand for ILO services. This methodology should be introduced immediately to inform the formulation of the next SPF, strategies for staff development and recruitment, mix and location of technical skills in the field, identification of research priorities and for cross-regional exchange of good practices.
- **At country level, the importance of the Decent Work Country Programmes (DWCPs) as the ILO programming framework should be reaffirmed,** while recognizing the need for flexible programming modalities for the different groups of countries defined by the above typology. This will imply a greater oversight role by the SMT on country programming, along with measures to improve the quality and the agility of DWCPs, including a lighter standard methodology for country policy diagnosis.
- A renewed institutionalized work planning process between AOs, DWTs, ROs and the Policy Portfolio is proposed.

3. Clarify roles and responsibilities

A consistent message from both staff and constituents has been the lack of clarity concerning division of roles and responsibilities among HQ, RO, AO and DWTs. The following recommendations are made in this area:

- DDG/FOP should launch and lead a global field strategy based on the country typology described under point 2 above. This will include the establishment of mechanisms and modalities to facilitate information exchange and learning between regions.
- **The role of Regional Offices should be concentrated on political and strategic leadership** as well as on regional relations functions, while management of some operational issues should be delegated to DWTs and AOs.

-
- **Regional Senior Management Team structures should be formalized** consisting of, at least, the Regional Director (RD), the senior regional economist and DWT Director(s).
 - **Matrix reporting should be introduced for DWTs** with a technical reporting relationship to DDG/P and direct reporting to the RD on political, strategic and administrative issues.
 - **The lead role of AO Directors should be reconfirmed for all country level activities and backed up by a delegation of authority and control over funds to this level.**
 - As a general rule, TC projects should be administrated at the field level.
 - As part of current efforts towards One ILO, the role of the Turin Centre in the ILO's capacity development and learning framework should be clarified and reinforced with a view to enhancing the complementarity and synergy amongst HQ units, field offices and the Centre itself.
 - It would also be opportune to review the role and cost-effectiveness of CINTERFOR in knowledge-sharing and research as part of current efforts to deliver as One ILO.

4. *Strengthen front line management capacity*

Weak management capacity at field level was identified as a significant constraint to improved performance of ILO operations in the field. The Team's own analysis echoed these concerns. A range of recommendations are made to substantially raise the management capacity of directors of DWTs and AOs – both these positions are considered crucial determinants of ILO ability to provide quality services at country level:

- **Introduce and enforce more stringent selection criteria for these key positions. Establish rosters for both positions with the aim of facilitating career planning.**
- Urgently develop and implement new dedicated training and development programmes for AO Directors and DWT Directors.
- Establish information and knowledge management mechanisms (e.g. learning networks, Communities of Practice (CoPs), on-line help services) to provide real-time peer learning and foster learning opportunities.
- Explore grading (flexibility) and other incentives to attract and retain the right calibre of staff in these key positions, supported by a dynamic mobility policy.

5. *Strengthen technical capacity of field specialists*

Uneven technical capacity among field specialists was highlighted as a significant contributor to perceived poor technical quality of ILO services. The Team identified a number of underlying reasons, including the lack of systematic training and skills' upgrading of specialists, compounded by a frequent divide between HQ and field technical staff. Key recommendations include:

- Launch a **Global Team approach** to technical HQ-field coordination and technical staff development. This means HQ Policy Departments taking formal responsibility and being accountable for the technical skills' upgrading, support and career development of specialists within their technical area.
- Review matching of areas of work of individual specialists and post-reform HQ technical unit structure.
- Define and professionalize routines and workflows for technical specialists at both field and HQ levels to include identification, documentation, sharing and application of good practices and lessons learned, as well as global project collaboration to improve quality and peer support.
- HQ Policy Departments and DWTs to jointly develop families of tools, products and knowledge clusters for delivering services to member States in different typological groupings, in close coordination with DDG/FOP.
- Technical staff upgrading should include a strong focus on effective design, implementation and follow-up of capacity development programmes for constituents.

6. *Strengthen capacity of national staff*

National staff comprise the backbone of ILO operations in the field. A well-defined and sustained programme to develop and upgrade this category of staff is essential. Main recommendations include:

- Develop comprehensive orientation and training programmes for programme officers and national coordinators
- Develop global peer networks and Knowledge Management/Sharing (KM/S) infrastructure to allow these groups to network globally and access support and learning opportunities on-line.
- Review job profiles and grading of both groups and ensure access to career development opportunities.
- Facilitate access to appropriate language training opportunities.

7. *Adopt a sound strategic approach with respect to technical cooperation and resource mobilization*

Extra-Budgetary Technical Cooperation (XBTC) programmes accounts for well over half of ILO's resources in the field and are core to the Organization's ability to deliver quality services. The Team identified this as a crucial area for upgrading ILO's capacity to deliver coherent services. Main recommendations put forward in this regard include:

- Move towards larger integrated flagship programmes as part of a more strategic approach to building and sustaining the ILO's technical cooperation (TC) portfolio.
- Establish a clear authority at the level of DDG/FOP to inform priorities for voluntary funding and introduce mechanisms to enable "pooling" of regular budget (RB) and voluntary funding.
- **Remove barriers between RB and XB funded staff to ensure better coherence and quality of programmes and services through enhanced mobility.**
- Include TC projects and TC staff in overall KM/S strategy and initiatives.
- Review support cost arrangements.

8. *Implement overall information and knowledge management vision and strategy*

Information and knowledge management can be considered the foundation for improved service quality and greater levels of efficiency since it allows easier access to information and improvements in the identification, documentation, sharing and use of lessons learned and good practices across the organization.

- Develop and communicate overall KM/S vision and key initiatives.
- Launch the ILO Knowledge Gateway as planned in March 2014 and establish a global knowledge sharing platform building on the Asian experience.
- Establish CoPs and other infrastructure to enable the ACIs to work more effectively.
- Include KM/S components in all job descriptions (JDs) and in the performance management system.
- Establish clear guidelines for the information and knowledge to be captured and maintained by HQ Policy Departments, DWTs, field offices and TC projects.
- Establish work flows and routines for field and HQ specialists to incorporate KM/S elements.
- Establish the needed Information Technology (IT) infrastructure to support this new knowledge centric way of working.

List of Abbreviations

ACI	Areas of Critical Importance	LO	Liaison Office
ACT/EMP	Bureau for Employers' Activities	NC	National Coordinator
ACTRAV	Bureau for Workers' Activities	NO	National Officer
AO	Area Office	NRC	Non-Resident Country
CCA	Common Country Assessment	OBW	Outcome-based Work plan
CINTERFOR	Inter-American Centre for Knowledge Development in Vocational Training	ODA	Official Development Assistance
CoP	Community of Practice	P&B	Programme and Budget
CPOs	Country Programme Outcomes	PARDEV	Partnerships and Field Support Department
CTA	Chief Technical Advisor	PROGRAM	Strategic Programming and Management Department
DDG/FOP	Deputy Director General for Field Operations and Partnerships	PSI	Programme Support Income
DDG/MR	Deputy Director General for Management and Reform	RB	Regular Budget
DDG/P	Deputy Director General for Policy	RBM	Results-Based Management
DWCP	Decent Work Country Programme	RBSA	Regular Budget Supplementary Account
DWT	Decent Work Team	RO	Regional Office
EIIP	Employment Intensive Infrastructure Programme	SCORE	Sustainable Competitive and Responsible Enterprises
GB	Governing Body	SMT	Senior Management Team
GMT	Global Management Team	SOPs	Standards Operating Procedures
GS	General Service (staff category)	SPF	Strategic Policy Framework
HQ	Headquarters	SUC	Staff Union Committee
HRD	Human Resources Department	TACKLE	Tackling Child Labour Through Education
IGDS	Internal Governance Document System	TC	Technical Cooperation
ILS	International Labour Standards	TREE	Training for Rural Economic Empowerment (Programme)
IRIS	Integrated Resource Information System	UNCT	United Nations Country Team
JUR	Office of the Legal Adviser	UNDAF	United Nations Development Assistance Framework
KM/S	Knowledge Management/Sharing	XB/EB	Extra-budgetary
		XBTC	Extra-Budgetary Technical Cooperation

1. Introduction and Background

1.1 The Director-General's vision for the Overall Reform and the Field Review: Improved services to constituents

Since he took Office in October 2012, the Director-General has clearly articulated the need for the ILO to change and adapt to better respond to the needs of constituents in member States. Quality, relevant and useful services to constituents are key objectives that the reform process he has set in motion aims to achieve. The following quotes provide an illustration of the level of ambition underpinning the Director-General's vision in this respect:

"... The ILO has been criticized by some as being ill-adapted to the rapidly evolving realities which it must address. There is still widespread sentiment among constituents that the speed and extent of the evolution taking place in the globalized economy may be outpacing the ILO's capacity to change".

"To be the global market leader in the world of work, the ILO needs to know its constituents. ...Experience suggests the need for particular focus on the Geneva-field relationship: the ILO cannot allow any distance or dysfunction to grow up between the two".

"We need to work together as "One ILO", seize this opportunity to adapt our organization and make the best use of our talented people and financial resources - and the unique advantage of our tripartite structure and standards system. ... **We need to optimize the way we work across the ILO, between our headquarters and the field, to promote a consistently high quality of advice and support."**

The reforms already implemented and the ongoing reviews build on and further advance the follow-up to the 2008 ILO Declaration on Social Justice for a Fair Globalisation.

The Declaration calls for a better alignment of the technical capacities, staffing, structures, including the **field structure**, management and support services with the realities and needs of constituents. It emphasizes the orientation of ILO action to assist its tripartite constituents to meet the needs they have expressed **at country level based on full tripartite discussion**. The follow-up requests the Director-General to take all necessary steps "to ensure the means by which the Organization will assist the Members in the efforts under this Declaration" taking into account the need to ensure, among other things: coherence, coordination and collaboration within the Office; building and maintaining policy and operational capacity; efficient and effective use of resources, management practices and institutional structures.

The Field Operations & Structure and Technical Cooperation Review provides a unique opportunity to move forward in that direction, by strengthening the capacity of the ILO to fulfil the needs of constituents and meet the expectations they have placed in the Organization.

1.2 Key Objectives and Methodology of the Field Review

1.2.1 Objective of the Field Review

The Field Operations & Structure and Technical Cooperation Review is a central element in the ILO's overall reform process and is closely linked to other ongoing review projects. **The aim of this review is to: (1) propose an effective and efficient model for the delivery of quality services to ILO constituents that enables the Office to act as “One ILO”;** and (2) to identify options and make recommendations to the Director-General and the Senior Management Team (SMT) by end of December 2013. The Terms of reference of the review are appended as an Annex.

1.2.2 Methodology of the Field Review

On behalf of the Director-General and under the supervision of the Deputy Director-General for Field Operations and Partnerships (DDG/FOP), the review was carried out by a core team of fifteen (15) ILO staff, and another six (6) additional staff who focused specifically on technical cooperation and resource mobilization.

Since its inception in May 2013, the Field Review Team adopted a comprehensive approach in examining organizational, structural, managerial and capacity improvements necessary for an effective and efficient service delivery model. Key steps of the process included:

- An intensive desk review spanning reports of the Transition Team and of other reform teams, reports on previous field structure review exercises in the ILO, as well as in other UN agencies.
- Extensive consultations with (a) the tripartite constituents from ILO member States; (b) ILO managers and staff at headquarters and in the field; and (c) donors, development partners and other key stakeholders. The consultations involved face-to-face meetings, focus group discussions, telephone interviews and video conferences.
- A constituent survey and interviews with key informants jointly organised with a private consulting firm.
- A survey of ILO staff.
- Written inputs from individual staff and units at HQ and in the field.

As part of the methodology, the Field Review Team articulated the set of services delivered by the Office, and sought constituents' feedback on their experience with them and future needs. Constituents' priorities across technical areas of ILO work were not the subject of this exercise.

The Field Review Team benefited from the excellent support and guidance from a large number of ILO units, in particular the DDG/FOP Office and its departments, Regional Offices, ACT/EMP, ACTRAV and the Staff Union. Over 1,500 constituents and other stakeholders and more than 600 ILO managers and staff, including staff union representatives, from field offices and HQ units were consulted. The Field Review Team also built on the work done by other reform projects including mobility, rewards and recognition, policy, research, communications and the Staff Union-HRD survey for TC staff.

Qualitative individual or group interviews with tripartite constituents, staff, donors, UN agencies and other stakeholders focused on four dimensions, namely: (a) ILO's Business Process, (b) People including constituents and staff, (c) Culture and Knowledge and (d) Structures.

The process also acknowledged the specificities of the regions and the differentiated needs of ILO member States including least developed countries, middle-income countries and high-income countries.

The Field Review Team participated in several regional staff meetings (Africa, Arab States, Americas, Asia and Europe) involving line managers, technical specialists, programme officers, support staff and staff union representatives. It visited the five regional offices, as well as several Decent Work Teams (DWTs) and Country Offices (COs). Meetings were also organised with different categories of staff and staff union representatives to sound out preliminary findings.

1.2.3 Guiding principles

The work of the Field Review Team has been guided by the following guiding principles:

- **Cost neutrality** - The restructuring of ILO's field operations should be cost neutral taking into account a zero real growth budget. In line with previous field reviews, this review must also contribute to: (a) raise the productivity of existing assets; (b) focus on high priorities that are clearly in accordance with ILO's areas of comparative advantage; (c) leverage capacity both within and outside the organization by creating and nurturing networks with key partner institutions; (d) build partnerships for effective and efficient delivery and (e) build systems and processes that facilitate access to expertise wherever it may lie within the Office.
- **"Delivering as One ILO"** – Making the best use of ILO human and financial resources to provide coherent solutions to the challenges confronting tripartite constituents.
- **Closer to country needs and priorities** – The improvement of service delivery is premised on ILO understanding of what constituents need, with a focus on country specifics in order for ILO action to have an impact.
- **"One size does not fit all"** – The approach pursued takes into account the differentiated needs of member States.

1.3 Current Organization of ILO Field Structure

1.3.1 Overview of resource distribution

Staff resources

ILO has a total workforce of approximately 3,000 staff. Around two thirds of them are based in the field and one third at HQ²:

Table 1. Overview of ILO workforce

		RB	XBTC	Total
HQ	Professional Staff	528	147	675
	<i>Of which Technical specialists / CTAs</i>	224	125	349
	General Services	428	41	469
	Total HQ	956	188	1,144
Field	Professional Staff	262	195	457
	<i>Of which Technical specialists / CTAs</i>	152	181	333
	General Services	414	427	841
	National Officers	124	389	513
	<i>Of which Technical support</i>		359	359
	Total Field	800	1,011	1,811
Total		1,756	1,199	2,955

² Based on staffing figures as of 01.08.2013

While the overall ILO workforce distribution appears as being rather decentralized, closer analysis of the underlying numbers shows that technical positions funded by regular budget (RB) are in fact quite centralized in HQ Technical Departments. Out of the 790 **RB** staff in the international professional category about half occupy management positions, while around **376 are international technical specialists with 224 [60%] in HQ and 152 [40%] in the field**. This implies that ILO's current structure is quite management intensive and, secondly, that the RB funded technical expertise is relatively centralized at HQ.

Another implication of the above table is that ILO staffing is heavily dependent on extra-budgetary (XBTC) resources, particularly in the field. Staff on extra-budgetary positions represent about 41% of existing staff and 56% of field staff. In terms of staffing positions, ILO has a total of 1,132 P/NO³ staff, of which 731 are on extra-budgetary positions. Of these extra-budgetary positions, 20% are located at HQ. Of the 970 P/NO staff in the field, 60% are extra-budgetary positions.

ILO's field staff is located in regional offices, country and other offices and Decent Work Teams (DWTs). There are five regional offices with a total staff of approximately 308 staff. In addition some 899 staff are located in 49 Country and other Offices. The 13 DWTs, usually also serving as the ILO Office for a cluster of countries (as shown in Table 3 below), have a total of 604 staff. Again, the importance of XBTC funding should be noted. In ROs, COs and DWTs, extra-budgetary positions account for respectively around 38%, 71% and 53% of total positions in those offices, as shown in table 2.

Table 2. Staff distribution by type of office

Type of Office	# of office	RB Staff	EB ⁴ Staff	Total Staff
HQ	1	956	188	1,144
FIELD	66	800	1,011	1,811
RO (including DWT/Beirut)	5	190	118	308
DWT/CO	11	272	307	579
DWT (Bangkok)	1	25		25
CO	21	230	559	789
**Other Offices	28	83	27	110
Total	67	1,756	1,199	2,955

Table 3 provides a detailed overview of how the 152 RB technical specialists and the 665 EB technical specialists are distributed across DWTs, ROs and COs.

³ Break down of XBTC funded P/NO: Asia: 203; Africa: 208; Americas: 89; Arab States: 30; Europe: 32; HQ: 140.

⁴ Extra-budgetary

Table 3. Distribution of Technical Specialists by type of office

Region	Org Unit	Countries Covered (DWT)	RB Staff (P) Total	EB Staff		Grand Total
				(P/NO)	Total	
Africa	Regional Office		5	3/4	7	12
	DWT/CO-Cairo	8	7	12/17	29	36
	DWT/CO-Dakar	16	12	9/17	26	38
	DWT/CO-Pretoria	15	13	17/10	27	40
	DWT/CO-Yaounde	14	8	1/7	8	16
	DWTs Total	53	40	39/51	90	130
	Country Offices		1	24/72	96	97
	Africa Total		46	66/127	193	239
Americas	Regional Office		5	3/4	7	12
	DWT/CO-Lima	5	7	1/5	6	13
	DWT/CO-Port-of-Spain	21	8	/2	2	10
	DWT/CO-San Jose	10	8	13/27	40	48
	DWT/CO-Santiago	5	10	1/2	3	13
	DWTs Total	41	33	15/36	51	84
	Country and Other Offices		5	4/17	21	26
	Americas Total		43	23/62	85	128
Arab States - Regional Office/DWT Beirut		12	10	11/20	31	41
Asia	Regional Office		9	11/7	18	27
	DWT/CO-New Delhi	9	10	3/11	14	24
	DWT-Bangkok	21	18	/		18
	DWTs Total	30	28	3/11	14	42
	Country and Other Offices		4	50/118	168	172
	Asia Total		41	61/136	200	241
Europe	Regional Office			2/0	2	2
	DWT/CO-Budapest	16	7	3/4	7	14
	DWT/CO-Moscow	10	5	5/8	13	18
	DWTs Total	26	12	8/12	20	32
	Other Offices			7/2	9	9
	Europe Total		12	17/14	31	43
GRAND TOTAL			152	181/359	540	692

Again the strong reliance on EB staff stands out across all regions. It is worth noting that 19 specialists are based in regional offices (ROs) outside the DWT structure, while 10 are based in COs. The geographical coverage of DWT varies considerably ranging from five to 21 countries. The ratio of country coverage to DWT size also varies considerably: the number of countries per specialist goes from 2.6 (Port of Spain) to 0.5 (Santiago).

The above numbers, however, only provide a static picture of staff distribution and do not indicate the degree to which staff move, or rather do not move, between HQ and the field. Lack of staff mobility has been a major recurrent theme in the feedback received from both staff and constituents. It is considered to have a major negative impact on the ILO's service delivery. A point also highlighted by the report of the Mobility Team which concludes that the Office is aware of but has failed to address the key barriers to mobility. According to this report, *"...it seems that a relatively high degree of professional and geographic immobility remains, for example the 2012 transition team was informed that 61% of today's professional workforce (on the RB) has never been geographically mobile"*.

Non- Staff Resources⁵

ILO total 2012-13 expenditure as of 15 August 2013 for non-staff activities⁶ amounts to some US\$ 271 million, 63% of which is funded from XBTC resources. Of the non-staff activities in the field, some US\$ 127 million (or 80%) are funded by XBTC. This means that **non-staff activities in the field are largely dependent on XBTC**.

For non-staff activities, ILO spending on regular budget and associated sources of funds⁷ amounts to some US\$ 100 million, of which 33% has been spent in the field. XBTC non-staff activities expenditure amounts to some US\$ 87 million, of which 74% has been spent in the field.

Some preliminary conclusions:

- XBTC support is a very significant component of ILO overall technical service delivery capacity in the field.
- Field service delivery also has a strong reliance on national professionals (NO staff) and general service staff (GS) funded by XBTC.
- A large share of RB staffing and expenditure, remains at HQ level.

Inter-Regional comparisons

With respect to inter-regional variations, there are some significant differences in the way the regions distribute their resources among the various field structure components (i.e. Regional Office, Country Offices and DWTs).

The overall breakdown of expenditure (all sources of funds combined) between staff and non-staff resources does not vary greatly between regions⁸ :

- Staff expenditure varies between 48 and 61% of total budget;
- Non staff expenditure varies between 30 and 40% of total budget.

However, the allocation of these funds to RO, DWTs and COs varies significantly within the regions, as shown in table 4.

Table 4. Distribution of regional resources (in percentage)

%	Africa		Americas		Asia	
	Staff (w/m)	Non-staff activities (USD)	Staff (w/m)	Non-staff activities (USD)	Staff (w/m)	Non-staff activities (USD)
Regional Office	11%	6%	21%	19%	14%	15%
DWT	45%	38%	57%	58%	14%	7%
Country Office	44%	56%	22%	23%	73%	78%
	100%	100%	100%	100%	100%	100%

Proportion of staff work-months varies considerably.

⁵ 2012-13 expenditure as of August 15, 2013.

⁶ Non-staff activities are divided into two major categories: Non-Staff - Activities include costs related to Travel on missions, Seminars, External collaborators and sub-contracts, grants and contributions. Non-Staff - Overheads relate to operating costs (Rent, Utilities, Furniture and Fixtures, Supplies, Security, Communication, Insurance, Equipment...)

⁷ RB, RBTC, PSI, RBSA, etc.

⁸ For various reasons Europe and Arab States are special cases due to their unique structures e.g. Europe RO located at HQ; RO in Arab States combines the DWT and covers entire region without COs.

Some preliminary conclusions:

- **Asia:** most funds go to the RO and COs while DWTs are “starved”. DWTs get only 14% of staff costs whereas DWTs in Africa and Americas allocate more than thrice this and the difference is even starker for allocation of non-staff activities costs where the DWTs get only 7% while Africa and Americas get 50% and above.
- **Africa:** even split between DWTs and COs with relatively modest RO, 45% of overall staff goes to DWTs.
- **Americas:** very substantial resources are allocated to DWTs (57%) while COs get relatively low allocations (22%) with similar amounts going to the RO.
- These regional differences in resource allocation and staffing indicate that ILO service delivery model varies considerably between regions. For example, in Asia, DWT services are mainly “purchased” by COs while that is much less the case in other regions. Also in Asia, DWTs are, as a proportion of overall staffing in the region, about half the size of the other two regions. It is still too early to conclude which “operating model” works best.
- While regional variations in terms of strategy and resource allocation are not necessarily negative if they address underlying differences between regions, there is a need to clarify the rationale of these strategic or operational choices and to set up systems to understand and track the relative effectiveness of the various models.

2. ILO Environment and Feedback from Constituents, Staff and Key Informants

2.1 A Rapidly Changing, Challenging and Diversified Environment

The world is changing rapidly. The first Report of the Director-General to the International Labour Conference in June 2013 highlighted and examined the forces transforming the realities of the world of work⁹ and the required action the ILO should take to renew its capacity to deliver its mandate of social justice.

The current global challenges offer opportunities for the ILO to demonstrate the relevance of its mandate and to better position itself within the overall UN footprint to achieve its goal. The ongoing debates related to the Post-2015 Development Agenda and the G20 call “*to increase the momentum of the global recovery, generate higher growth and better jobs, while strengthening the foundations for long-term growth and avoiding policies that could cause the recovery to falter or promote growth at other countries’ expense*” have reaffirmed the global recognition of decent work as a development goal.

Development frameworks have evolved substantially over the past years. The Paris Declaration on Aid Effectiveness (2005), the Accra Agenda for Action (2008) and the outcome of the 4th High Level Forum on Aid Effectiveness in Busan (2011) constitute today the international aid and development effectiveness framework. The UN system, including the ILO, reaffirmed those principles in the 2008 Doha Declaration on Financing for Development.¹⁰ The push for UN system-wide coherence, country ownership, and results-focus all represent in some ways challenges and opportunities for a standards-based tripartite organization like the ILO.

Due to the financial crisis and euro zone turmoil, Official Development Assistance (ODA) has fallen by -6.0% in real terms since 2010, the year it reached its peak. Excluding 2007, which saw the end of exceptional debt relief operations, the fall in 2012 is the largest since 1997. In this context, the international community is witnessing new forms of cooperation where, among others, emerging economies, the private sector, and civil society have become dynamic actors in development cooperation. In many countries, **national budgets constitute the principal channels through which programmes relevant to the Decent Work Agenda are funded.**

In addition, geopolitical changes have enhanced the role the South is playing in international development. South-South and Triangular Cooperation (SSTC) based on the principle of solidarity has gained greater visibility and relevance.

In this changing and challenging environment, the needs of ILO constituents are also rapidly evolving, as is their demand for the services they expect to receive from the ILO. “...*the challenge will be to equip the ILO to deliver on its established mandate of promoting social justice against this background of deep and rapid transformation. ... **the manifest relevance of its mandate is no guarantee of the relevance of the ILO as an institution**; that it must secure by the quality, relevance, and usefulness of its work. ...*”¹¹

⁹ The impact of demographic change; the transition to environmental sustainability; the onward march of technology; the changing contours of poverty and prosperity; growing inequality and the challenge to social justice; rebalancing, convergence and recovery; and the changing character of production and employment.

¹⁰ GB.317/WP/SDG/1

¹¹ A vision statement by Guy Ryder, candidate for the post of Director-General.

2.2 ILO's Current Service Delivery: Key Highlights of Feedback from Constituents, Key Informants and Staff

ILO is relevant but ...

- Feedback received from constituents and staff¹², both through qualitative interviews and quantitative surveys, shows an extraordinary convergence of views on the current strengths of the organization. Its mission, mandate and values continue to form the bedrock of ILO relevance in today's world.
- Nearly the totality of the respondents of the constituents' survey (92%) see the ILO as either indispensable or important (but not indispensable) for **their organization**, and 2/3rd of them rate the ILO as extremely or very important for **their countries** in terms of affecting national policies, programmes or capacity building relating to employment and labour-related issues. In both cases, workers' organizations rate the ILO higher than the other groups. 60% of constituents' respondents rank the ILO as excellent as or more effective than other agencies.
- However, almost half of respondents (43%) state **the ILO understands only some or little of their organization's needs**.

...services are not in tune with constituents' needs.

- Across all groups, including staff, there is overwhelming **consensus on the need for a better alignment between ILO services and constituents' needs**. In turn, this is premised on a better understanding of needs, with a focus on country and constituent specifics. From the constituents' view point, **ILO services tend to be rather general, supply-driven, often not up to expectations relative to capacity already existing in countries**, ad-hoc and not consistently followed through. The need for diversified and more contextualized technical services for countries at different stages of development (within and across regions) also comes out prominently in feedback from staff.
- Overall respondents to the constituents' survey rank the ILO service portfolio as important, with no family of services ranking as fully meeting or exceeding requirement¹³. Knowledge generation and dissemination services fare best in importance and satisfaction, while policy dialogue and capacity development fare lowest. **Capacity development, in particular as regards training and learning, is also identified by ILO staff as one area requiring "bold change"**.

This is because ILO is not good at the "One" approach ...

- The widespread perception is that the ILO is doing too many things, in an uncoordinated and piece-meal manner, resulting by and large in a proliferation of small and often inconsistent interventions, whose target audience, relevance and impact are not clear.
- The need for a "One ILO" approach called for by constituents is echoed by staff, who however acknowledge not knowing how to do so.
- Likewise, most respondents and interviewees recognize that the ILO cannot make it alone. In principle there is agreement that more is needed in terms of partnering with agencies across the UN and multilateral system, **but also in terms of tapping into national expertise in countries (e.g. academia, think tanks, research and training institutions, expert networks)**. In practice, the main challenge appears to be the lack of a strategic approach that goes beyond individuals' initiatives.

¹² Unless otherwise specified, the term "staff" refers to staff across all the grade structure.

¹³ For the purposes of the constituents' survey, ILO service portfolio has been organized into a typology of 5 service families, each including more specific services. These service families are: Knowledge generation and dissemination; policy advice and technical services; policy dialogue; capacity development; advocacy, information and communication.

...but also because roles and responsibilities at different levels of the Office are unclear...

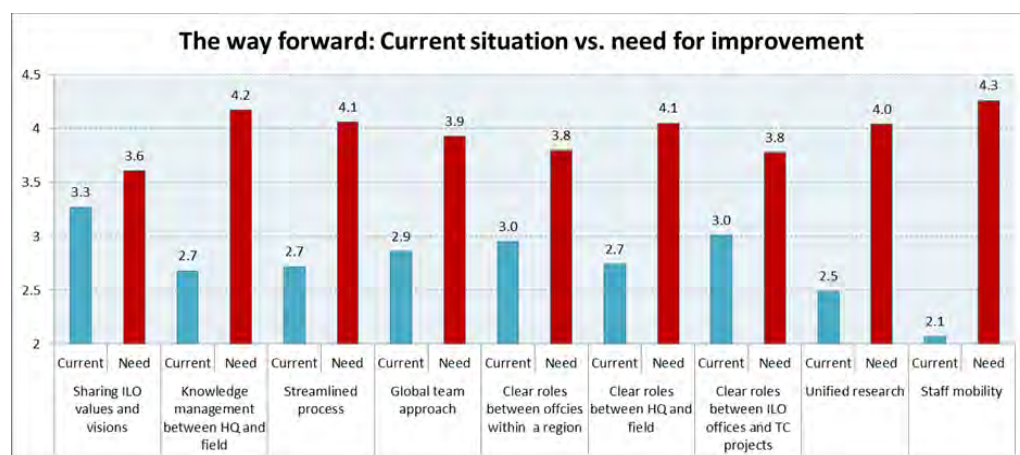
- Feedback is unanimous in seeing roles and responsibilities as unclear or inconsistently enforced. **Addressing this matter tends to be regarded as more important than addressing issues related to the ILO structure in the field.**
- For constituents, lack of clarity on roles and responsibilities results in difficulties to “read” the Office – that is, who does what and where to turn to for technical support – along with inconsistent and incoherent advice from different parts of the Office.
- For staff, the problem is one of confusion – both in the guiding texts (IGDS) and in their interpretation and application – resulting in overlapping functions, duplications, power struggles and the lack of a clear locus of accountability. This affects rules of engagement and working methods within regions, and between regions and HQ, with HQ often being perceived by regions in a “control” mode, rather than in a “support” mode.

...local capability is far too stretched ...

- Main concerns voiced in this respect relate to the uneven or inappropriate distribution of technical expertise in field offices, in particular DWTs, relative to technical services in demand by constituents and to the breadth of country coverage per office. An additional concern for staff is the lack of clear career plans enabling staff to acquire and upgrade skills throughout their career both at HQ and in the field. For some constituents (in particular workers), insufficient preparedness of staff, including technical cooperation staff, in respect of ILO core values, standards and messages is an issue.
- Views from all groups consistently indicate that the **ILO is not good at supporting, coaching and training managers and holding them accountable for results.** Feedback also emphasises the need to place more attention on management capabilities (over political considerations) in appointment of managers.

...staff mobility is long overdue...

- **Implementation of the staff mobility policy is unanimously considered by staff, both at HQ and in the field, as a key pre-requisite for any field reform to work.** This is echoed by constituents. HQ staff are by and large perceived by staff in the regions as lacking field experience. The findings of the staff survey as indicated by the graph below on “**improving our working methods for delivering as One ILO: current situation and areas for improvement**” indicate that an overwhelming majority of the staff think that the Office performs very poorly in staff mobility.



*On a scale from 1 to 5 for the “current situation”: 1 very poor, 2 poor, 3 average, 4 good, 5 very good. On a scale from 1 to 5 for “Need for improvement”: 1 not necessary, 2 somewhat necessary, 3 necessary, 4 very necessary, 5 extremely necessary/critical. Factors reported in same order as asked in the staff questionnaire.

...technical cooperation is perceived to be delinked from constituents' priorities and the rest of ILO work ...

- Feedback consistently stresses a number of recurrent shortcomings of ILO technical cooperation (TC) supported through extra-budgetary funding.
- For constituents, views range from questioning the very 'raison d'être' of ILO TC (in particular many key informants have indicated that the purpose of ILO doing TC is not clear today), to the modalities through which ILO TC is currently delivered. As regards the latter, some key reasons of non-satisfaction revolve around one or more of the following: supply-driven or top-down approach not aligned with country needs (i.e. TC is "imposed" by donors, developed in HQ, implemented without real involvement of government and the social partners); bureaucratic management (resulting in delays and poor communication with constituents throughout implementation); lack of transparency (in terms of accessing information, including evaluation findings); and inefficient and unclear approval mechanisms.
- These shortcomings and bottlenecks are largely echoed by staff, who in addition also mention the **weak integration of TC interventions (and TC staff) into the overall ILO programming cycle and country programmes.**

...and knowledge is poorly managed...

- Overall feedback consistently emphasizes a growing divide between ILO research and its ultimate use – that is, **ILO research has become disconnected from policy and field operations.**
- As regards constituents, feedback from the survey shows that, as mentioned earlier, knowledge generation and dissemination services fare best in importance and satisfaction, with statistics ranking at the top within this service family. However, interviews at the Conference and with key informants provide a more polarised picture. ILO research is depicted as too generic and not applicable in countries, not sufficiently equipping the ILO to tackle important emerging issues in the real world, not contributing to global policy making and too Eurocentric, among other things.
- For staff, research is seen by many regions as too heavily centralized in HQ, and often not directly connected to country policy processes. Other perceived problems include lack of or insufficient discussion/agreement/quality control between HQ and field on research topics, methods and outputs; lack of institutional mechanism for accessing and feeding back data, comparative information and experience; and absence of an Office system to monitor and evaluate how widely and effectively knowledge products are used within the Office and by external audiences.

...all of which is compounded by heavy and complex business processes.

- Constituents' views are quite unanimous in portraying the ILO as a heavy, bureaucratic and slow organization, **with low efficiency and low innovation, and result-based management not yet well entrenched in its operations.**
- This largely coincides with the feedback from staff, who call for more flexibility in terms of programming and closer involvement of field staff, in particular technical specialists, across the programming cycle, including through lighter modalities to develop DWCPs. Clarity on how the ACIs will be managed and resourced, and the role of field offices therein, is singled out as an issue warranting urgent attention. Feedback also stresses the need for flexibility, timeliness and increased transparency in resource allocations, including simplification and harmonization of processes and practices across various sources of funding.
- Feedback from staff, in particular from field managers, stresses the need to speed the implementation of IRIS at country level.

2.3 The Notion of Quality Service Delivery

A contributing factor to the difficulty in “delivering as One ILO” is the absence of a common understanding of what is meant by “quality service delivery.” An agreed definition would provide the Office with a common reference point against which it could, first, benchmark its current strengths and weaknesses and second, compare and contrast the advantages and disadvantages of various options for reforming field structures and business practices.

“Quality service delivery” has been a **touchstone** of the Field Review Team in the questions asked to constituents and staff through surveys and discussion groups. In asking what is going well now and what are the priorities for improvement, the objective has consistently been to define “effective and efficient service delivery”. For example, in the staff survey the Field Review Team offered the following draft definition:

- **Effective** refers to the quality of services in terms of their timing, relevance, and usefulness to constituents (external indicators of the use and impact of services).
- **Efficient** refers to the costs (human and financial) of delivering services as One ILO (internal indicators of service delivery and coherence).
- **Service delivery** refers to supporting constituents, within their different circumstances; achieve their policy objectives in accord with ILO values and mandates.

If this indeed constitutes a shared commitment of the Office, then a set of indicators could be used to compare and contrast reform proposals, and evaluate the impact of the changes eventually implemented over time. For example, the questionnaire for the constituents’ survey established criteria for evaluating the quality of services provided in terms of:

- **Technical competence** (up to date knowledge, accuracy)
- **Relevance** (ability to adapt services to recipients’ needs)
- **Sustainability** (fosters autonomy of service recipients)
- **Innovation** (generation of new ideas, techniques or solutions with practical applications)

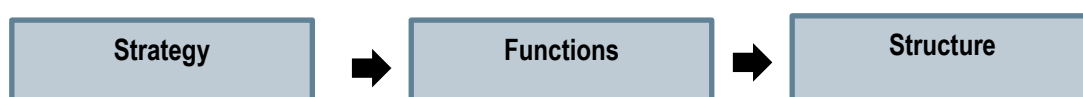
And for evaluating how well services were delivered in terms of:

- **Convenience** (ease of use, accessible, available)
- **Staff attitude** (empathy, fairness, honesty, openness to feedback, approachability)
- **Reliability** (fulfilment of commitments made)
- **Efficiency** (optimal use of resources)
- **Effectiveness** (service provision matches recipients’ needs - Results)
- **Timeliness** (service provision in time)
- **Communication** (transparent, tailored to audience in content, channels and timing)

3. Analysis and Major Recommendations

Unlike previous field structure review exercises, the analysis of the present field review has focused not only on structural issues (*where we are located*) but also on management, financial, administrative and cultural issues that affect **ILO operations in the field** (*what we do, how we do it, who does it*).

The figure below shows the organizing framework that the Field Review Team has used to steer its work towards the definition of a service delivery model that would best enable the ILO to deliver quality services to constituents.

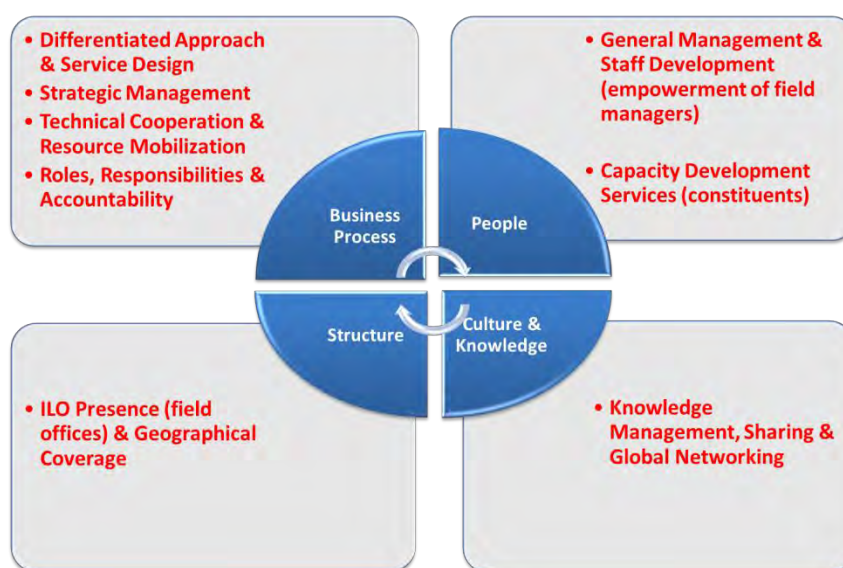


The logic is the following: the strategy towards such a model drives the functions to be performed by ILO staff, which in turn drives the choice of the enabling structure for performing such functions.

The strategy underpinning the proposal presented in the following sections of this report points to a service delivery model characterized by a distinct **country focus and integrated service delivery** with a view to enhancing ILO capacity to deliver services at the country level. This option relies on: (a) an improved ILO country presence and strong partnerships at country and regional levels to enhance ILO's capacity to assess and respond to country's priorities; (b) a cost-effective way to address differentiated needs related to a country's stage of development; (c) a global team of well-qualified experts (HQ and field) easily accessible and who work as a team to meet needs at the country level; and (d) a strategy building on the potential of national staff and national institutions.

The changes proposed in respect of both the functions – including clarification of roles and responsibilities among Area Offices, Decent Work Teams, Regional Offices and HQ units – and the structure flow from that strategy.

Against this backdrop, the report presents eight (8) key areas for improvement, each falling under one of the four dimensions that underpin the proposed model for service delivery (see following figure). Recommendations to the Director-General and the Senior Management Team are articulated around each of the 8 areas.



3.1 Differentiated Approach to Meeting Diverse Constituent Needs

The ILO's current field structure is based on a traditional regional structure. Five regional offices, under the overall direction of the DDG/FOP, lead the work of the Organization in the field. Many organizations, including the UN, are organized in this way. Notwithstanding the advantages of a region-based structure, it is important to recognize that the organizational logic of geographic proximity and cultural similarities may be sub-optimal since it can easily create "regional silos" and overlook the potential benefits of cross-regional programmes and services aimed at countries with similar development characteristics and demand for ILO services.

The Transition Team's report and much subsequent feedback from constituents, staff and key informants has emphasized that member States, and regions, are very diverse in terms of their needs for ILO support. The implication is that one strategically important aspect of improved service delivery and quality is the identification of major segments of member States with similar service requirements, whatever the region they may be located in. This in turn should reduce duplication of efforts and allow better design and targeting of services with constituents' needs – a major concern raised by constituents who often indicated that ILO tends to follow a "one-size-fits-all" approach.

While the Field Review Team does not suggest dismantling the existing regional structure, it does propose complementing it with a more global and cross-regional approach based on well-chosen differentiation criteria to identify groups of countries with similar needs for ILO support. Such an approach can, over time, significantly enhance relevance and efficiency of service delivery. The recent establishment of the DDG/FOP provides an important foundation for operationalizing such a new strategy.

Initial analysis of differentiated country service needs

One key question that immediately presents itself is what kinds of differentiation criteria would be most useful to underpin such a cross regional approach. The Team analyzed this issue through collection of data and inputs mentioned earlier from DWTs, COs and HQ technical departments, and also through feedback received from constituents.

The Team's initial assumption was that important differences could be identified by segmenting member States according to income levels, i.e. Low Income Countries (LICs), Middle Income Countries (MICs) and High Income Countries (HICs). Despite its obvious limitations, this segmentation did indeed provide some important insights into the diverse needs and opportunities related to ILO work with member States.

Some key findings of the Team's analysis are summarized in the following table – in reality the various indications should be seen as indicative points on a fairly fluid spectrum.

Table 5. Service Characteristics by Initial Country Segmentation

Issue	-----Segment -----		
	Low Income	Middle Income	High Income
Generic service type	- Capacity building - Basic institutional framework - Fundamental policy infrastructure - Training and Human Resource development	- Capacity consolidation - Examples from other countries – knowledge brokering - Supporting rapid growth and change	- Targeted, very specific questions - Comparative international experience - Specific practices and their effectiveness
Technical level	- Relatively standard tools on broader range of social and labour policies - Somewhat supply driven, use of tried and tested tools	Deeper research and data collection required	- Evidence based research crucial - Highly demand driven
Typical time frame	Long to medium term (3 years+)	Medium to short term (1-2 years)	Short term (< 1 year)
Location of expertise	- TC expertise often very significant - DWT	- DWT and Headquarters - Local expertise and help contextualize	- Primarily Headquarters - External expertise sometimes needed to fill gaps
Funding opportunities	- High likelihood to mobilize multilateral funding - Requires local presence to tap effectively - New SOP challenges	- Multilateral unlikely - Untapped potential for government and private sector funding - South-south funding	- Mainly RB or government funded - Exceptions: Crisis countries
Important sub-segments	- Crisis recovery: post war, natural disasters etc. - Hard to reach: small island, blind spots etc.	- Countries in political transition - Countries in economic transition without political transition - Degree of alignment between national policy paradigm and ILO values	- Oil rich countries - Countries hard hit by crisis - ILS and related emergencies requiring quick and agile responses (e.g. Bangladesh, Qatar)

Capacity building interventions and the creation of a basic institutional framework and policy infrastructure is key in Low Income Countries (LICs) and Middle Income Countries (MICs), with comparative international experience and practices becoming increasingly important as countries move towards the higher income brackets.

Whereas interventions in Low Income Countries often can rely on a portfolio of relatively tried and tested tools and approaches, Middle and High income countries increasingly rely on the ILO for very targeted, evidence based specific and value-added services.

Lower income countries generally demand longer term interventions than higher income ones. TC funding opportunities are substantial for lower income countries but decrease as countries move up to the MIC or High Income Countries (HIC) group. However, in some cases new funding opportunities emerge (i.e. south-south, government funding, private sector etc.). One implication is that there is significant untapped potential to use TC projects much more proactively for service delivery and even for ILO representation in lower income countries, provided there is adequate preparation and training of Chief Technical Advisers (CTAs) and other TC staff. In higher income countries, direct servicing from HQ in Geneva may be the preferred option since it tends to be short term and demand a high degree of cutting-edge research and comparative policy data.

While this initial analysis suggests the usefulness of a differentiated approach to constituent needs assessment, it is clear that differentiation by income level alone does not adequately capture many issues which are of central importance to ILO work. Identifying the most useful differentiation criteria is therefore an important and complex undertaking which should be given priority. The next section gives initial indications for this work.

Further refinement of differentiation criteria

Income level on its own is an inadequate segmentation criterion and other factors should be considered, including:

- Common challenges and issues, regardless of the levels of economic development, though types of services required for the countries with different levels of development may differ.
 - Issues related to Fundamental Principles and Rights at Work, particularly related to freedom of association and collective bargaining, and elimination of discrimination
 - Issues of inequalities and social exclusion
- Economic upheaval caused by the economic crisis (such as Southern European countries) or natural disasters
- Gaps between institutional capacity and high income status of countries (for example, gaps between HDI and GDP ranking, the Gulf States being a case in point in this respect), compounded by political governance gaps
- Presence of local capabilities at country level
- The degree to which countries' policy paradigm/priorities are aligned with ILO values and mandates, regardless of the level of economic development.

A range of other differentiation criteria such as those used by the most recent World Bank's World Development Report should be analyzed further in terms of their relevance for the ILO's mandate and issues:

- agrarian economies;
- urbanizing economies;
- aging economies;
- resource rich economies;
- small island nations.

Further work should be carried out to identify the most relevant differentiation criteria considering ILO values, mandate and service priorities.

A differentiated approach to work planning

A more differentiated approach should also be introduced to strengthen key elements of the Office's working methods, including short, medium and long term planning.

The Strategic Policy Framework (SPF)

Once suitable differentiation criteria have been identified, it will be possible to include in the introduction to the SPF a discussion of the five and ten year projections of how member States will be distributed according to the differentiation criteria. This will give a dynamic mapping of the likely changes in demand for ILO services over the ten year period and will be very helpful in supporting a more strategic allocation of resources, informing human resource planning and recruitment strategies, and guiding research agendas.

The preparations of the projections of member States' demand should be a regular and integral part of the ILO's planning cycle and could be prepared by a team led by DDG/FOP including PROGRAM and the Research Department, with close involvement of senior managers from the field (DWT directors) and HQ (DDG/P, department directors). This approach will be referred to in subsequent sections on Strategic Planning.

Short term planning: the case of ACIs

At the level of shorter term work planning, one good starting point would be for the ACI teams to consider their work falling under the ACI scope in terms of the differentiated needs of different groups of countries and develop coherent work plans and “products” on this basis.

To be effective, this should be based on an agreed framework to be developed by a dedicated taskforce and applied consistently across all ACIs. In terms of actual service delivery, systems of coordination should be developed to facilitate coherent delivery of ACI interventions in various groups of countries based on the differentiation criteria and the various ACI “products” and approaches developed for each group of countries.

Box 1. Recommendations

- ILO should develop a differentiated global framework for grouping member States based on their particular priority needs for ILO services.
- The framework should be underpinned by regular projections of how member States are likely to move between groups, thus providing a dynamic map of current and future demand for ILO services over a ten year period.
- The framework should inform ILO’s overall Strategic Policy Framework (SPF), the formulation of research agendas, allocation of resources, HR and recruitment strategies and the planning of field service delivery in the short, medium and long term
- The framework should also be the basis for development of more consistent families of tools, products and knowledge clusters for use in delivering services to countries in the different groupings.

3.2 Improved Management Systems and Working Methods

3.2.1 Strategic management

Strategic management is commonly defined as a continued process that works to fit an organization into its changing environment. It involves formulating and implementing strategies that will help align the organization and its environment to achieve organizational goals. It consists of managerial decisions and actions that determine the long term performance of an organization by enabling it to perform its mission *effectively (doing the right things at the right place in the right time)* and *efficiently (doing things right)*.

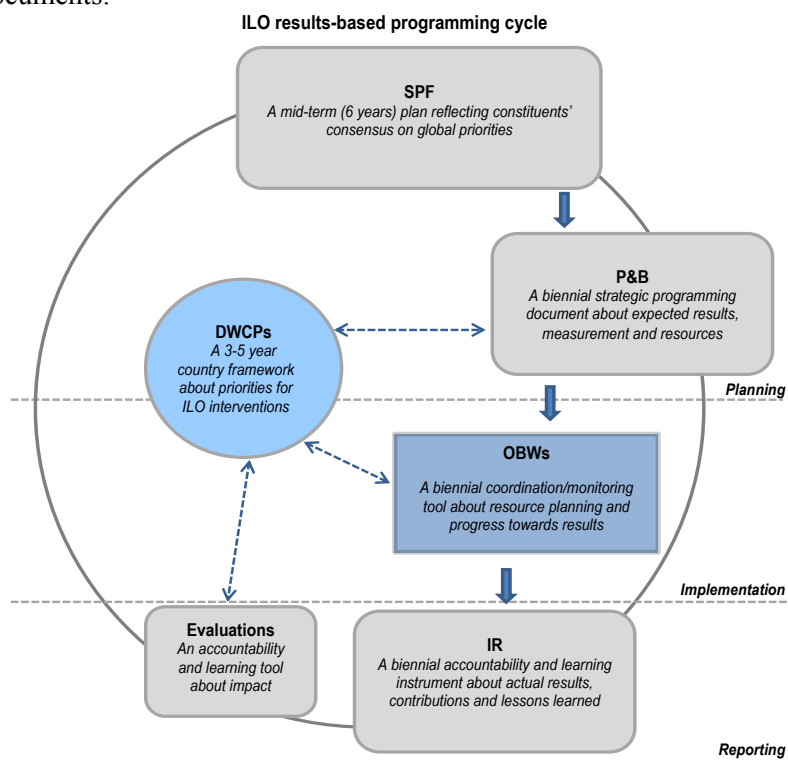
The ILO’s programming framework

Programming is the cycle of planning, allocating resources, implementation monitoring and reporting that the ILO uses to ensure that it meets the highest standards of performance and reports adequately on its achievements to member States. Programming in the ILO applies results-based management (RBM), defined as “*an approach to management that directs organizational processes, resources, products and services towards the achievement of measurable outcomes*”.¹⁴ RBM emphasizes flexibility, transparency and collaboration throughout the ILO’s programming cycle, from strategic planning to implementation and

¹⁴ Result-based Management in the ILO, Office Directive, IGDS Number 112 (Version 1), 25 August 2009

reporting. It underpins all the main ILO programming documents and processes, in particular:

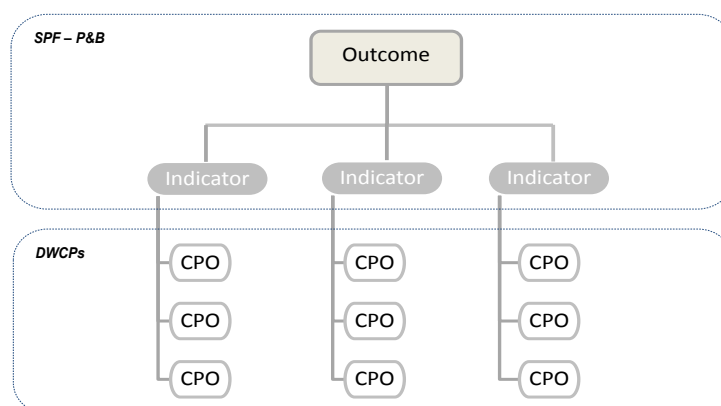
- The Strategic Policy Framework (SPF), the Programme and Budget (P&B) and the Programme Implementation Report (IR) – three key governance documents submitted to the Governing Body and (with the exception of the SPF) to the International Labour Conference.
- Decent Work Country Programmes (DWCPs) – which are country-specific and subject to evaluations, also submitted to the Governing Body;
- Outcome-based work plans (OBWs) – which are internal coordination/monitoring documents.



The use of RBM for programming defines goals and expected results at all level of the organization.

At the level of strategic planning, the SPF and the P&B are built around a results framework that articulates a hierarchy from outcomes to indicators against which (in the P&B) targets for the biennium are set. In turn, the P&B is built up from: (1) the outcomes found in DWCPs (or country programme outcomes, CPOs), which are linked to the strategic outcomes established in the SPF and P&B; and (2) global products such as research and policy outputs produced by the Office, which form part of the P&B outcome strategies.

Linking strategic outcomes and country programme outcomes



At the country level, DWCPs set the ILO's programming framework, based on the priorities agreed with tripartite constituents in each country. In August 2013, a total of 109 member States (or 58% of total ILO member States) counted with a finalized DWCP or were in process of developing one.

Table 6. Status of DWCPs by Region as of 30 August 2013

Region	Stage I: Preparatory phase (1)	Stage II: Draft DWCP document (2)	Stage III: DWCP final document (3)	Member States with finalized DWCP or in process of DWCP elaboration	
	On-going consultation with tripartite constituents	In drafting process and in consultation with tripartite constituents	Approved by the Regional Director	Total number	Percentage of member States as a share of total member States per region*
Africa	5	16	32	53	98%
Arab States	1	0	4	5	45%
Asia and the Pacific	1	10	10	21	63%
Americas	5	7	6	18	51%
Europe and Central Asia	1	4	7	12	24%
Total	13	37	59	109 (or 58% of total member States)	

* It should be noted that the percentages are higher if developed countries, which are unlikely to develop a DWCP, are excluded. Specifically: Asia and Pacific (without Australia, Japan, New Zealand and Singapore): 72%; Americas (without Canada and the United States): 54%; Europe and Central Asia (without the 28 EU countries): 54%

Evaluations have shown that DWCPs – when properly formulated, sufficiently resourced and managed adequately – have the potential to bring in significant changes at country level and to maximize the impact of ILO interventions on national policies.¹⁵

Views expressed by ILO constituents on many occasions, as well as feedback received from them and from staff in the course of this review, indicate that successful DWCPs have: (a) ensured a greater ownership by constituents and partners and thus have responded more adequately to their needs; (b) enhanced ILO visibility, profile and positioning in the country; (c) created opportunities for resources mobilization; and (d) facilitated a more integrated and coordinated approach in the delivery of services under interrelated outcomes. According to the staff survey, 86% of ILO staff consider the joint priority setting through the DWCP process as one of the important success factors of ILO action at the country level.

¹⁵ ILO, *Meta-analysis of lessons learned and good practices arising from nine DWCP evaluations*, EVAL, Sept 2011

OBWs are the key management tool the Office uses to translate strategic planning at the highest level of the organization into country operations. The process of preparing OBWs is an essential step in “operationalizing” the strategic outcomes by “countrifying” them. It helps the different technical units at HQ and field offices to prioritize target CPOs where efforts are concentrated in the biennium in order to achieve reportable results and to allocate resources accordingly. OBW reviews provide for the mechanism through which OBWs are prepared and monitored, based on communication and collaboration between all units concerned, at HQ and in the field.

Current challenges

A number of challenges currently constrain the ILO’s strategic management system. The following key issues have emerged from the various surveys and discussions with constituents and staff, as well as from the analysis conducted by the Field Review Team. Addressing these issues goes beyond the scope of this review and concern business practices and working methods of the Office at large. However, these issues have a direct bearing on the ILO’s service delivery model and would deserve to be acted upon in the context of the field reform. With that in mind, specific proposals for improvement are put forward in this section of the report.

Weak organizational focus resulting from a silo-oriented corporate results framework alongside evolving priorities

A major shortcoming of the results framework underpinning the ILO’s Strategic Policy Framework 2010-15 is its close alignment with the (pre-reform) administrative structure of the Office at HQ – that is, each outcome and to some extent many indicators correspond by and large to former technical departments and units. This has reinforced a silo approach to country programming and work planning, resulting in the proliferation of fragmented CPOs often established at the request of HQ units in order to “link” resources outside the priorities agreed at the country level. Not only has this defeated the purpose of strategic planning. It has also undermined the Office’s capacity to provide inter-disciplinary responses to the multi-dimensional country problems confronting tripartite constituents.

The ACIs established in the P&B 2014-15 are meant to help overcome this problem. Each ACI combines work under several strategic outcomes. At the operational level, ACIs draw on expertise and resources from several units at HQ and field offices. They are meant to contribute to improving the delivery as One ILO. However, feedback received in the course of this review has emphasized that the operationalization of the ACIs has proven to be more challenging than originally foreseen due to the current working methods.

The preparation of the next ILO’s Strategic Policy Framework, due to start in the spring of 2014, provides a real opportunity to reaffirm the strategic direction of the ILO. The discussions at the highest management level on the strategic priorities of the Organization may also consider the following elements:

- Likely trends and developments in the world of work over the next 10 years.
- Global mapping of likely demand from constituents based on projections of differentiated needs within and across regions (see section 3.1).
- The need for a sharper results framework focused on a limited number of priorities that address key needs of ILO constituents, and where the ILO has or potentially can have a distinct comparative advantage.
- The call from many contributors and donors to better fit ILO interventions into UN system-wide coherence efforts, including in the context of the post-2015 agenda.

A budget process still anchored in an input-based approach

Although the P&B is formulated strategically, the budget component is still anchored on an input-based approach. It is true that the P&B includes strategic level of resources for each outcome (strategic budget) – that is, the total expected budgetary effort for each outcome under all sources of funding. However, in practice the strategic budget is still largely derived from an operational budget and reflects the cost of each organizational unit at HQ and field offices, more than the resources required to achieve the organization's outcomes, as a genuine results-based budgeting approach would entail.¹⁶ In the context of an organization whose staff costs represents almost 70% of its regular budget and whose workforce is mainly composed of fixed-term and without-limit-of-time incumbents, this results in a rigid budget, each biennial iteration consisting largely in a carry-over from the previous one with only limited changes.

Much can be done to improve this situation, starting with further embedding results-based principles in the Programme and Budget 2016-17. Consideration should be given to the following actions as key stepping stones and prerequisites in enabling the Office to complete its transition towards a genuinely results-based organizational culture:

- Remove the shackles of the operational budget baseline to allow for the strategic budget to be formulated within the results framework of the SPF and in consideration of country and regional priorities, instead of being driven from prior biennium operational allocations.
- Non-staff resources in support of programmatic activities in particular – such as for seminars, mission travel, external collaborators and short term staff – should not be assigned to departments and offices during the P&B exercise, but be set aside at Outcome¹⁷ level. It is at the stage of work planning that they would be released to technical departments and field offices to implement agreed and planned activities.
- Technical staff work-months resources funded by technical departments and field offices should be viewed as a capacity to deliver in specific technical areas and, accordingly should be assigned at Outcome level on the basis of the P&B objectives. Opportunities (retirements, staff movements) for re-aligning the technical capacity with SPF and P&B results framework should be systematically effected.
- Other resources, whether non-staff operating costs (e.g. rent, utilities, furniture and fixtures) or staff management and support costs could continue to be budgeted on an operational basis, and would be apportioned back to an otherwise strategic, results-based budget for presentation and reporting purposes.

Insufficient legitimacy, soundness and Office-wide buy-in of ILO country programmes

ILO country programming is anchored in DWCPs. Despite the many strengths of such a programming framework, several factors have hampered its full potential to bear fruit, in particular:

- Lack of clarity as to the status of DWCPs – that is, whether they are documents of the Office (programmatic documents) or of the Organization (constituent-owned political documents).
- Uneven quality and flaws in strategic soundness due to poor application of RBM principles. In turn, this often mirrors weak capacity of staff, compounded by the absence of proper training and solid guidelines that build on lessons learned.

¹⁶ The strategic budget for each outcome includes costs of staff working on that topic, but also support services such as information technology, all costs of the regions including local staff and rental costs, and the costs of other technical programmes such as the Turin Centre. When the contribution of a programme to an outcome is not clear, costs are pro-rated across all outcomes. Consequently, the strategic budget for each outcome is higher than the operational budget of the corresponding administrative units.

¹⁷ In this context, Outcome is used in the general sense and may refer to ILO outcomes, ACIs or other priorities.

- Excessive length of the formulation process, due also to inconsistent use of multiple tools for the country analysis (e.g. country scans, DWCP ‘profiles’). Feedback from the staff survey indicates that only 13% of ILO staff think that analytical quality of DWCPs is very good or excellent.
- Insufficient buy-in of HQ technical departments, including in terms of technical and financial support.
- Non-alignment between ILO planning cycle at global level and in countries, compounded by rigidity of the related results frameworks, which do not allow accommodating new priorities as constituents’ needs evolve. Feedback from government representatives at the ILC consultations has pointed to the need for the ILO to better align its country interventions with national development plans/strategic planning and related cycles.
- Non-alignment of DWCPs with cycle and priorities of UN country programming processes, notably UNDAFs and “One programme”. In many cases, some work areas of DWCPs have found their way in UN programming frameworks. In others, it would have been more strategic for the ILO to be involved in and influence these frameworks from the design stage.
- Inappropriate or unpredictable ILO funding, which puts at stake ILO capacity to fulfil its commitments?
- Limited or no direct budgetary allocations from national governments.
- Lack of relevance/strategic fit of comprehensive DWCPs for upper middle-income countries and high-income economies.

Notwithstanding the above bottlenecks, **feedback from consultations with managers and staff in all regions has emphasized the value added of DWCPs for ILO operations and service delivery at field level**, while noting the need to enhance their quality, relevance and agility so that they become the driving vehicle for delivering as One ILO at country level. To that end, priority should be given to the following issues:

- **Strengthened oversight of DWCPs by the SMT, by placing this issue on the agenda of GMT meetings.** Updates on selected country programmes should be prepared to that effect.
- Enhanced Office-wide coordination on DWCPs under the responsibility of DDG/FOP, in collaboration with PROGRAM.
- A simplified methodology for the development of DWCPs. In particular, a light standardized approach to country analysis is recommended, as this part of the process has often turned out to be a heavy exercise. In addition, capacity development services should be systematically built into DWCPs as a critical component of ILO assistance to countries.
- Mechanisms for continued skills upgrading of staff involved in country programming, in particular programme officers and technical specialists in the field. This could take the form of a standard programme or more ad-hoc mentoring/coaching. This measure should be accompanied by the progressive re-profiling of programme officer positions in the field as opportunities arise, notably through vacancies, to better match job descriptions with functions increasingly demanded from these jobs.
- “Lighter” modalities for programming ILO technical assistance in upper middle-income countries and high-income countries.
- Better alignment between mobilization and allocation of resources, on the one hand, and country programme funding, on the other hand (see detailed proposal under the following section).

Unclear policy on voluntary funding and no coherent allocation mechanism for this funding

One implication of results-based strategic planning is the allocation of resources towards clearly defined programme priorities with a view to achieving measurable outcomes (results) and impact. Feedback received in the course of this review has emphasized that, when it comes to voluntary funding (i.e. XBTC and RBSA), this principle often goes unheeded by the Office. Among the factors contributing to this situation, two appear to be particularly noteworthy.

First, the Office tends to be perceived, both internally by staff and externally by constituents and donors, as not having a clear policy on voluntary funding. There is a general perception that different priorities often co-exist (e.g. P&B outcomes, thematic areas, priorities emerging from ILC decisions, ACIs). In addition, **the Office's position in respect of the field orientation of voluntary funding is often considered as ambiguous, with a large share of voluntary funding still being allocated to HQ.**

Second, the mechanism through which voluntary funding is programmed and allocated presents several challenges. Responsibilities for the appraisal, quality assurance and allocation of, as well as for reporting on, XBTC and RBSA are split between PARDEV and PROGRAM and follow different practices and procedures. A direct consequence is that:

- Allocation of voluntary funding is not always strategic in that sometimes resources are not channeled to the priorities.
- Different HQ technical departments and field offices “compete” for the same resources and often vis-à-vis the same donors.
- XBTC and RBSA allocations are not well coordinated, resulting in overlaps and many needs being left unattended.
- The quality of the proposals eventually funded is uneven, with criteria others than quality being considered in making final decisions (e.g. regional balance, field vs. HQ shares).
- HQ departments and field offices are overburdened with multiple and often inconsistent procedures, which leads to delays in programming and allocation of resources.
- The allocation mechanism is seen as non-transparent – an issue further compounded by the dual and somehow conflicting functions of PARDEV, which simultaneously mobilize resources with donors and oversee XBTC resource allocations to HQ departments and field offices.
- Donors concerns about both “value for money” and ILO accountability for resources entrusted to the Office mean that more scrutiny and greater conditionality on voluntary funding are applied, which off-sets the flexibility originally built in RBSA.

Feedback from managers and staff, as well as the Team's analysis, suggest that improvements in this area are long overdue and could generate high returns for the Office as whole. Effective action in this area is predicated on clearly articulated priorities for mobilization of voluntary funding, alongside coherent and transparent procedures for channeling that funding towards the established priorities. To that end, priority should be given to the following issues:

- Articulation of a clear policy for voluntary funding, with a more pronounced field-oriented focus (See section 3.2.5).
- Establishment of a transparent mechanism for orienting priorities of voluntary funding (XBTC/RBSA) and decisions on its allocation at the level of DDG/FOP, based on recommendations from a committee composed of PROGRAM, PARDEV and CABINET.
- A revised appraisal mechanism for XBTC/RBSA proposals. This should include the rationalization of functions currently performed in parallel by PARDEV and

PROGRAM (for XBTC and RBSA, respectively), possibly by merging them into one single unit.

Fragmented authority over delivery and resource use during work planning and implementation, along with blurred accountability

Although the OBW process is programmatically sound and allows the Office to reconcile countries' needs with global priorities and available capacity, the implementation of OBW decisions and the delivery of outcome-based country activities are often challenging.

Outcome Coordinators at HQ are responsible for overseeing planning and monitoring of progress against planned outputs and resource use. However, budget allocations of HQ technical departments and field offices are released on the basis of the Programme and Budget operational budget (by organizational unit at HQ and field office), and therefore remain under the authority of the respective managers, largely precluding further resource allocation discussions (e.g. OBW process).

Ultimately, the authority over the staff and non-staff resources pledged/planned to deliver activities under a specific CPO is fragmented amongst various HQ units and field offices (including DWTs). A direct consequence is that:

- Management of the delivery of a P&B outcome or CPO is also fragmented, leading to inefficiencies (by increasing management and support costs), potentially curtailed effective communication, delayed response time (by adding decision layers), and reduced effectiveness.
- Authority over use of resource (staff and non-staff) for P&B outcomes or CPOs is blurred, and accountability therefore cannot be clearly defined at either Outcome or CPO level.
- Lack of clarity in respect of who is ultimately responsible for decisions on ILO action in a country creates a tension between HQ-led vs. field-driven interventions. The current OBW process provides a mechanism that encourages joint decisions in most cases. The problem, however, is that the parties involved in the process (i.e. generally regional and country programme officers in the field, on one hand, and directors at HQ, on the other hand) do not necessarily have the same level of authority required to come to a decision.

Much improvement in this area could be achieved through better alignment of the levels of responsibility, authority and accountability for priority-setting, resourcing (funding) and delivering on ILO priorities, in particular country priorities, consistent with the clarification of roles and responsibilities highlighted later in this report. Specifically, the following arrangements should be considered:

- Area Office directors would be responsible for setting country priorities in consultations with technical specialists (defining CPOs) and would be ultimately accountable for managing delivery on these CPOs.
- Decisions on resource planning and monitoring on field delivery would be the result of a regular process of interchange between Outcome coordinators, Area Office directors, DWT directors, directors of the Policy Portfolio. Outcome-level non-staff resources would be allocated to target CPOs and global products. Staff resources from HQ departments and/or field offices would be committed or pledged at that level. At this stage, those resources would be transferred in IRIS to be under the authority of Area Office Directors (CPOs) and Directors in the Policy Directors (global products).
- Outcome coordinators would be responsible for the management of ILO Outcomes and allocation of P&B outcome resources to CPOs and Global Products.
- Directors of the Policy Portfolio would in addition be responsible for global level work (global products) and would be accountable for the provision of technical support pledged/committed in Office-wide work plans.

Lack of accurate information on resource use

Another important shortcoming of the current system is the lack of accurate information on resource use, resulting from the fact that currently IRIS does not allow capturing information on the use of RB (staff or non-staff) resources, even though this information is readily available for other sources of funding (RBSA, RBTC and XBTC). In turn, this hampers any ability to track and manage the resources pledged in OBWs, and seriously hinders the ability of the Office to report and manage strategically at the outcome and country levels.

Much can be done to improve on this situation and improvements in this area, if so decided, could become a “quick win” for the field reform. The main action required concerns the improvement of IRIS to enable the tracking of resources for Regular Budget activities in IRIS/FISEXT (this is already in place for RBTC, RBSA and XBTC) so that:

- Outcome coordinators at HQ will be able to monitor and track resources (budget and expenditure) at Outcome level, and monitor *all* projects and activities carried out under CPOs or global products linked to their Outcome, regardless of whether resources are located centrally or in the field.
- Area Office Directors will be able to monitor, manage and track *all* resources (budget and expenditure) assigned to CPO activities, regardless of whether resources are located centrally or in the field.
- Field office managers responsible for implementing activities under a CPO (as well as administrative staff) will be able to have a view of *all* resources allocated to the CPO under their responsibility.

Key guiding principles

The following overarching principles should be considered to steer the implementation of measures aimed at improving the ILO’s strategic management system:

- Strategic management is the highest level managerial activity of the ILO, initiated and executed by the Director-General and the SMT. Its ultimate objective is to achieve better alignment between strategic priorities and corporate policies.
- Translating strategic planning into programming and work planning is a joint responsibility of all ILO staff. Accountability for that lies with ILO managers.
- The use of results-based management in performance management defines goals and responsibilities for all levels of expected results, at all levels of the organization, and drives down to individual staff.
- During programme implementation, the management focus shifts from financial performance – are resources being spent in line with the budget? – to operational performance – are programmes relevant, are programmes achieving their target and results in the intended outcomes (i.e. effectiveness), and are programmes costs efficient (i.e. efficiency)?
- A programming framework at the country level is a necessary condition to enable the Office to concentrate its human and financial resources towards the achievement of measurable results, thus avoiding ad-hoc and one-off interventions with limited impact.

Box: 2.
Recommendations

Strategic planning

1. The GMT, with the support of PROGRAM, should engage as of early 2014 in the identification of strategic priorities that will underpin the next Strategic Policy Framework of the ILO, from which the results framework for the planning period will be derived. Pending discussions with the Governing Body, those priorities should be clearly articulated in the Director-General's Guidance Letter for the Preparation of the Programme and Budget proposals 2016-17, due in the spring of 2014.

Programme and Budget

1. The SMT, with the support of PROGRAM and FINANCE, should pursue the reform of the Programme and Budget to further embed results-based management principles into the next 2016-17 iteration, along the lines described above. .

Country programming

1. The SMT should take a firm stance in respect of the ILO's programming framework at the country level. The role of DWCPs be reaffirmed and strengthened and steps to that effect be taken along the lines described above.

Resource allocation

1. Establish a coherent and transparent mechanism at the level of DDG/FOP to orient priorities for voluntary funding (XBTC and RBSA) and to make decisions on its allocation (if at the discretion of the Office). This should include revision of current appraisal mechanism.
2. In line with the proposed delegation of authority and accountability to the level of Area Offices proposed in this report, further pursue the allocation of a larger share of financial resources to that level, including RBTC.

Strategic management and programming systems

1. Institutionalize a renewed work planning process between AOs, DWTs and the Policy Portfolio departments. This will require clarifying and better aligning the levels of responsibility, authority and accountability for priority-setting, resourcing (funding) and delivering on ILO priorities, in particular country priorities.
2. Improve IRIS to enable the tracking of resources for Regular Budget activities at the country programme and global product level in IRIS/FISEXT, in line with what is already in place for RBTC, RBSA and XBTC.

3.2.2 General management and staff development

Front-line Management Development

At an early stage of its work the Field Review Team identified shortcomings affecting the management capacity of “the frontline” of the ILO as a key factor in poor service delivery. This concern was reinforced by the feedback received from constituents, key informants and staff who called for improvements in management at this level.

The following sections review some of the key managerial positions in the field and at HQ which have a strong impact on service delivery, identify some current gaps and indicate some general guidelines which will form the basis for specific recommendations for improvement.

Area Office Director (AOD)

The AOD is absolutely central to ensuring delivery of quality services to constituents. It is generally agreed that **the Director must exert more leadership over all aspects of country activities:** ongoing contact with national constituents, design of an agreement on a suitable programmatic framework for ILO services, coordination of technical inputs from DWT(s), RO and technical departments at HQ, and mobilization of resources from extra-budgetary and non-traditional sources. This authority should be matched by accountability for the achievement of agreed objectives.

All in all, this is a demanding job that requires a strong set of managerial, strategic, political, technical and operational decision making skills. According to the staff survey the majority of staff think that managerial skills of Area Office Directors is the most important success factor at the country level. The Director must be very familiar with ILO and its broad mandate and able to orchestrate a wide range of technical and political inputs and processes. Without leaders with proven managerial experience in these front line jobs, ILO is unlikely to be able to meet constituents' expectations.

Country/Area Office Director Profile

- **Sound knowledge of ILO**
- **Good communications skills**
- **Good political skills**
- **Proven leadership skills**
- **Broad applied technical skills**
- **Management and administrative skills**

Analysis of the selection, development and support of AODs points to some major weaknesses:

- Selection criteria is a weak point – constituents and staff frequently made reference to overly political appointments of AODs who often do not seem to understand the country, its situation and its constituents. Considering the complexity of the AOD job, it is clearly essential that selection be based on criteria which reflect the demands of the job and the broad range of skills needed. As a general rule, Directors should be chosen from established career officials with a thorough understanding of the organization and its mandate; it is recommended that appointment of nationals in their home country be generally avoided. The Team recognizes the recent improvements in general selection methods (calls for expression of interest, assessment centres, structured technical interviews etc.) and proposes that these good initiatives be further developed.
- AODs are not provided with specific training prior to taking up their assignment apart from a general briefing which is often rather ad-hoc in nature. Becoming an AOD therefore depends on an unstructured process of accelerated learning on-the-job - a clear recipe for hit and miss and reinvention of the wheel time and again. While HR's leadership training programmes are a step in the right direction, the Team would suggest a dedicated programme (series of short training programmes) aimed specifically at the AODs, current and prospective, including a comprehensive set of operational manuals and a more structured "on boarding" process to be coordinated with Regional Offices.
- There are few "tools" and guides available to AODs as they go about their job. What are the key ILO policy areas that AODs and their teams need to constantly monitor and be familiar with? What are the key ILO policy messages in these areas? How does one best organize a consultative process with constituents to reach agreement on a framework of action? In these and other areas, the AOD must essentially figure out how to proceed without any formalized information and knowledge management resources or peer networks to provide support, apart from the "who-you-happen-to-know" network. Not surprisingly, the result is very uneven performance.

Much can be done to improve on this situation and improvements in this area, and, if given priority, could become a “quick win” for the field reform. Priority should be given to:

- Clarify the role of AOD and adjust job descriptions accordingly as a basis for a demanding development and selection process (see section on their roles and responsibilities).
- Maintain a roster of staff members interested in taking up AOD positions and implement career development initiatives to allow them to gain the relevant preparatory experience.
- Develop supporting tools and resources as well as a comprehensive training programme specifically targeted at AODs. Reinforce the recent HRD focus on coaching and make this available for AODs.
- Establish a global team of AODs led by the DDG/FOP and his team in Geneva including an on-line help function where directors can post questions and receive peer support.

Decent Work Team Director (DWTD)

Another crucial management function in the field is that of Director of a Decent Work Team. The DWTD is responsible for managing a multi-disciplinary team of technical specialists. At the request of the Area Office Director (AOD), the DWT provides technical support directly to the Area Office in the design and implementation of DWCPs in line with national development framework.

The DWTD position is a highly technical job that requires a broad understanding of all the major policy areas covered by the ILO mandate, the ability to support AOs to discuss with and advice constituents at very senior levels, as well as being able to manage large teams in an effective manner which supports teamwork and integrated thinking.

Today, a large number of DWTs are currently based in a Country Office and the Director of the DWT therefore performs the dual function of CO Director and DWTD. This arrangement may be discontinued in some instances as a result of the changes arising from the reform of the field structure.

Decent Work Team Director Profile

- **Excellent technical understanding of all ILO areas of action incl. TC and ability to lead design of integrated projects and programmes**
- **Proven team leadership skills**
- **Tested political skills**
- **Excellent communications skills**
- **First-rate management and administrative skills**
- **Good negotiating skills**

In the view of the Team, **the DWTD positions should be filled with very senior staff members who have strong expertise across major ILO policy areas** and the stature and reputation to be able to represent the organization technically at the highest levels. The DWTD should report to the DDG/P for all technical issues (functional reporting line),¹⁸ and directly to the Regional Director for political, strategic and administrative issues. The operational modalities of this proposed arrangement should be discussed with the HR Department, DDG/P and DDG/FOP **to avoid further confusion with respect to roles and responsibilities and line of authority** (see section on roles and responsibilities).

The DWTD should provide support to Regional Directors and Area Office Directors to ensure high-level up-stream dialogues with senior ILO constituents and other national policy makers on the medium and longer term support which is needed from the ILO. Only through such up-stream engagement can ILO ensure coherence between its work and national development priorities and UN development frameworks.

¹⁸ A functional reporting relationship already exists between technical specialists and HQ technical departments.

DWTs should also be more involved in TC project design, development and implementation – considering the crucial role played by TC in ILO’s overall service delivery at country level. They can help ensure that the overall programme of activities at country level, including TC projects, is as coherent as possible.

A number of weaknesses in the current approach to the selection, development and support of DWTs point towards some of the priority actions that need to be taken:

- DWTs are often filled by technical specialists with limited exposure beyond their own field of expertise. A direct consequence is that they have to learn quickly on the job about the wider range of policy areas that they are now supposed to represent and coordinate in a coherent manner. Instead more senior people with broader technical experience should be chosen and given support to further develop their ability to lead the development and implementation of integrated and coherent policy packages and programmes.
- DWTs have to manage relatively large teams composed of staff with different backgrounds and this requires proven people management skills (including managing performance and taking care of staff development). Where these aspects are overlooked (or when DWTs do not possess the necessary skills), experience has shown that the Office may face huge teamwork issues, which eventually affect overall delivery. Thus inspirational team leadership skills should be given high priority in the selection process.
- No advance training and development is provided to DWTs, nor is there any information and knowledge management infrastructure available to support them in their work. It is strongly suggested that a global team of DWTs be established under the leadership of the DDG/P.

Technical Department Directors at HQ

The previous proposals on raising the management standards of AODs and DWTs will need to be matched by similar enhancement of management at HQ.

The relationship between managers in technical departments at HQ, including ACT/EMP and ACTRAV, and the technical specialists in the field has a crucial impact on the quality of the technical services to constituents. The Team’s analyses, as well as the work of several previous review teams, suggest that the relationship between HQ technical department management and field specialists needs to be very close. Such a relationship should be underpinned by the “Global Team” concept where all staff members, whether HQ based or in DWTs, are treated as full members of the team in terms of technical upgrading and support, involvement in overall work planning, career development, etc. Regular retreats for the global team should be organized by HQ technical departments and Communities of Practice established to link up all members of the Global Team and help them upgrade their skills and network with their peers. This will also imply reviewing matching of areas of work of individual specialists and post-reform HQ technical unit structure.

HQ managers should be closely involved in the selection and recruitment of technical field specialists and should also take responsibility for their technical skills upgrading and career development planning.

National coordinators (NC)

During the consultation with specialists, Country Offices and DWTs as well as National Coordinators (NC), all confirmed the important roles played by NC in non-resident countries. The NC system is a key feature of the EUROPE region, where it has proven to

be relatively successful.¹⁹ Considering the Office's limited resources, a possible replication of this system in other regions (where DWTs and COs have large numbers of countries to cover) should be given serious consideration.

In some cases, their current grade at NO A/B is perceived as problematic as it puts ILO NC at a disadvantage relative to similar positions in other agencies which hold higher grades. While this perception would call for further consideration and a more thorough analysis to better understand whether indeed it is appropriate to compare ILO NC positions with similar posts in other agencies, it is worth noting that the challenge vis-à-vis the UNCT, in particular the UN Security Management Team (SMT), is also often linked to the fact that they are national staff. This raises the question about the limit of the scope of activities and set of functions that can realistically be assigned to NCs.

The table below summarizes key challenges and suggestions for addressing those challenges.

Table 7. National Coordinators: Key challenges and suggested solutions

	Challenges	Suggested solutions
<i>Roles and responsibilities</i>	Although JD for NC in EUROPE was revised in 2010, there is a perception that discrepancies persist between the JD and actual functions.	Based on a clear strategy to improve ILO presence in NRCs and the ensuring role for NCs, consider revision of the existing JD.
<i>Status</i>	NC often operates in a country which has not ratified 1947 UN Convention on privileges and immunities	JUR to advise.
<i>Grading</i>	In spite of important roles of NC in UNCT, there is no general recognition of their roles and acceptance in UNCT in some countries.	The Office should officially inform UNCT about the roles and responsibilities of NCs. A thorough analysis to have a better understanding of the role and functions of NCs in other UN agencies should be conducted.
<i>Training</i>	NCs are not given proper training on ILO, ILS and basic policy issues	Provide standard induction and technical training
<i>Team building and rules of engagement</i>	Unclear rules of engagement creates coordination problem and NCs are not well integrated into the Office	Set and communicate clear rules of engagement, and encourage NCs' participation in AO/DWT meetings on planning and programming.

Program Officers (PO) at country level

The role of Program Officers (both national and international) has been a recurrent theme of the consultations with staff in all regions. The functions of PO have changed substantially over the past 10 years, moving away from purely administrative support functions to more technical and advisory functions. Today PO functions span a wide array of duties, ranging from support for the development of DWCPs and technical cooperation projects to assuming coordination in the interface between TC staff, technical specialists and tripartite constituents. In many cases, POs also participate in UN processes at various levels and handle relationships with media on behalf of the ILO.

The issues raised for NC in respect of general mismatch between job description and the duties actually performed, grading and training also apply to PO. Similar solutions could be envisaged to address those issues.

¹⁹ There are 12 National Coordinators in Europe.

Box 3.
Recommendations

For Area Office Directors (AOD):

1. Clarify the roles and responsibilities of AOD and review the existing generic JDs to better reflect the multifaceted aspects of the job and make this the basis for a demanding development and selection process. Consider maintaining rosters of staff members who are keen to take up AOD positions and help them gain the relevant experience through career development.
2. Develop supporting resources, tools and a comprehensive training programme for AODs that is mandatory prior to taking up the job. As a basis, identify key success factors and lessons learnt from ILO's long experience with operating country offices. The recent emphasis on coaching by HR is welcome and should be vigorously promoted for AODs.
3. Establish Communities of Practice to support AODs to link across the world to learn from each other and be able to post urgent requests on a real time help line – in other words create the information and knowledge management infrastructure to allow a cohesive peer group of AODs emerge.
4. Consider new grading criteria for the position of AOD based on size of office, complexity of programmes and political situation.

For DWT Directors (DWTd):

1. Move towards very stringent selection criteria for these crucial jobs, emphasizing broad technical expertise, experience to represent the Organization to policy makers at the highest levels, and the ability to lead and manage a multidisciplinary team in an effective and inspiring manner.
2. Develop training and development programmes to support DWTd's preparation for their job.
3. Set up the information and knowledge management infrastructure to support DWTd's in their job including through a global team of DWTd's.
4. When feasible, consider discontinuing the practice of dual roles as DWT and CO Director, particularly in the context of large, consolidated DWTs.

Technical Department Directors:

1. Ensure that the Global Team approach to management is reflected in JDs and in performance management for all managers at HQ so that they are held accountable for the technical upgrading, support and career development of their field colleagues.
2. Establish the necessary information and knowledge management infrastructure to support the Global Team concept.
3. Ensure strong involvement of HQ management in the selection of technical field specialists.
4. Establish clear incentives (and disincentives) for those DWTd and HQ Department Directors that make a strong contribution to the implementation of the Global Team Approach.

National Coordinators and Program Officers

1. Review the JD of NC and PO with a view to better align it with the functions actually demanded from and perform by them.
2. Review grading system of NCs, with flexibility to move to higher grades (subject to new JD and individual assessment).
3. Develop standard orientation/induction kit or adapt existing ones (e.g. for Associate Experts) for NC and PO. This could also include briefing missions to ROs and HQ.
4. In case of PO, time-bound secondment to PROGRAM at HQ should be considered.
5. Ensure that the Internal Governance Manual on Programming currently under development is widely distributed among programme officers.

3.2.3 Knowledge management and sharing

Knowledge Management (KM) is a discipline that promotes an integrated approach to the creation, capture, organization, access and use of an organization's knowledge and information assets. IT tools are only about 20% of success contributors, but are a mandatory enabler initially and over time. Experience shows that to be successful, staff must have KM as part of their daily routines and work – it should be reflected in all their projects and complex activities planning and budgeting processes. Significant incentives must be provided to drive the introduction and acceptance of KM.

Improved knowledge management has been a major recurrent theme in most of the Field Review Team's discussions as well as the broader reform process. If ILO is to achieve the overarching objective of "delivering as One ILO", one important prerequisite is that different parts of the Organization work together to produce quality information and knowledge, that there are effective systems for sharing this information and knowledge, along with methodologies for using, or "leveraging" it in our operational and research activities.

From a field review perspective it is clear that effective knowledge management is also central to delivering relevant and quality services on a timely basis. This theme has been highlighted by several previous Review Teams (particularly those concerned with the Policy Portfolio structure and with Research, Statistics and Publications), which have put forward recommendations to raise the quality of the ILO's production, sharing, dissemination and leveraging of knowledge.

A sound KM strategy ensures that technical staff, AODs and others on the "front line" have or can easily obtain the information and knowledge they need to provide fast, effective and relevant services that meet the needs of our constituents. The Office must ensure that lessons learned in one part of the world about what works, where and why, is readily available to staff members in other parts of the world.

KM related issues have also surfaced frequently in the consultations held with constituents and staff. The following KM/S issues have emerged from the various surveys and discussions with constituents and staff, as well as the analysis conducted by the Field Review Team.

No overall KM/S strategy for the ILO

Many good KM/S related programmes currently operate in the ILO as a result of initiatives which have been launched over the last 10 years or so. For example, a quite successful knowledge sharing platform (KSP) has been launched in the Asian region. Several departments, such as NORMES and STAT have recently launched greatly improved data bases and user interfaces i.e. NORMLEX and ILOSTAT. The ILO Gateway will facilitate easier access to relevant and better structured country level and thematic information and knowledge. Many policy departments have or are in the process of launching important data bases that can form the basis for cross-country policy analysis. While all these initiatives represent important steps forward they tend, with the exception of the Gateway, to be "stand alone" efforts.

The lack of an overall framework for KM/S means that initiatives are not linked, are based on different IT platforms which cannot be analysed in an integrated manner. The net result is duplication, frequent "reinvention of the wheel" and an inability to create genuine organization wide KM/S systems.

The work on the Gateway has brought this lack of coordination into very sharp focus since it pulls information from across the Office and the project has therefore, with INFOTEC, been spending much time and effort on helping departments move towards more compatible systems.

A comprehensive, organization wide KM strategy and governance system is therefore urgently needed. The recent Workshop on Information and Knowledge Management jointly organized by the Policy Portfolio's KM Unit and INFOTEC on 2 December 2013 provided an important first step in this direction. Now there is a need for a fast and comprehensive follow-up.

A particularly urgent issue is to introduce a common approach to KM/S in all Policy Portfolio departments and in field offices in terms of defining what information needs to be collected. This would require developing a common platform for storing the information, and ensuring adequate allocation of resources to ensure regular updating and quality control. Only with such a shared understanding and the necessary systems and resources can ILO hope to generate the information and knowledge required to sustain world class technical services and research.

Good practice examples, succinct policy briefs and more informative knowledge products a major unmet constituent need

A consistent message from both constituents and ILO staff (particularly Country Office directors and technical specialists) is that the most frequent demand from constituents is: Where do we find the most successful examples of policies and programmes in this particular area? What works and why or why not? What are ILO's views and key recommendations in this area? Such information is not systematically available and in many cases the Team heard examples of inconsistent policy messages from HQ, field specialists and TC project staff.

The need for such information is so great that some Country Offices and DWTs have started producing their own short policy briefs – unfortunately these are only rarely done in coordination with HQ technical departments, most of whom do not give priority to regular production of such policy briefs. The urgent need for policy briefs related to the newly launched ACIs has been frequently mentioned.

Another frequent message the Team has heard is that when relevant information and knowledge is available, it is presented in ways which make it difficult for users to access, understand and apply because of heavy, highly technical reports and difficult to navigate web sites. We urgently need to move towards lighter, more user friendly knowledge products such as the policy briefs mentioned above, informative electronic country profiles etc. Knowledge products must be user friendly.

ILO should be a more effective knowledge broker

This above issue links closely to ILO being not only an effective generator of knowledge through high quality research, but also an effective broker of knowledge who knows where the best practices are to be found and who, globally, are the most knowledgeable experts on a given policy area.

In this connection it should be noted that as a tripartite organization, ILO has unique access to three valuable networks with extensive expertise and knowledge. Improvements in this area would mean raising our capacity to identify good practices, analyse them in terms of key success factors and applicability in various contexts, and making sure that this information is available to staff on the "front-line" including AODs, technical field specialists and TC project staff.

Disconnect between HQ research and policy advice at field level, including TC projects

The call for greater coordination between HQ research and field level work has been a consistent theme in the discussions with both constituents and field staff. It is generally felt that there has, so far, been little connection between the research done at HQ and the field – the result has been a de-linking where HQ research is not always adequately reflected in the policy advice given at country level and where HQ research most often does not take advantage of the knowledge and data which is being generated at the field level.

Many hope that the new Research Department will lead to a more integrated and coherent overall research agenda and more systematic involvement of field staff, including TC staff, in determining the research topics to be taken up. Proposals in this respect are being developed by the DDG/P and the management of the new Knowledge Resource Center in the Policy Portfolio. There is no doubt that this needs to be a major area of coordination between the Field Operations and Policy portfolios.

Poor institutional memory and coordination

Inadequate sharing and use of existing knowledge and uncoordinated work plans has been a consistent theme of feedback from constituents. The result is incoherent policy advice and lack of coordination when carrying out field level work, and frequent “reinvention of the wheel”. Too often HQ missions are inadequately coordinated with local offices and often several HQ missions ask the same national authorities for identical or similar information.

Systems for improved coordination of work plans need to be put in place and key KM/S systems such as a central inventory of mission reports are long overdue. This issue links closely with the clearer definition of roles and responsibilities which is treated elsewhere in this report.

No systems to systematically upgrade technical skills of staff

All organizations struggle to continuously upgrade and maintain the skills and expertise of their staff so that they are aware of the latest developments in their area of work and able to assist constituents in meeting the latest policy challenges.

This can be done through regular formal training and skills upgrading and is also increasingly done through Communities of Practice (CoP) which bring together groups of people who share a concern and a passion for something they do and learn how to do it better as they interact regularly. Such communities are powerful ways of linking staff in similar areas of work (e.g. country office directors, field specialists, CTAs, local programme officers, etc.), facilitating learning and breaking the isolation that many staff members in the field experience.

ILO currently has only very few initiatives to systematically support front-line staff and link them into effective learning and knowledge sharing networks to keep them technically up-to-date and make sure that they can draw, in real time, upon the experience and knowledge of their colleagues across the organization.

Lack of a knowledge sharing culture and skills

Feedback received in the course of this review has identified the current ILO culture in relation to KM/S as a major constraint. At present knowledge sharing practices are largely based on informal networks and “who you know”. Managers should be encouraged to consider knowledge sharing as an important element of the performance appraisal process and should ensure that future job descriptions mention this topic. Most staff are unfamiliar with KM/S tools such as Communities of Practices (CoPs) and blogging.

Box 4.
Recommendations

1. Develop and implement an overall Information and Knowledge Management vision and strategy for the ILO based on the overarching objective of providing better services to constituents at country level.
2. Develop systems for effective Knowledge Management and Sharing for ILO staff and link to wider staff upgrading and training systems to continuously raise the technical and management skills of ILO staff. This should include Communities of Practice and other knowledge sharing mechanisms that can effectively link HQ technical staff and field specialists and support their upgrading, as well as cross-regional networks to facilitate exchange of experience, lessons learned and best practices.
3. Establish a global ILO Knowledge Sharing Platform using the lessons learnt with the Asian KSP and the ongoing development of the ILO Gateway – a priority issue should be an easily searchable global repository of mission reports and mechanisms for coordinating work plans.
4. Develop clear guidelines for the types of information and knowledge that Policy Departments and field offices must harvest, maintain and regularly update and ensure that this is given priority and that adequate resources are allocated. Develop coherent strategies for data and knowledge collection to ensure economies of scale and cost effectiveness.
5. Establish mechanisms to systematically identify, analyse and share good practice cases and prepare regular, succinct policy briefs and report summaries.
6. Explore KM implications of a move towards an enhanced role of ILO as “knowledge broker” i.e. the ability to identify and document examples of good country level practices and to facilitate connections between constituents across and among regions to potentially leverage limited technical and financial resources.
7. Systematically include knowledge sharing in all job descriptions and performance management processes (by managers and staff).
8. Establish mechanisms to regularly seek feed-back from constituents with respect to the effectiveness and efficiency of ILO’s work and use this knowledge to inform initiatives to further improve technical services.

3.2.4 Capacity development services

Capacity development has always been a central component of ILO field operations and service delivery to constituents, both as a service in its own right and as a means of action underpinning other services such as policy advice and technical services, knowledge generation and dissemination, and policy dialogue. ILO services in this area are delivered by the ILO either directly through its technical specialists in the regions and at the Headquarters, including in the context of technical cooperation projects, or in partnerships with training institutions at national, regional or global levels, including the International Training Centre in Turin (Turin Centre).

ILO efforts in this domain have traditionally been substantive, in terms of breadth and resource investments. It is thus surprising that this family of ILO services got the lowest score in terms of satisfaction in the constituents’ survey – a finding that consultations with staff largely confirmed. Therefore, these services have been the subject of a closer analysis as potentially they could be primary candidates for improvements.

Today demand for ILO services on capacity development continues to feature highly among constituents’ priorities, in particular but not exclusively in low income and middle income countries (see section 3.1). Recent international commitments on development effectiveness such as the Accra Agenda for Action have reaffirmed the importance of capacity development as a centrepiece of international development assistance and have

called for a more comprehensive approach by the UN in this regard. The focus has shifted from improving the skills of individuals to developing systematic capabilities in institutions and to enhancing systemic capacity of societies to address broader issues of development.

Capacity development is generally defined as “*the process through which individuals, organizations, and societies obtain, strengthen, and maintain the capabilities to set and achieve their own development objectives over time*”.²⁰

The definition embeds three layers or levels of capacities:

1. *Individual capacity* (the process of equipping individuals with the understanding, skills and knowledge enabling them to perform their functions effectively);
2. *Organisational/institutional capacity* (the development of organizational structures, procedures and policies underpinning institutional abilities and relationships);
3. *System/societal capacity* (the values and governance systems enabling a society to address broader development issues).

Capacity development is inherently about complex learning, adaptation and attitudinal change at these three levels. The three levels are strongly interconnected and interdependent. Tripartite social dialogue provides a good example of the interdependency of these three levels. An effective social dialogue system requires experienced and skilful employers’, workers’ and government’s representatives – individual level capacity; it also requires rules, policies and well-functioning mechanisms for tripartite dialogue in place – organizational/institutional level capacity; finally it needs to be entrenched in a society with a culture that values democratic governance, social justice and rights, including labour rights – system/societal level capacity.

The following issues highlight some key shortcomings of the current ILO’s capacity development service model, as identified by constituents and staff in the course of this review, as well as from the analysis conducted by the Field Review Team.

Limited impact of ILO approach to capacity development services

Effective capacity development needs to link the capacity needs of individuals to higher levels goals (of institutions and societies). The link between specific interventions targeting individuals and broader capacity needs in institutions and societies is critical for the success of capacity development programmes. Feedback received in the course of this review suggests that ILO capacity development services are often scattered, ad-hoc and one-off. This is also partly a reflection of constituents’ requests in this domain, which tend to be short-term and narrowly defined, more than part of a larger capacity development process.

At the same time, there is a perception among constituents that many ILO meetings which are often labelled as capacity development initiatives are far from being such. In some instances they may even have an unintended “de-skilling” effect on constituents. Moving forward requires continued engagement and dialogue between constituents and staff to reach a common understanding of what the capacity development needs are, who has them and agree on the kind of ILO services that could best address those needs.

ILO training is not often in sync with the constituents’ needs ...

One consistent refrain arising from consultations with constituents and staff is that ILO training is not working well. ILO current delivery model in this regard is perceived as consisting mainly of a wide range of individual activities with no systematic needs analysis, no proper pedagogical methodologies and insufficient follow-up. ILO training services are seen to be not up to and not in sync with realities and needs on the ground.

²⁰ GB.309/TC/1 GB.317/POL/6.

On the one hand, a number of ILO staff who are involved in the delivery of training activities often do not possess the required competencies to do so. Being a good technical expert doesn't mean that one is also a good trainer. On the other hand, and as seen earlier in this report, constituents increasingly look to the ILO for customized and context-specific services. The increase in demands for tailor-made learning and training activities is accompanied by the decline in demand for in generalized training, as the experience of the Turin Centre in recent years confirms.

These trends calls for a bold response from the Office, focused on a substantial effort to up-skill and re-skill staff's competences so that they are able to identify, design, deliver and evaluate high quality, practical learning and training services which meet the long term, strategic needs of constituents.

...and, more importantly, is outpaced by the evolving approach to learning in today's world

Globalization has changed the patterns and modalities through which individuals acquire, develop and retain their ability to perform functions, solve problems and achieve objectives. Constituents benefiting from ILO services are not an exception. A growing number of them are acquainted and have access to digital, media and communication technologies. They are interested in learning through multiple means and techniques spanning knowledge acquisition and sharing, participation in Communities of Practices, on-line learning, south-south learning initiatives, coaching and mentoring, among others.

The ILO's service offer in this area remains uneven and conventional, with supply-driven technical training and workshops being still predominant. However, several promising initiatives have emerged – for example the establishment of cross-country networks of national experts in selected thematic areas such as wages and labour inspection; the development of several e-learning courses that participants can follow autonomously, at their pace and place; peer-to-peer learning such as the employers' organization-to-employers' organization initiative. The need for more such ILO initiatives is large.

Poor systematic approach to capacity development from needs assessment through evaluation

Needs assessments and post-assessments are essential components of an effective capacity development strategy. Many staff consulted in the course of this review have pointed to the lack of a systematic approach in this regard. Improvements in this area call for a new capacity development paradigm underpinned by strong ownership and commitment of constituents and based on some key features, notably:

- Strategic approach to training and learning as part of a broader array of ILO services geared towards strengthening critical mass of capacities;
- Close involvement and dialogue with constituents throughout the process, building more systematically on lessons learned from previous capacity development interventions;
- Rigorous selection of and follow-up with target beneficiaries to ensure that the new competencies acquired through learning and training are used to the benefit of their organization/institution;
- Appropriate engagement of capacity building providers such as universities and national training institutions as a means of strengthening in-country capacity and ensure sustainability of capacity development interventions in the long run.

Untapped complementarity between the Office and the Turin Centre

The call for greater complementarity between the Office and the Turin Centre has been a recurrent theme in the consultations with staff, including from the Centre itself. It is generally recognized that the Centre's comparative and competitive advantage lies in its

pedagogical, methodological and learning knowledge. As such, it has a key role to play in organizing and designing learning and training initiatives, as well as in sharing knowledge and good practices on how to build capacity. However, it is also generally felt that the substantive content of such initiatives should fall under the responsibility of, or at least be done in close consultation with, technical departments at HQ. At present, this is far from being the case.

From the regions' perspective, the relevance of the Centre's services and related costs are major issues. The Centre's direct engagement in country level initiatives without proper involvement of field offices, in particular as regards activities for employer and worker organizations, is also a concern. Much can be done to improve on this situation, in particular with regard to better ways to coordinate between HQ technical departments, the regions and the Turin Centre. In that context, a clarification of the Turin Centre's role in the ILO's capacity development and learning framework is long overdue.

The case of CINTERFOR

The Inter-American Centre for Knowledge Development in Vocational Training (ILO/CINTERFOR in Montevideo, Uruguay) is a technical service of the ILO, whose mission is to support a horizontal learning and horizontal cooperation community among national organizations in charge of vocational training. It works as the core of a knowledge-sharing system integrated by vocational training-related institutions and organizations belonging to ILO member States. As such it has a privileged opportunity to learn from national experience, facilitate the involvement of the social partners in vocational training, and contribute to Office-wide research on skills development systems. It would be opportune to review the performance of this role as part of the commitment to strengthen Global Teams on technical issues, including skills for employment.

There may be important ways to integrate CINTERFOR's research activities into the global research agenda and quality assurance measures, improve its dual roles to facilitate knowledge-sharing among its member institutions while providing valuable services to them in terms of objective appraisals and connections to ILO experience in other regions, and more directly link its work to country objectives for ILO support in the Region.

The conclusion of the Team is that the work of CINTERFOR should be appraised on the basis of the value and efficiency of its contributions to country programmes in the region and its integration with the Skills and Employability Branch at HQ. It would also be worthwhile considering whether both objectives would be better served by reporting on its work through the standard reporting mechanisms rather than through its current separate reports of activities and budgets to the Governing Body. **Given that the Office funds two thirds of the CINTERFOR's biennial budget, such a review would warrant further consideration in the context of current efforts towards "Delivering as One ILO".**

Box 5.
Recommendations

1. Develop a common vision for ILO capacity development services. This should include mechanisms for regular follow-up or feedback from constituents to assess relevance and usefulness of these services.
2. Clarify the role of the Turin Centre in the ILO's capacity development and learning framework.
3. Re-set the ILO's capacity development service model. This would imply moving away from the current model centred mainly on supply-driven, ad-hoc and one-off technical training and workshops to a model focused on transformational learning means and techniques as part of broader capacity development objectives.
4. Make capacity development an explicit objective of DWCPs. This should include appropriate needs assessment and performance indicators to measure effectiveness of capacity development interventions.
5. Initiate an intensive skills upgrading programme for ILO staff involved in capacity development services in the field and at HQ with close involvement of the Turin Centre.
6. Review the role and cost-effectiveness of ILO/CINTERFOR in knowledge-sharing and research as part of current efforts to deliver as One ILO.

3.2.5 Technical cooperation and resource mobilization

As indicated earlier in this report, ILO service delivery especially at the field level is heavily dependent on voluntary funding, in particular XBTC. From its inception phase, the Field Review Team agreed on the need for a task-bound sub-team composed of HQ and field staff with proven experience and knowledge on ILO technical cooperation (TC) to look specifically at this issue. This section draws largely on the findings of analysis conducted by that task-bound team (TC Review Team). It also builds on the feedback received in the course of the consultations conducted with constituents and staff.

Overview of ILO voluntary funding and TC portfolio

ILO's approvals and expenditures of voluntary contributions (XBTC and RBSA combined) have been slowly growing over the last 10 years, hovering between US\$ 200 – 250 million per year in recent years. The bulk of these contributions (over 65%) are from so-called multi-bilateral traditional ILO donor countries, the remainder coming from a range of sources such as IFIs, direct trust-funds and private sector funding, as well as UN Joint Programmes/One UN Funds (which are also at the source mainly bilateral funds from OECD/DAC countries).

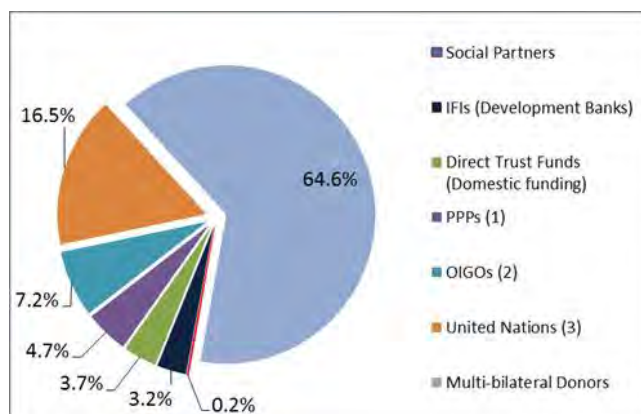
Approvals per donor category in '000 USD (2009-2012)	
Social Partners	397
IFIs (Development Banks)	7,486
Direct Trust Funds (Domestic funding)	8,593
PPPs ⁽¹⁾	11,058
OIGOs (2)	16,991
United Nations ⁽³⁾	38,646
Multi-bilateral Donors	151,719
Total	234,891

(1) Includes Foundations, Public Institutions, Private Sector Initiatives and Others

(2) Includes Multi Partner Trust Funds (MPTFs), Joint Programmes (JPs) and One UN Funds

(3) Includes the European Commission, AGFUND, CCD, CED and IOM, OSC and SPC

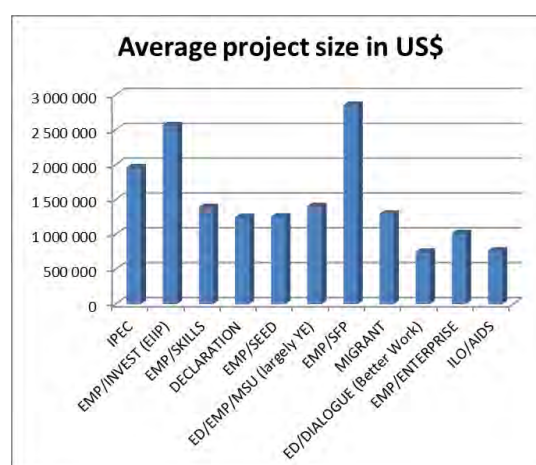
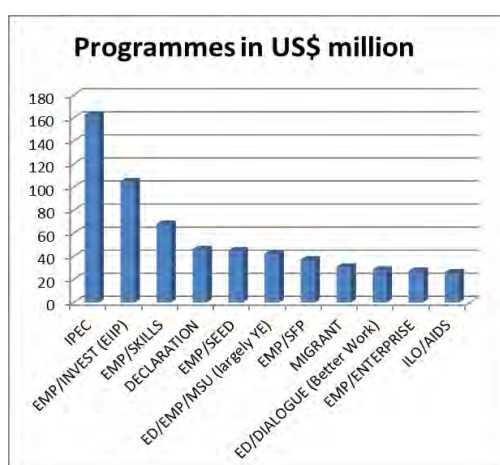
Approvals per donor category in % (2009-2012)



Overall ODA is likely to continue to decline but ILO could well expand its voluntary funding even in that context. Increasing funding from IFIs, emerging donors, private sector as well as domestic (national budgets) all offer potential for the ILO. To explore this potential, a number of up-front investments would be required, including on marketing the ILO with these new partners and on developing contracting modalities that might entail changes to current rules and procedures.

The ILO's portfolio of voluntarily funded projects currently tallies nearly 700 active projects, with currently around 10 large projects above US\$ 10 million in total budget and a large number below US\$ 1 million.

Few **global programmes** account for the vast majority of XBTC funding, combining a global capacity of technical expertise (in the regions and at HQ) with a series of country programmes. Two programmes, IPEC and the Employment Intensive Infrastructure Programme (EIIP), are presently handling more than US\$200 million each, with another 8 programmes having more than US\$25 million of active projects. The average size of the projects under programmes varies significantly, with the Social Finance Programme and EIIP having an average project size of more than US\$2.5 million, followed by IPEC with projects of an average size of nearly US\$2 million. Many of the other programmes have projects ranging from US\$1 million to US\$1.5 million.



Large programmes offer economies of scale and greater potential for sustained impact. Large TC programme approaches reduce the risk of inconsistent, ad-hoc national interventions, enabling the ILO to adapt to national conditions based on international good

practice experience. Effective programmes combine technical quality through research, evaluation, and planning along with operational capability. Lessons learned are shared across countries and regions. New policies and initiatives are piloted so the technical programme is grounded in real experience. This ensures technical consistency and quality.

Small projects however also have their place, either for innovation, research or where an ILO project is part of large-scale joint UN programmes. Examples of **smaller projects**²¹ that have proven to have particular merit include:

- Projects corresponding to the ILO's share of joint UN programmes at country level. These projects tend to have light contracting and reporting arrangements. They may open the door to subsequent projects over time and from different donors. One drawback of these projects is that they often fall short on allocations for technical expertise, as joint UN programmes provide funding for interventions, but to a lesser extent for ILO staff. Their success and outcomes are thus often dependent on the availability of ILO specialists for technical support.
- Projects funded by donors of strategic interest for the ILO. Recent examples of such projects include: the Canadian equivalent of the Ministry of Labour supporting research on the labour dimensions of trade agreements; the Czech Ministry of Foreign Affairs engaging for the first time with ILO as a donor; the European Investment Bank which has selected ILO to conduct employment impact assessments of its project portfolio, initially in North African/Mediterranean countries and more recently in European countries.
- Multiple country projects that may individually seem "small" in budget allocations but are actually under one award (contract with donor) within large inter-regional programmes. Examples include IPEC/TACKLE and projects under the large-scale award of the ILO's Social Finance Programme.

With regard to management arrangements, roughly two third of XBTC allocations are administered in the field and one third at HQ. At the end of November 2013, 443 out of 661 active projects are administered from field offices. Of the 228 projects administered at HQ, 122 are global or inter-regional in scope. While the remaining 106 cover work for specific countries and regions, some are administered at HQ because they are managed fully in IRIS supplemented by specific country-based software different from FISEXT. In other rare cases it was agreed with Regional Offices to manage the projects centrally because of lack of capacity at field level.

Key challenges

A scattered TC portfolio driven by opportunity and individual initiatives

There is a general perception among constituents, donors and staff that the ILO needs to do better in terms of re-focusing TC on fewer selected areas where real development impact can be achieved and demonstrated. This requires, among other things, a closer alignment between TC interventions and the mainstream research and policy advice, systems to monitor and measure impact, and mechanisms to improve organizational learning and strengthen the application of lessons learned from evaluations.

ILO experience shows that best TC results are obtained when supported by a real "theory of change", serving expressed policy needs and providing capacity building. This involves providing tools and operational processes to test policies, elaborating convincing case studies on the implementation of policies, developing a strong evidence base, and building capacities of local constituents and partners. It is further essential to ensure that TC connects to ILO values and core domains of intervention.

²¹ 'Size' of projects in terms of budget allocations.

Poor coordination across TC projects within the same thematic area

One important drawback of the current TC portfolio is that parallel management capacities and structures co-exist across different projects, resulting in missed opportunities for increased synergies, both at country-level where joint approaches and synergies are left to chance, as well as at global level with parallel initiatives in the same broad policy area.

Many distinct projects are active within a given technical area, often with weak coordination across them leading to fragmented delivery. This is often due to blurred management and technical backstopping responsibility of TC projects that may be divided among a wide range of HQ units and field offices. One implication is great variations in the quality of achievements, which undermines the credibility and effectiveness of ILO work.

No systematic alignment between global and country priorities and TC interventions

A similar challenge exists at the country level. **While DWCPs should provide the framework for the delivery of ILO services at the country level based on the priorities established by constituents, the widespread perception among field staff is that all too often HQ interventions take place with little regard of these priorities.** In practice different ILO units, as well as many ongoing TC programmes in the field, are often pursuing independent fund-raising efforts for specific small projects which may not be directly linked to DWCP priorities or to the outcomes set in the Strategic Policy Framework. One consequence is that agreed DWCPs tend to be underfunded and/or to be retrofitted to encompass areas for which funding was obtained. In turn, this mirrors the lack of an overall mechanism in place to assess the strategic fit of projects funded through voluntary funding to the priorities of the Organization, at the global and country levels – an issue already highlighted in this report.

Burdensome and complex procedures and systems hampering efficiency in TC delivery

Feedback from staff is almost unanimous in acknowledging that several obstacles hamper the effective, efficient and timely delivery of TC programmes. While similar obstacles also exist for RB, the more competitive nature of voluntary funding makes this a real drawback for the Office in mobilising resources.

Existing rules and regulations do not allow mixing and matching of RB and voluntary funding towards a common result in one programme, whereas donors increasingly require to see evidence of ILO's own investment before making funding decisions. This is particularly an issue when it comes to funding staff costs from different sources of funds. While efforts are underway by PARDEV to provide field offices more of a "One-Stop-Shop" approach,²² much can be improved through further adjustments in different procedures and clarification of responsibilities.

The continued co-existence of IRIS and FISEXT does not allow for full output-based budgeting and support to joint programming. Project locations outside ILO offices face particular challenges related to administrative and financial management arrangements with long delays. Due to the lack of an organized surge capacity and in many cases unclear or even competing coordination efforts within the organization, projects of crisis response nature experience serious delays in approval and delivery, which impairs the quality of services from the ILO, affect the ability of the ILO to meet technical and financial reporting requirements of the donor and putting ILO's reputation at risk. The length of processing procedures has also been a recurrent theme voiced in the consultations with staff and donors.

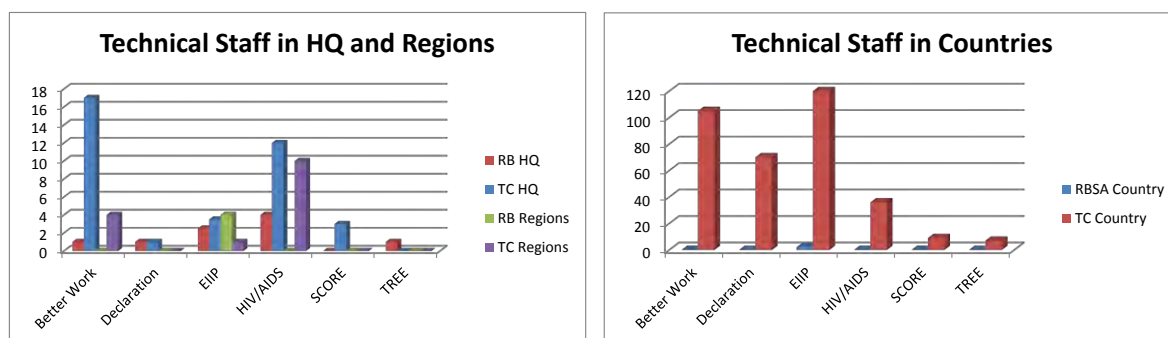
²² PARDEV has shared with the Regional Directors a draft for discussion on its field support function.

Some lessons from current large-scale ILO TC programmes

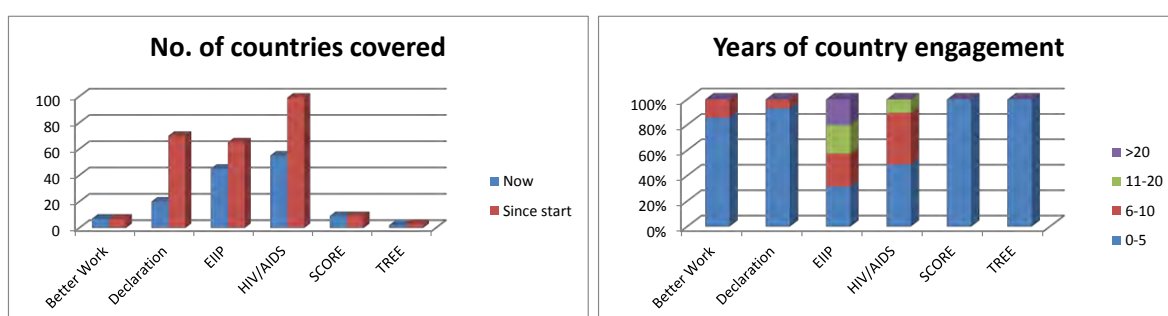
ILO large-scale TC programmes draw much interest from member States and donors alike. They have raised ILO profile globally and enhanced its standing within the UN system.

The findings from a sample survey of six-large scale TC programmes (with a portfolio above US\$25 million) provide interesting insights into this issue.

There are significant differences between the programmes in respect of HQ vs. field-based staff for programme development, management and technical backstopping. Some programmes have relatively large TC staff based at HQ (e.g. Better Work and HIV/AIDS), whilst others have a higher degree of field-based technical development and backstopping functions (e.g. EIIP).



There are also variations in the number of countries served by the different programmes. Some programmes (EIIP and ILO/AIDS) are active in 40 to 50 countries, while in other cases country coverage has been progressively shrinking over the years (e.g. Declaration).



Of great interest is also the relative length of programme engagement with a country. EIIP displays the longest engagement over time as a standard feature of its approach, with an engagement of over 10 years in more than 40% of countries. Longer term engagement has a number of advantages, not only in terms of achievements and impact, but also in terms of commitments from member States and partner institutions. EIIP is a case in point. Many member States pay themselves for ILO services and development banks are contributing a substantial share of the programme funding.

One reason behind the relative success of these large-scale programmes can be traced back to the integrated nature of these programmes, which cover interventions at the local, institutional and macro/policy levels and span different sectors of the real economy. Additional explanations for member States' support to ILO large-scale programmes can be found in the value added of these programmes in terms of:

- **Building up a critical mass of technical competence in ILO and partner countries that enables longer term in-depth engagement and credible solutions**, often inside the real economy, with resulting recognition of this competence as a problem solver in contrast to only identifying the cause of problems;
- **Contributing to sustainable and transformational capacity development** through

comprehensive capacity building programmes (rather than fragmented interventions) that pursue a capability approach for constituents and different actors in public and private spheres;

- **Showing impact of a scale, not only demonstrate a possible solution but partake with countries/partners to develop systems and capacities for large scale application;**
- **Capacity to deliver efficiently on benchmarking dimensions** like quality, time and costs – a difference those large-scale programmes can make by providing additional capacities for ILO delivery mechanisms within the ILO regional structure and at HQ.

Box 6. Recommendations

Improved alignment

1. Establish an effective mechanism with clear authority at the level of DGG/FOP to orient voluntary funding (XBTC and RBSA) and to make decisions on its allocation. This mechanism should involve PROGRAM, PARDEV and CABINET.
Donors are able to un-earmark their resources to a greater or lesser extent. Where ILO is asked to determine specific priorities for funding allocations (fully in the case of RBSA, to a certain extent for so-called outcome-based funding or for thematic contributions), a clear decision is needed to move funds to specific themes or countries. Today such decisions are scattered or ad-hoc, sometimes kidnapped 'by the process'.
2. Require explicit clearance of a Department director (for HQ) and a Decent Work Team Director (for Field work) for any proposal for approval, setting out how possibilities for synergies and joint management structures have been fully explored. Currently these directors are copied in appraisals and submissions, but the projects are often already a 'fait accompli' as donors have responded positively to solicitations from individual units or officials.

Integrated resource framework

1. **Agree on co-financing modalities where RB and voluntary funds can be pooled towards a common objective.** This would entail setting up a time-bound task team composed of PARDEV, PROGRAM, FINANCE to explore possibilities and further develop efficient mechanisms to 'pool' funding from different donors through 'multi-donor' arrangements such as Bangladesh RMGP (DFID, Canada, Netherlands) and SCORE (NORAD and SECO).

Larger programmes where possible

1. **Organize more of the ILO TC portfolio around larger programmes**, some of which may need to be reconfigured (e.g. IPEC also covering forced labour). ILO should identify and nurture selected few programmes that have the potential to become future large-scale programmes (e.g. SCORE, STED, DOMWORK). This entails a clear RB investment, a strong grounding in ILS and direct link to global development priorities.
2. Define current flagships and promote them, consider sun-setting or re-configuring certain others and provide a 'Challenge Fund' mechanism for a selected few rising stars to become large integrated programmes.

Other operational steps to be taken

1. Barrier between XBTC and RB-funded staff should be broken down. This involves eligibility to competitions, ensuring that staff involved in TC delivery should be part of a community of practice to learn and draw from each other, integrated staff development.
2. Review ILO's support cost arrangements. This involved setting out what PSC is for and covers, making actual allocations of PSI transparent and move gradually to a set % level for core indirect cost exclusively for HQ TC management support services and a negotiated support cost arrangement for the unit/office delivering TC, combining indirect and/or direct cost provision.
3. DDG/FOP, in collaboration with PARDEV and PROGRAM, should set up an effective mechanism to provide support to field units and projects (reference is made to the paper prepared by PARDEV).
4. Reinforce the current trend regarding management arrangements i.e., unless strongly justified, TC projects should be administered at the field level.

3.3 More Efficient Structures to Serve Constituents

3.3.1 Roles, Responsibilities and Accountability

Feedback from staff, in particular line managers, is quite unanimous in highlighting **lack of clarity of roles and responsibilities at all level and the lack of accountability**. The Transition Team characterises the lack of accountability as a “culture of laissez-faire”. As already indicated, feedback is also unanimous in considering that addressing this matter may be as, or more, important than addressing issues related to ILO structure in the field.

Several line managers and professionals also believe that ILO’s current operating systems have deteriorated over time to a point where bureaucratic checklists are predominant over accountability, performance and results. **The supporting role of HQ (Management and Policy departments) is perceived as being inconsistent and unclear**. Technical and management departments are sometimes perceived as disconnected from field realities and as adopting a control-oriented approach, which lead some regions or country offices to limit their relations with HQ.

Overall, roles and responsibilities as defined in the relevant IGDS are unclear and have been interpreted and applied haphazardly. For example, IGDS 150 (paragraph 19) states: “Under the Direction of the Director-General, headquarters retains overall responsibility for global policy design and development and quality assurance within the framework of decisions taken by the International Labour Conference and the Governing Body. This implies, in particular, that headquarters has no direct country or regional operational responsibility except in specific cases as determined by the Director-General”. Experience and feedback received in the course of this Review confirm that this rule is not being followed in practice.

In reviewing the relevant IGDS and the current roles and responsibilities the Field Review Team found, for example, that everyone contributes to the development and implementation of DWCPs in various ways²³:

- CO collaborates with ILO constituents to design and implement DWCPs; liaises and negotiates with DWTs, ROs, and HQ units to obtain the necessary support from technical specialists in the design and implementation of the DWCP; collaborates with the RO and relevant HQ units to design and implement TC programmes to support DWCP outcomes.
- RO liaises with DWTs and HQ units to ensure timely, high quality, well-coordinated and integrated support for the design and implementation of DWCPs, and also coordinates, monitors and advises on issues related to the design and implementation of TC programmes to support the DWCP outcomes. The RO also ensures quality assurance of DWCPs and provides final approval.
- DWT specialists provide technical support and policy advice to COs in the design and implementation of the DWCP; assist ROs and COs in leveraging expertise from technical units at HQ and other networks; provide technical inputs to RO and COs in designing TC programmes in support of DWCP outcomes.
- HQ provides technical advice and resources to the delivery of results as defined in DWCPs.

It is clear that the design and implementation of high quality, timely DWCPs aligned to national development framework require a strong team effort – but strong teamwork must be based on a clear idea of who is responsible for what. The current definition of roles and responsibilities leaves so much ambiguity about who is ultimately accountable that the

²³ IGDS Number 212, 23 February, 2011

result will almost certainly be a lack of coordination, turf fights and poor utilization of resources – results which we have seen reflected in both constituent and staff feedback.

In this context:

- There is an urgent need to clarify and simplify the roles and responsibilities, particularly when it comes to country level work. From the feedback and analyses, it is felt that **the authority of the Country Office (CO) or Area Office (AO) Director should be strengthened** while recognizing that s/he needs critical support from DWTs, HQ technical units and the RO. This can in part be achieved by transferring more of the financial resources earmarked for country level activities and by a determined effort to better select, develop and support CODs. The need for a better defined role for the DWTD and team of technical specialists was also perceived, as well as a better understanding of the support role of RO.
- According to the staff survey, the majority of staff think that the ability of technical specialists in the field to build relationships with constituents is one of the most important drivers of change. However, there is a general under-appreciation for the critical role of the technical specialists in field offices in delivering quality services to constituents. Consideration of field structures should be aimed at facilitating their sustained interaction with constituents on priorities set through DWCPs.
- There is also a need to define the roles and responsibilities of Technical Specialists versus Programme Officers and establishing a working method that does not cause overlaps/conflicts. This clarification should also determine the programming responsibilities of Technical Specialists and TC staff and also the technical responsibilities (and limitations) of Programming staff in the field (as well as with administrative and financial staff).
- Careful additional analysis should be done with respect to the role of the ROs. There is a need to redefine the RO's responsibilities towards an increased political and strategic leadership and a reduction of its involvement in the technical aspects of the programme in the region.
- The issue of adequate coordination of HQ support to DWCP design and implementation has also been raised frequently in discussions with staff, particularly in the field. Currently, CO or AODs and field specialists have to rely on primarily informal networks to obtain the support they need. A much better defined and well-coordinated system is required.

3.3.2 FOP portfolio and the field structure: A New Framework

The key interfaces with constituents and other stakeholders in the field take place at the country level. Area Offices which are in direct contact with them on a regular basis and technical specialists working on agreed priorities constitute the backbone of ILO service delivery.

The quality of the delivery system characterized by value-added services, effective business processes and positive staff attitude ultimately affect the constituents' perceptions of the Office as a whole. In this context, ILO image is very much subject to the provision of timely, cost-effective and quality services based on a strong Field/HQ collaboration (delivering as "One ILO"). Therefore the capacity of the Office's front-liners (field managers and staff) to focus effectively on meeting the constituents' needs and expectations will mainly rely on a flexible and responsive back-end organization.

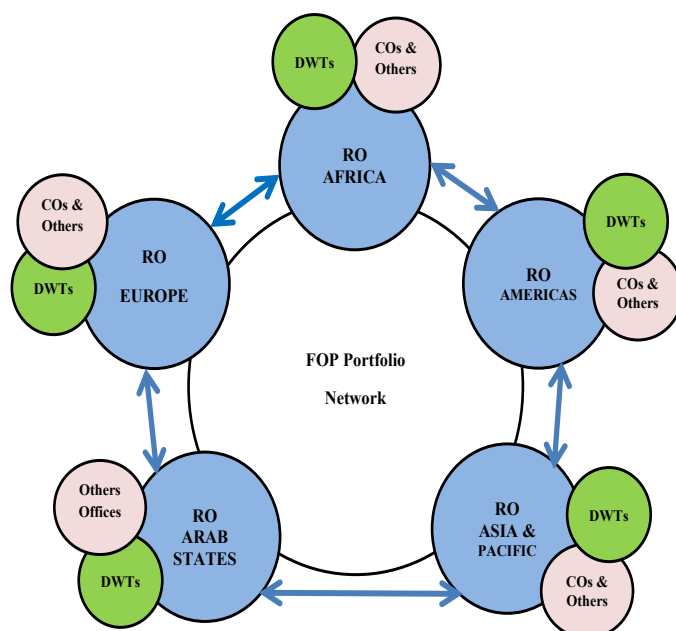
In this context, the creation of the portfolio "Field Operations and Partnership" offers an opportunity to review and clarify the functions, roles and responsibilities of headquarters and field units, in particular the FOP departments and regional structures. The IGDS 322 states that, *"the portfolio will assure optimal working relations between HQ and the*

regions with a view to facilitating quality delivery at field level and supporting the efficiency, effectiveness and impact of ILO activities in the regions". As already pointed out, clarifying roles and responsibilities of ILO units (HQ and field) tends to be considered as more important than addressing issues related to the ILO structure in the field.

Feedback from constituents, key informants and staff also highlights the Office's dilemma with respect to its geographical coverage. The ILO has limited financial resources. In addition, it has limited flexibility to move out of countries when the level of development or level of activities does not require a strong in-country presence. All this suggests that it would not be appropriate to adopt an "expansionist" strategy aiming at increasing the number of country offices. Rather it would be more strategic to focus on improving ILO visibility and presence through a well-balanced geographic coverage and distribution of resources in each region. However, feedback from constituents and staff also confirm an urgent need to improve ILO presence in non-resident countries to effectively respond to the member States' needs and to pro-actively influence and contribute to the One UN agenda at country level. There is evidence that UN agencies with important normative functions have been developing a resource mobilisation engine based on their country presence and on technical cooperation.

Under the leadership of the Deputy Director-General, FOP portfolio departments and the regional offices are key units to oversee, manage and guide the units and operations in the field (see graph of the FOP network below). The ability of the FOP departments to effectively support the field units and staff through the development of mechanisms, methods and tools is critical in delivering quality services to the constituents.

These departments are responsible for creating a conducive environment that will allow the field units to perform their tasks smoothly and with more autonomy. In collaboration with the Management and Reform portfolio, they will facilitate the streamlining of work processes and procedures directly affecting field operations to improve ILO services and constituents' satisfaction. At present, current working relationships between FOP departments and field units are based on the previous structures. This situation raises several issues in respect of accountability, authority and synergy.



a. **Key Functions, Roles and Responsibilities of the Field Structures – Regional Offices, Area Offices, and Decent Work Teams**

The functions, roles and responsibilities of Regional Offices, Area Offices and Decent Work Teams should be clarified to improve the delivery of quality services to the constituents.

The proposed roles and responsibilities of each office are described below, which combined, would enable the Office to: (a) adopt a “global team” approach which links technical specialists across HQ departments and regions, (b) relies on large DWTs (concentration) to ensure critical/strategic mass of expertise, better planning and coordination of the technical support provided to the constituents and (c) allows in-country posting (time-bound assignment) of specialists in offices covering a few selected countries with pressure needs. This global approach is premised on the following important enabling factors:

- **Focus:** Targeting the advisory services of each specialist to a maximum of 5 countries per biennium would be necessary to achieve sustained impact on policies and institutions. Identifying the priority countries is a cooperative task between AODs and technical specialists.
- **Decent Work Teams:** Grouping staff in multi-disciplinary DWTs provides the Office with the capability of mobilising multi-disciplinary responses to countries’ multi-faceted policy challenges. However, the staff survey and discussions with specialists and office directors emphasize that proximity may be a necessary condition for inter-disciplinary work but it has not proved sufficient. Many specialists identified the barriers to collaborative work as having too many countries to cover, expectations to prioritise CPOs which are linked to outcomes and indicators, and low priority of joint work in resource allocations.
- **Global teams:** Within technical areas, global teams comprising specialists across field offices and HQ are important for maintaining and improving the technical and core competencies of specialists. They provide training, agree priorities for research and tool development, hold field specialists accountable to keep to message, and hold HQ specialists accountable to keep work relevant to countries’ realities. In other words, global teams are instruments to promote policy coherence, staff development, and teamwork.
- **Mobility policy with clout:** Biennium reviews of the composition of DWT posts are required to adapt to the changing needs and circumstances in the countries covered. Providing relevant services implies changing those services over time. Providing quality services requires keeping technical specialists up-to-date and enabling them to continue to learn and share their learning. Job descriptions for field specialists should stipulate an expected duration of two biennia.

Regional Offices and Regional Directors (ROs/RDs)

The Team’s recommendations are guided by the following principles:

- Regional directors are the political and strategic leaders of the Office in the Region.
- The streamlining of the respective roles and responsibilities of regional structures allow RO/RD to devote more time to political and strategic matters and devolves responsibility for some operational functions to the DWTs and AOs in order to improve the efficiency and effectiveness of the field operations.
- The roles and responsibilities of RDs and ROs should be in line with the FOP portfolio goals and functions and its accountability framework.

- Synergy among the three portfolios is a necessary condition for One ILO delivery in the field operations.

The Regional Directors (RDs) are the ILO senior representatives in their regions and report to the DDG/FOP. They function under delegated authority from DDG/FOP and **are accountable for supporting advisory and technical services delivered at the country level by AOs and DWTs and for providing strategic orientation and oversight in the field operations.** AODs and DWTDs report directly to them.

Refocusing the work of the ROs on the political and strategic functions is important for ensuring the relevance of the organization at the regional level – including with relevant regional organizations – and for the smooth implementation of ILO interventions including policy advisory services to member States, research activities and technical cooperation projects in response to constituents’ needs and expectations.

The refocusing of the roles and responsibilities of the RO as the political and strategic leaders of the Office in the region, aims to ensure excellent working relationships among the different elements of the field operations network (FOP portfolio departments, RO, DWT, CO, etc.) and to streamline operational processes.

Selected functions, roles and responsibilities of the Regional Office

- Lead a regional management team to ensure that police advice and programme implementation respond to member States’ needs and meet ILO strategic objectives.
- Develop and maintain strong relations with the tripartite constituents, regional employers and workers organizations and regional institutions to advance the implementation of the Decent Work Agenda in the region.
- Plan and organize regional meetings in collaboration with the relevant headquarters units in accordance with the ILO constitution and the decisions of the Governing Body.
- As a member of the Global Management Team (GMT) and under the leadership of the DDG/FOP, identify and communicate regional priorities in processes that determine organization-wide priorities and guide the Strategic Policy Framework (SPF).
- Promote the Decent Work Agenda in regional integration schemes and other regional organizations, including regional development banks.
- In collaboration with PARDEV and MULTILATERALS, build strategic partnership with development partners and donors at the regional level and support area offices in their efforts to mobilize resources for technical cooperation.
- Promote effective partnership within the UN system and multilateral fora in the region, contribute to UN reform processes at the regional level and actively participate to the regional UN coordination meetings of Regional Directors.
- Develop a regional communications strategy within the framework of the global strategy to enhance the visibility and reputation of the ILO in the region with ILO constituents and more widely.
- Contribute to the good governance of the ILO at the regional level and assume responsibility for the efficient, effective and transparent use of all ILO resources through the application of appropriate regulations and rules.
- Identify and assess strategic regional risks and ensure that they are properly managed through mitigation measures. This implies ensuring that all offices in the region monitor

and ensure the adequacy of arrangements for the overall safety and security of all ILO staff including technical cooperation staff and national coordinators.

The recommendation for the composition of the Regional Offices follows from the focus on political and strategic functions. The heads of the three units – FINANCE, PROGRAM and HRD – and a Communications Officer comprise the management team supporting the RO Director and subsume the management role of the Deputy RD. A senior economist position is recommended, to lead technical work with the relevant UN bodies and development banks, coordinating with the Research Department and providing information for research carried out in the DWTs.

Area Offices and Area Office Directors (AOs/AODs)

ILO's efforts to promote the Decent Work agenda at the global and regional levels aim at having an impact at country level. The majority of ILO's technical support and operations take place at country level. In addition, the focus of the "Delivering as One UN" including the new Standards Operating Procedures (SOPs) is also at the country level. Therefore, focus and improved coordination of ILO programmes and activities at country level contribute to meet ILO objectives and are consistent with the Aid effectiveness declarations and UN reforms.

AOs and AODs play a key role in ensuring ILO's visibility and capacity to understand and respond timely and effectively to member States' requests. Their ability to strengthen the relations with the tripartite constituents and other key stakeholders and their capacity to manage ILO's interventions to have an impact at country level affect all stakeholders' overall perception vis-à-vis the relevance of the Organisation's mandate and the Office's efficiency. There is a need to reaffirm the importance of a country level orientation and to strengthen the operating model to service constituents at country level.

In this context, AOs and AODs should be empowered and accountable for the coordination of ILO's interventions at country level (in resident and non-resident countries). AO should be well equipped and supported by other units (HQ and field) to promote ILO principles and values, to deliver quality services, to influence national policies and to strengthen partnerships with national institutions. **Unless clearly accredited, DWTDs and technical specialists are not formally ILO's Official Representatives to ILO member States and should avoid any confusion that may undermine the role of AODs.**

Selected functions, roles and responsibilities of the AOs

- Develop and manage relations with constituents so that they are adequately consulted about relevant issues, their views and positions are effectively represented and the right conditions are set for cooperation within the ILO governance structure.
- Lead the development of DWCPs or other means, and liaise and negotiate with RO to secure appropriate financial resources and with DWTs to obtain the necessary support from the technical specialists at both the design and implementation phases.
- Lead the process at country level to promote International Labour Standards (ILS) and to ensure proper follow up of the supervisory body's recommendations.
- Support member States and constituents capacity to develop and/or implement relevant policies in areas of strategic importance to the implementation of the Decent Work Agenda.
- In collaboration with DWT specialists design and implement technical cooperation projects at country level and facilitate the evaluation of TC projects, policies and programmes.

- Maintain and manage up-to-date information on country level policy developments under the four pillars of the Decent Work Agenda contributing to the ILO's centralized knowledge system.
- Lead ILO participation in UNCTs, in other development partners group and lead the "Delivering as One UN" and/or other UN reform processes at the country level.
- Promote ILO activities and communicate ILO messages among ILO constituents and other stakeholders to increase outreach and awareness.
- Under the guidance of the Regional Office and INTSERV, ensure the safety and security of ILO staff, including project staff, in the country/ countries covered and work with the UN security management team (s) at the respective duty station (s).
- The size of the AO depends on the number of countries covered. Some AOs will include in-country positions for DWT technical specialists. Where multiple countries are covered, the responsibilities of the Deputy AOD could include representing the AOD in one or more UNCTs. Where a single country is covered, typically there would not be a Deputy position, or the position could combine technical specialist and Deputy Director duties (50 per cent each). This could be an important means of increasing technical services at the country level, as well as provide a management career path. The issue of international and national Programme Officers is addressed below. AOs also typically include a small administrative and finance unit and staff of technical cooperation projects.

Decent Work Teams (DWTs) and DWT Directors (DWTDs)

With the support of the RDs and in close collaboration with the Policy Portfolio, DWTs are **responsible** for policy advisory services and technical work delivered at the country level. **All technical specialists in field posts are part of DWTs. DWTDs report to the RD and have a functional reporting relationship with the Policy Portfolio.** This enables the Office to Deliver as One within Regions and to maintain consistency within technical areas on standards, policies, research, and programmes.

The DWTs equip the Office with two essential capabilities: (a) to increase technical presence and thus influence at the country level and (b) to deliver services in an integrated manner that corresponds to member States' multi-faceted policy challenges. Having a critical mass of technical specialists is critical for both tasks.

DWT structures vary across regions. Today DWTs work with country office(s) or merged with country office (DWT/CO) to deliver services to constituents at the country level. This is the case in Africa, in Americas, in Europe and Asia and Pacific regions. In the Arab States where the Organization does not have Country Offices, the only DWT delivers services directly at the country level.

Key recommendations of this report are: (i) to increase the number of specialists in larger DWTs in order to capitalise on the opportunities for joint work and mutual learning and to make it easier for DWTDs to mobilise human resources on a more flexible basis; (ii) to reduce the number of countries that each specialists works with, and (iii) to post a limited number of DWT specialists in **a few selected Area Offices covering countries with pressure needs**. Their ability to focus on selected countries will make it easier for AODs to sustain ILO support from the design phase through the implementation and impact assessment phases of policy and institutional reform endeavours.

The discussion within the Team has led to agreement that in a system designed to provide differentiated services to meet member States' different needs, **in-country placements of technical specialists are needed under certain circumstances** and can be effective under the following criteria and conditions:

- All technical specialists posted in selected Area Offices remain members of the DWTs. They report to the AOD on the basis of work plans and performance management plans set with the DWTD.
- The profile of the position matches country priorities for policy and institutional reform that require sustained Office intervention: from needs assessment, to policy or programme design, to implementation and monitoring and assessment.
- In-country positions are time-bound, typically for two biennia. Country priorities shift in successive DWCPs and allocation of in-country posts match these shifts.
- In-country posting in BRICs and some HICs, MICs aims to influence and accompany policy initiatives and enable knowledge sharing with other countries. In-country posts can also help, in some countries, to address the difficulties of mobilizing extra-budgetary resources for TC projects.
- In-country posting is a priority in countries with high decent work deficits and where sustained advisory and technical support are required to bring about material gains in legislation, policy and institutions. These posts should complement rather than duplicate technical support that can be provided through extra-budgetary technical cooperation projects.
- Cost considerations are also important. Countries in remote locations, relative to the DWT, and small member States where targeted services must take priority over providing breadth of services, can be best served by posting specialists to sustain support in common policy areas.

Specific proposals for limited Area Offices which need in-country posts of DWT specialists are included in the section below on Geographic considerations.

Another key recommendation is that the DWTs, in close collaboration with the Research Department, be responsible to undertake applied research and provide field inputs to the global research agenda. In order to fulfil this role, DWTs should include a dedicated research team with some key positions (e.g. Research and LMI/Statistics posts) to undertake sub-regional and country studies that will inform country programmes, coordinate with the Research Department to ensure the relevance of upstream research and provide a conduit for its application at the country level. They will also work with their DWT team members to improve the quality of country and thematic studies they produce as part of global thematic teams and through technical cooperation projects.

Selected functions, roles and responsibilities of the DWTD

- As part of the Regional Management Team, work with the Regional Director to set regional priorities within the SPF, ACI and other global frameworks for ILO work agreed with the Governing Body.
- Develop and manage an interdisciplinary team of specialists. Work with HRD and HQ technical units to match the composition of the specialists with the priorities of constituents in the sub-region and lead recruitment efforts. Coordinate with HQ technical units to ensure that each specialist is an active member of global teams within their area of technical competence, including implementing agreed staff development plans.

- Ensure the delivery of relevant and well-timed legal, technical and policy support to countries. In particular this requires agreement of specialists' work plans in the Performance Management System early in the biennium, in agreement with AODs and HQ technical units. DWTDs will be held accountable for ensuring the organization and delivery of inter-disciplinary work, creating incentives for and holding specialists accountable for joint deliverables.
- In collaboration with DDG/FOP and DDG/P, assist the technical specialists in leveraging expertise from technical units at HQ in support of Country Programmes. Facilitate intra and inter-regional technical coordination and support as well as exchanges of knowledge and experience to respond to priority needs.
- Work with AO and the team of specialists to undertake necessary country assessments to inform DWCP and other country programme and CCA and UNDAFs.
- Lead technical input to development and appraisal of technical cooperation projects for the countries covered and provide technical clearance for TC projects funded with resources mobilized locally.
- In collaboration with PARDEV, develop partnerships with sub-regional agencies and institutions (including universities and research centres).
- In close collaboration with the Research Department and other HQ technical units concerned, set a research agenda for the sub-region that contributes to the upstream research of the Office and meets country-level needs for policy and programme assessments, undertake applied research and provide regional inputs to the global research agenda, strengthen ILO capacity to produce relevant research and to put it to use.

Key functions, roles and responsibilities of the Technical Specialists

The ILO needs to increase its technical capacity at the country level in order to provide relevant services of appreciated quality, support policy reforms from design through implementation phases, and sustain demonstration projects through their evaluation and institutionalization stages. This requires team work between the political and management leadership of Area Offices and the technical leadership in thematic areas provided at the country level by the field technical specialists and technical cooperation projects.

What catalyses policy, legal, and programme change at the country level is the relationship between Area Office staff, technical specialists and national counterparts.

Feedback from staff suggests that technical specialists can build up meaningful relationships and work effectively in at most five countries in a biennium. In addition, technical specialists can play a supporting, but not policy change driving role, as part of interdisciplinary teams in a few additional countries. Ideal tenure is four years, coinciding with ILO budgeting biennia: long enough to build up effectiveness and see through policy reforms, but time-bound in order to enable the constituents and the Office to address next priority areas of work.

Once priorities are set with constituents, AODs must determine whether appropriate analytical, advisory and technical services can be best delivered through ILO technical specialists in DWTs or AOs or through technical cooperation projects, and then work with DWTDs and specialists to devise the delivery work plans. National experts and national institutions may also play an important complementing role in countries with abundant capabilities in ILO areas of work. The Office may commission research from them, engage them in knowledge-sharing activities nationally and hire them to share national experience and participate in training activities outside the country.

A summary of the key roles and responsibilities of the field structures and HQ portfolios are presented in table 8 below.

Table 8. Summary of key Roles and Responsibilities

Roles and Responsibilities: Responsibility Chart*						
Accountable : The unit or position with Yes/No Authority	Responsible : The unit or position that carries out the work	Consulted and Contributes : The Unit or position that is consulted beforehand and that contributes to carrying out the work	Informed : Kept up to date of progress or completion of the task			
	FOP Portfolio	Management and Reform Portfolio	Policy Portfolio (technical units)	Regional Office	Area Office (Country level)	Decent Work Team (field specialists)
Strategic direction						
Development and management of relationships with constituents	Accountable	Informed (PROG & DCOMM)	Informed	Responsible - Regional Organizations	Responsible - National Constituents	Consult & Contribute
Programme and Budget allocations	Consulted & Contribute	Accountable; Responsible (PROG)	Consulted & Contribute	Responsible	Consulted & Contribute	Consulted & Contribute
Country programming & delivery	Responsible	Responsible	Consulted & Contribute	Accountable	Responsible	Consulted & Contribute
Monitoring and reporting	Accountable	Responsible (PROG)	Consulted & Contribute	Consulted & Contribute	Responsible	Consulted & Contribute
Evaluation (prog & projects) - Accountable/Responsible: EVAL	Informed (PARDEV)	Informed (PROG & DCOMM)	Informed	Informed	Consulted & Contribute	Consulted & Contribute
Advocacy and communication	Accountable	Responsible (DCOMM)	Responsible	Responsible	Responsible	Consulted & Contribute
Policy design and advisory services						
Research and statistics	Informed	Informed (DCOMM)	Accountable; Responsible	Consulted & Contribute	Informed	Responsible
Standards promotion; follow-up	Informed	Informed (DCOMM)	Accountable	Consulted & Contribute	Responsible	Responsible
Policy development	Informed	Informed (DCOMM)	Accountable; Responsible	Consulted & Contribute	Informed	Consulted & Contribute
Policy advisory services	Informed	Informed (DCOMM)	Accountable	Informed	Consulted & Contribute	Responsible
Tool, Methods, Approaches development	Informed	Informed (DCOMM)	Accountable; Responsible	Informed	Informed	Consulted & Contribute
Technical cooperation						
Donor relationships	Accountable	Consulted & Contribute	Consulted & Contribute	Consulted & Contribute (regional)	Consulted & Contribute (bilateral)	Informed
TC project design and development	Accountable	Consulted & Contribute	Consulted & Contribute	Informed	Accountable (specific project)	Responsible
TC project implementation	Accountable	Responsible (FINANCE)	Consulted & Contribute	Responsible	Responsible	Consulted & Contribute
TC project evaluation & Knowledge sharing	Accountable	Informed (PROG & DCOMM)	Responsible	Informed	Informed	Consulted & Contribute
Relations, partnership						
Multilateral organisations	Accountable, Responsible	Informed (DCOMM)	Consulted & Contribute	Responsible (regional bodies)	Informed	Informed
UNCT (UNDAF, SOPs, etc.)	Accountable	Consulted & Contribute (SOPs)	Informed	Informed	Responsible	Consulted & Contribute
National institutions	Informed (PARDEV)	Informed (DCOMM)	Informed	Informed	Accountable; Responsible	Consulted & Contribute
Management and administration						
Field security	Responsible	Accountable	Informed	Informed	Responsible	Informed
Human resources (recruitment, management and performance appraisal of field staff)	Accountable - for RD, AOD and DWTD	Accountable	Responsible - P; C & C-TC	Responsible - RO staff & field managers (incl. NC)	Responsible - P, TC, G, NO (Office staff)	Responsible - P, C&C, TC
Finance and procurement (field operations)	Responsible	Accountable		Responsible	Consulted & Contribute	Informed

*Source: Team's proposal based on the RACI matrix (definition of who is **Responsible**, **Accountable**, **Consulted** and **Informed** within the Office)

Box 7.
Recommendations

1. Review and redefine the current roles and responsibilities. This would require an in-depth review of IGDS Number 212. The focus should be on simplification and establishment of clear accountability and implementation arrangements. The Team recommends a strengthening of the Area Office and Area Office Director's authority.
2. Move towards a more political and strategic leadership role of ROs and a reduction of the technical involvement in the regional programmes which instead should be left to the COs, the DWTs and HQ units. **Where ROs have built up separate pools of technical expertise, these staff members should be redeployed to DWTs.**
3. Consider large (consolidated) DWTs in each region and their role to include a more strategic contribution to the regional programme development. When feasible, consider discontinuing the practice of dual roles as DWT and Area Office director, particularly in the context of these large DWTs.
4. Consider increasing field posts and the transfer of HQ specialists (including TC staff) to DWTs, rotation scheme for technical specialist positions and in-country postings.
5. Consider a **functional** reporting relationship between DWTDs and the DDG/P for all **technical issues** while retaining a **direct** (including political, strategic and administrative) reporting line to the Regional Director. The operational modalities of this proposed arrangement should be discussed with the HR Department, DDG/P and RDs or DDG/FOP **to avoid further confusion with respect to roles and responsibilities and line of authority.**
6. Establish a mechanism to ensure swift and professional settlement of turf issues and inter-personal conflicts, which otherwise can derail a structure that will necessarily depend on collaboration, coordination and mutual support.
7. Redefine the job description for technical specialists in DWTs so that work plans agreed with DWTD target work on selected countries in agreement with AOD.

b. Improving ILO presence and geographic coverage²⁴

The proposed geographic coverage is based on the strategies and functions described in the previous sections of the report. The Review Team build on the existing model RO-CO-DWT while acknowledging the diversity of the five regions. In the current field structure, the majority of the CO and DWT/CO have large geographic coverage without any official representatives in non-resident countries. The “national coordinator” system is mainly used by the Regional Office for Europe.

The Team’s proposal aims at improving the ILO presence and efficiency in the field by a better distribution of countries to be covered and a better balance of the workload among field units. A strong knowledge of the national context coupled with up to date intelligence and the timely engagement in national planning process are prerequisites to ensure the relevance of ILO interventions and ultimately influence national policies.

The case of Non-Resident Countries (NRC)

In the majority of countries, ILO operates without the physical presence of a country office. As a result, the Office faces numerous difficulties in: a) maintaining relations with tripartite constituents; b) understanding needs of constituents and identifying country priorities (DWCP); c) delivering contextualized technical services and influencing policy formulation; d) coordinating various ILO activities in coherent manner, e) mobilizing local resources, and; f) participating in UNCT processes.

²⁴ An in-depth analysis of the strategic global and regional contexts was not expected out of the Field Review Team work

In *ad hoc* response to the above difficulties, the Office has developed three different modes of operations in NRC: 1) through national coordinators (12 NC In Europe); 2) through arrangements with donors enabling CTAs to assume some representational duties; 3) through designating DWT specialists as a focal point or time-bound assignment of regular P staff (Greece). A better use of the available resources should be considered taking into account issues related to the roles, responsibilities, reporting line and status of concerned officials. All national coordinators should report to AODs. The table below illustrates conditions, functions, risks and prerequisites for each of these options.

Table 9. Conditions, functions, risks and prerequisites for ILO presence in NRCs

Option	Conditions	Functions and pros	Cons/risks	Prerequisite
National Coordinator (NC)	NC will be appointed if nature or volume of activities requires regular presence. This will apply for NRC with few or no TC portfolio.	- Maintain relationship - Provide intelligence - Facilitate country programming and implementation - Participate in UNCT - Relatively low cost - Language advantage	- Integration into ILO - Status and 1947 UN privilege convention issue - Participation in UNCT can be problematic - Generalists	- Align JD with actual functions - Set clear rules of engagement between NC and CO and/or DWT - Standard induction and technical training - Career prospect and grading (incl. NO C/D)
Chief Technical Adviser (CTA)	CTA will assume ILO representation role in UNCT only in NRC with substantial TC portfolio.	- Maintain relationship - Facilitate country programming and implementation - Less obstacles to join the UNCT meeting and programmes - Mix of seniority and technical expertise	- Donor support is a prerequisite	- Review CTA's JDs - Gain support of donor community through transparent consultation - Standard induction and related technical training - Clear rules of engagement in managing the relations with constituents and field managers.
Technical Specialist Temporary assignment	Specialists will be assigned in NRC where there is a need to address specific issues in time-bound manner.	- Direct response to countries in need of technical support on specific policy issues	- HR and costs implication	

Proposed geographical coverage

The current ILO field structure is comprised of 5 regional offices, 27 country offices (including the 7 ILO-Offices in Europe), 11 DWT/CO, 2 DWT (stand-alone) and 20 other offices (liaison offices, National Coordinator offices, CINTERFOR and RO annex).

The Field Review Team suggests a possible new geographical distribution of country coverage as indicated in the following tables. Countries with (*) are suggested for in-country posting of technical specialists. See tentative selection criteria under section '*Decent Work Teams (DWTs) and DWT Directors (DWTDs)*'. The consolidation of DWTs along with in-country posting of technical specialists would have implications on staff. Technical specialists in some DWTs could be subject to re-deployment. Local support staff resources in some DWTs could be reviewed in order to better address the needs of the new structure in other offices.

- **Africa Region**

- ***Option 1***

- 2 clusters of countries (total: 54 countries covered)
- **2 Decent Work Teams (DWT-Dakar or Abidjan and DWT-Pretoria)**
- DWT/CO-Cairo and DWT/CO-Yaoundé are now AO-Cairo and AO-Yaoundé
- 6 Area Offices with in-country posts (number of specialists to be determined) to cover 8 countries with pressure needs.
- *Note:* As the result of the closure of the DWT-Cairo, it is recommended to have in-country posts of specialists in AO-Algiers to work more closely with constituents from Tunisia, Algeria and Morocco (speak French and Arabic) and in AO-Cairo to work more closely with Egypt and Libya (speak English and Arabic).

Clusters	Area Offices	Institutions & Countries covered	Remarks
DWT Dakar or Abidjan 23 countries covered	AO-Abidjan (5 countries)	Benin, Burkina Faso, Côte d'Ivoire, Niger and Togo	
	AO-Abuja (4 countries)	Ghana, Liberia, Nigeria* and Sierra-Leone	<i>Consider in-country posts in AO-Abuja.</i>
	AO-Algiers (3 countries)	Algeria, Morocco and Tunisia*	<i>Consider in-country posts in AO-Algeria.</i>
	AO-Cairo (4 countries)	Egypt*, Eritrea, Libya and Sudan*	<i>Consider in-country posts in AO-Cairo.</i>
	AO-Dakar (7 countries)	Cabo Verde, Gambia, Guinea-Bissau, Mali, Mauritania and Senegal	
DWT Pretoria 31 countries covered	AO-Addis Ababa (AU + 3 countries)	African Union , Ethiopia, Somalia* and South Sudan*	<i>Consider in-country posts in AO-Addis-Ababa.</i>
	AO-Antananarivo (5 countries)	Comoros, Djibouti, Madagascar*, Mauritius and Seychelles	<i>Consider in-country posts in AO-Antananarivo.</i>
	AO-Dar Es Salam (4 countries)	Kenya, Rwanda, Tanzania and Uganda	
	AO-Harare (3 countries)	Angola, Mozambique and Zimbabwe	
	AO-Kinshasa (4 countries)	DR Congo*, Burundi, Central African Republic and Congo	<i>Consider in-country posts in AO-Kinshasa.</i>
	AO-Lusaka (3 countries)	Botswana, Malawi and Zambia	
	AO-Pretoria (4 countries)	Lesotho, Namibia, South Africa and Swaziland	
	AO-Yaoundé (5 countries)	Cameroon, Chad, Equatorial Guinea, Gabon and Sao Tome and Principe.	

- **Option 2**
 - 3 clusters of countries (total: 54 countries covered)
 - **3 Decent Work Teams (DWT-Dakar or Abidjan, DWT-Pretoria and DWT-Cairo)**
 - DWT/CO-Yaoundé is now AO-Yaoundé
 - DWT specialists in Cairo will provide technical support to North African countries including Tunisia, Egypt and Sudan identified as countries with pressure needs for technical support.
 - 4 Area Offices with in-country posts (number of specialists to be determined) to cover 5 countries with pressure needs.

Clusters	Area Offices	Countries covered	Remarks
DWT Cairo <i>7 countries covered (North Africa)</i>	AO-Algiers (3 countries)	Algeria, Morocco and Tunisia*	<i>DWT specialists will also provide support to Tunisia.</i>
	AO-Cairo (4 countries)	Egypt*, Eritrea, Libya and Sudan*	<i>DWT specialists will also provide support to Egypt and Sudan.</i>
DWT Dakar or Abidjan <i>21 countries covered</i>	AO-Abidjan (5 countries)	Benin, Burkina Faso, Côte d'Ivoire, Niger and Togo	
	AO-Abuja (4 countries)	Ghana, Liberia, Nigeria* and Sierra-Leone	<i>Consider in-country posts in AO-Abuja.</i>
	AO-Dakar (7 countries)	Cabo Verde, Gambia, Guinea-Bissau, Mali, Mauritania and Senegal	
	AO-Yaoundé (5 countries)	Cameroon, Chad, Equatorial Guinea, Gabon and Sao Tome and Principe.	
DWT Pretoria <i>26 countries covered</i>	AO-Addis Ababa (3 countries)	Ethiopia, Somalia* and South Sudan*	<i>Consider in-country posts in AO-Addis.</i>
	AO-Antananarivo (5 countries)	Comoros, Djibouti, Madagascar*, Mauritius and Seychelles	<i>Consider in-country posts in AO-Antananarivo.</i>
	AO-Dar Es Salam (4 countries)	Kenya, Rwanda, Tanzania and Uganda	
	AO-Harare (3 countries)	Angola, Mozambique and Zimbabwe	
	AO-Kinshasa (4 countries)	DR Congo*, Burundi, Central African Republic and Congo	<i>Consider in-country posts in AO-Kinshasa.</i>
	AO-Lusaka (3 countries)	Botswana, Malawi and Zambia	
	AO-Pretoria (4 countries)	Lesotho, Namibia, South Africa and Swaziland	

Note: With Regard to Middle East and North Africa (MENA), there is a need for better interaction between the RO for Africa, ILO office in North Africa and the RO and DWT for Arab States.

- **Americas Region**

- ***Option 1***

- 2 clusters of countries (total: 33 countries covered)
- **2 Decent Work Teams (DWT-San Jose and DWT-Lima)**
- DWT/CO-Port of Spain is now AO-Port of Spain.
- 3 Area Offices with in-country posts (number of specialists to be determined) to cover Brazil, Argentina and Caribbean countries.

Clusters	Area Offices	Countries covered	Remarks
DWT Lima 10 countries covered	AO-Brasilia (1 countries)	Brazil*	<i>Consider in-country posts in AO-Brasilia.</i>
	AO-Buenos Aires (2 countries)	Argentina* and Uruguay	<i>Consider in-country posts in AO-Buenos-Aires.</i>
	AO-Santiago (7 countries)	Bolivia, Chile, Colombia, Ecuador, Paraguay, Peru ²⁵ and Venezuela	
DWT San Jose 23 countries covered	AO-Mexico (2 countries)	Cuba and Mexico	
	AO-San Jose (9 countries)	Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Haiti*, Panama and Dominican Republic	<i>DWT specialists based in San Jose will also provide support to Haiti.</i>
	AO-Port of Spain (12 countries)	Antigua and Barbuda, Bahamas, Barbados, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago.	<i>Consider in-country posts in AO-Port of Spain.</i>

- ***Option 2***

- 3 clusters of countries (total: 33 countries covered)
- **3 Decent Work Teams (DWT-San Jose, DWT-Port of Spain and DWT-Lima)**
- 3 Area Offices with in-country posts (number of specialists to be determined) to cover Brazil, Argentina and Caribbean countries.

Clusters	Area Offices	Countries covered	Remarks
DWT Lima 10 countries covered	AO-Brasilia (1 countries)	Brazil*	<i>Consider in-country posts in AO-Brasilia.</i>
	AO-Buenos Aires (2 countries)	Argentina* and Uruguay	<i>Consider in-country posts in AO-Buenos-Aires.</i>
	AO-Santiago (7 countries)	Bolivia, Chile, Colombia, Ecuador, Paraguay, Peru ²⁶ and Venezuela	
DWT Port of Spain 12 countries covered	AO-Port of Spain (12 countries)	Antigua and Barbuda, Bahamas, Barbados, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago.	
DWT San Jose 11 countries covered	AO-Mexico (2 countries)	Cuba and Mexico	
	AO-San Jose (9 countries)	Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Haiti*, Panama and Dominican Republic	<i>DWT specialists based in San Jose will also provide support to Haiti.</i>

²⁵ Considering the location of the RO, the coverage of Peru merits special attention.

²⁶ *Ibid.*

- **Asia & the Pacific Region**

- **Option 1**

- 1 cluster of countries (total: 30 countries covered)
- **1 Decent Work Team (DWT-Bangkok)**
- DWT/CO-New Delhi is now AO-New Delhi with in-country posts of specialists.
- 6 Area Offices with in-country posts to cover 8 countries with pressure needs

Clusters	Area Offices	Countries covered	Remarks
DWT Bangkok 30 countries covered	AO-Bangkok (3 countries)	Cambodia, Myanmar and Thailand	
	AO-Beijing (3 countries)	China* (including SARs), South Korea and Mongolia	<i>Consider in-country posts in AO-Beijing.</i>
	AO-Hanoi (2 countries)	Lao PDR and Viet Nam	
	AO-Jakarta (3 countries)	Brunei, Indonesia* and Timor Leste*	<i>Consider in-country posts in AO-Jakarta.</i>
	AO-Manila (3 countries)	Malaysia, The Philippines and Singapore	
	AO-Suva (9 countries)	Fiji*, Kiribati, Marshall Islands, Palau, Papua New Guinea*, Samoa, Solomon Islands, Tuvalu and Vanuatu	<i>Consider in-country posts in AO-Suva.</i>
	AO-Colombo (2 countries)	The Maldives and Sri Lanka	
	AO-Dhaka (2 countries)	Bangladesh* and Nepal ²⁷	<i>Consider in-country posts in AO-Dhaka.</i>
	AO-Islamabad (3 countries)	Pakistan*	<i>Consider in-country posts in AO-Islamabad.</i>
	AO-New Delhi (3 countries)	Afghanistan and India*	<i>Consider in-country posts in AO-New Delhi.</i>

- **Option 2**

- 2 clusters of countries (total: 30 countries covered)
- **2 Decent Work Teams (DWT-Bangkok and DWT-New Delhi)**
- 3 Area Offices with in-country posts to cover 5 countries with pressure needs

Clusters	Area Offices	Countries covered	Remarks
DWT Bangkok 23 countries covered	AO-Bangkok (3 countries)	Cambodia, Myanmar and Thailand	
	AO-Beijing (3 countries)	China* (including SARs), South Korea and Mongolia	<i>Consider in-country posts in AO-Beijing.</i>
	AO-Hanoi (2 countries)	Lao PDR and Viet Nam	
	AO-Jakarta (3 countries)	Brunei, Indonesia* and Timor Leste*	<i>Consider in-country posts in AO-Jakarta.</i>
	AO-Manila (3 countries)	Malaysia, The Philippines and Singapore	
	AO-Suva (9 countries)	Fiji*, Kiribati, Marshall Islands, Palau, Papua New Guinea*, Samoa, Solomon Islands, Tuvalu and Vanuatu	<i>Consider in-country posts in AO-Suva.</i>
DWT New Delhi 7 countries covered	AO-Colombo (2 countries)	The Maldives and Sri Lanka	
	AO-Dhaka (2 countries)	Bangladesh* and Nepal ²⁸	
	AO-Islamabad (1 countries)	Pakistan*	
	AO-New Delhi (2 countries)	Afghanistan and India*	

²⁷ Options to be reviewed including reprofiling of Director position to enhance technical capacity in the region.

²⁸ Ibid.

- **Arab States Region**

- ***Option 1*** *Same existing structure*

- 1 clusters of countries (total: 12 countries covered)
- **1 Decent Work Team (DWT-Beirut)**
- 4 countries with pressures which may require placement of time-bound technical specialists.

Clusters	Area Offices	Countries covered	Remarks
12 countries covered	Status quo (12 countries)	Bahrain*, Iraq, Jordan*, Kuwait, Lebanon, Oman, Palestine Occupied Territories, Qatar*, Saudi Arabia, Syria, UAE and Yemen	

- ***Option 2***

- 2 clusters of countries (total: 12 countries covered)
- 1 Decent Work Team (**DWT-Beirut**)
- 4 countries with pressures requiring placement of time-bound technical specialists.

Clusters	Area Offices	Countries covered	Remarks
12 countries covered	AO or Liaison Office-Amman (6 countries)	Iraq, Jordan*, Lebanon, Palestine Occupied Territories, Syria and Yemen*	
	AO or Liaison Office -GCC (Kuwait) (6 countries)	Bahrain*, Kuwait, Oman, Qatar*, Saudi Arabia and UAE	

Note: With Regard to Middle East and North Africa (MENA), there is a need for better interaction between the RO/DWT for Arab States and the RO for Africa and ILO office in North Africa.

- **Europe Region**

- ***Option***

- 3 clusters of countries (total: 47 countries covered). Note: (a) Norway, Switzerland, Iceland and Israel are covered by RO or HQ ; (b) in theory, this option increases the total number of countries covered from 32 to 51)
- **2 Decent Work Teams (DWT-Budapest and DWT-Moscow)**
- 1 Area Office (AO-Brussels) with in-country posts (number of specialists to be determined, at least 3 staff in priority areas)

Clusters	Area Offices	Countries covered	Remarks
DWT Budapest 9 countries covered	AO-Budapest (8 countries)	Albania, Bosnia & Herzegovia, FYR Macedonia, Moldova, Montenegro, Serbia and Ukraine. + Kosovo (special entity)	
	AO-Ankara (1 countries)	Turkey	Technical support will be provided by DWT-Budapest and HQ.
DWT Moscow 10 countries covered	AO-Moscow (10 countries)	Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan, Turkmenistan and Uzbekistan	
HQ 28 EU countries covered	AO-Brussels (EU Commission and 28 EU countries)	EU countries	Consider in-country posts in AO-Brussels. Technical support will be mainly provided by HQ.
	ILO Office – Lisbon	Portugal	Options to be reviewed including reprofiling of Director position to enhance technical capacity in the region.
	ILO Office – Madrid	Spain	Same as above
	ILO Office – Paris	France	Same as above
	ILO Office – Rome	Italy and San Marino	Same as above
	ILO Office – Berlin	Germany	Same as above

Note: In addition to the proposed filed structure for Europe the following suggestions may be considered to strengthen the capacity of the region: a) rebalancing ILO resources and/or closure of offices, b) increasing the number of technical specialists, c) converting existing director positions (representation) in EU countries (France, Germany, Italy, Portugal and Spain) into technical positions and d) undertaking a review of the function of the Brussels office.

4. Managing Change: Considerations for Implementation Arrangements

4.1 Key Considerations for Implementing the Recommendations

The report has put forward a range of inter-related proposals for changes to working methods and structures, all with the primary aim of improving the quality and quantity of services to constituents at the country level.

Subject to the decisions that will be made by the Director-General to reform the ILO field operations, **it is important to emphasize that the proposals put forward in this report are very much interrelated.**

Such a feature should be duly considered when considering the most appropriate strategy for their implementation. Some recommendations provide key enabling conditions for the successful implementation of others. A much discussed case in point is the issue of staff mobility. Without fast progress in the implementation of an effective staff mobility policy, other recommendations such as efforts to rebalance placement of technical specialists and efforts to upgrade the technical capacity of specialists through the Global Team mode of working would be held back. At the same time, efforts to upgrade the technical capacity of specialists are unlikely to be fully effective without progress on improving country-level assessment tools, as well as country level programming and resource allocation mechanisms. These measures in turn will depend significantly on enhanced management of DWTs and AOs, along with the clarification of their respective roles.

It is therefore important to avoid “cherry picking” recommendations without careful consideration of their mutual inter-dependency.

It is imperative to recognize that the Office finds itself at a critical juncture in the reform process after a bit more than a year into the process. Significant progress has been made in terms of HQ reform. However, coming as the last major component of the overall reform effort, it is clear that quick and decisive implementation of the field reform will be essential if the momentum is not to be lost.

The challenge for implementation is therefore to move quickly on a fairly wide front and to show at least some quick initial results. To that end, the following set of actions should be considered:

1. A carefully selected **Implementation Team** should be appointed to work under the direction of the DDG/FOP. Such a Team should be tasked with preparing detailed implementation plans and with steering implementation according to plan. It should also carry out additional analysis, as and when needed.
2. The Implementation Team should report on progress to the SMT every two (2) months with the dual purpose of ensuring that the reform effort stays on track and that **close coordination among the three portfolios takes place – a crucial factor for the overall success of virtually all proposals put forward.**
3. A sound internal communication plan must be an integral part of the implementation strategy. Early in the process, the DG may call a town hall meeting, with full involvement of field staff, to communicate transparently decisions taken and provide an overview of the major elements of the implementation plan. While it should be clearly understood that this would not be a space for negotiations, staff should be encouraged to share their views and make proposals to smoothen implementation. This will be crucial for nurturing buy-in and ownership. If possible, this would be a good time to announce and introduce the Implementation Team. The recent ACI town hall meetings provide a good model.

The key areas of recommendations and main issues addressed under each of them are as follows:

1. Rebalance ILO field resources to enhance capacity to deliver services at country level.

- Changes to the geographic coverage of Area Offices (AOs) so as to achieve a more balanced work load and greater outreach, combined with in-country representation in non-resident countries (NRCs).
- Consolidation of DWTs into fewer, larger teams, alongside an increase in the number of field posts for technical specialists, transfer of HQ specialists (including TC staff) to DWTs and rotation scheme for technical specialists positions.
- In-country posting of technical specialists from these larger DWTs to address priority needs in selected countries.
- Enforcement of the staff mobility policy.

2. Strengthen ILO's strategic management practices

- Development of a global typology to group member States with similar needs for ILO support, which should inform among other things the ILO's Strategic Policy Framework beyond 2015.
- Reaffirmation of the importance of the Decent Work Country Programme (DWCPs) as the ILO programming framework at the country level, while recognizing the need for flexible programming modalities for the different groups of countries defined by the above typology.
- A renewed institutionalized work planning process between AOs, DWTs, ROs and the Policy Portfolio.

3. Clarify roles and responsibilities

- Development of a global field strategy based on the country typology described under point 2 above.
- Strengthened role of Regional Offices in respect of political and strategic leadership.
- Introduction of a matrix reporting for DWTs with a technical reporting relationship to DDG/P and direct reporting to the RD on political, strategic and administrative issues.
- Lead role of AODs for all country level activities, backed up by a delegation of authority and control over funds to this level.
- As a general rule, administration of TC projects at the field level.
- Clarification and reinforcement of the role of the Turin Centre in the ILO's capacity development and learning framework.
- Review of the role and cost-effectiveness of CINTERFOR in knowledge-sharing and research.

4. Strengthen front line management capacity

- More stringent selection criteria for field managers (AODs and DWTDs), and rosters for both positions with the aim of facilitating career planning.
- New dedicated training and development programmes for AODs and DWTDs.
- Information and knowledge management mechanisms to provide real-time peer learning and foster learning opportunities.
- Consideration of grading (flexibility) and other incentives to attract and retain the right calibre of staff in these key positions.

5. Strengthen technical capacity of field specialists

- A Global Team approach to technical HQ-field coordination and technical staff development.
- Matching of areas of work of individual specialists and post-reform HQ technical unit structure.
- Definition and professionalization of routines and workflows for technical specialists at both field and HQ levels.
- Development of families of tools, products and knowledge clusters for delivering services to Member States in different typological groupings.
- Technical staff upgrading with a strong focus on effective design, implementation and follow-up of capacity development programmes for constituents.

6. Strengthen capacity of national staff

- Comprehensive orientation and training programmes for programme officers and national coordinators.
- Global peer networks and KM/S infrastructure to allow these groups to network globally and access support and learning opportunities on-line.
- Review of job profiles and grading of both groups.
- Opportunities for appropriate language training.

7. Adopt a sound strategic approach with respect to technical cooperation and resource mobilization

- Larger integrated flagship programmes as part of a more strategic approach to building and sustaining the ILO's technical cooperation (TC) portfolio.
- A clear authority at the level of DDG/FOP to inform priorities for voluntary funding and introduce mechanisms to enable "pooling" of regular budget (RB) and voluntary funding.
- Removal of barriers between RB and XB funded staff to ensure better coherence and quality of programmes and services through enhanced mobility.
- Inclusion of TC projects and TC staff in overall knowledge management/sharing (KM/S) strategy and initiatives.
- Review of support cost arrangements.

8. Implement overall information and knowledge management vision and strategy

- Knowledge management vision and key initiatives.
- ILO Knowledge Gateway and a global knowledge sharing platform building on the Asian experience.
- Communities of Practices (CoPs) and other infrastructure to enable the ACIs to work more effectively.
- Inclusion of KM/S components in all job descriptions (JDs) and in the performance management system.
- Guidelines for the information and knowledge to be captured and maintained by Policy Departments, DWTs, field offices and TC projects.
- Work flows and routines for field and HQ specialists to incorporate KM/S elements.

The pacing and sequencing of the field reform decisions will be critical to support their smooth implementation. A realistic, prioritized plan for implementation should be developed to that end, spanning "quick wins" along with short, medium and longer term actions. A tentative proposal in this respect has been submitted separately to the Director-General.

4.2 Staffing and Financial Aspects

Change management considerations

The implementation phase of the field reform should be aligned with the main principles followed in wider reform process. These principles seek to limit the negative impact on staff to the extent possible by ensuring *no* job losses and through an inclusive and participatory approach.

Even if the impact of the proposed structural changes may concern only a limited number of offices/staff, the implementation phase will have to be based on sound change management and communication principles. The proposed changes address not only the existing structures/staff composition, but also and at least as important, the working methods as well as roles and responsibilities. To support a smooth implementation, the reasons for change must be well understood, as much as the potential benefits and the contributions expected by all those concerned. These elements should be conveyed Office-wide through a DG announcement (similar to those done for the HQ reform) to set the context and the implementation modalities.

Staff Mobility

The Field Review and the HR Review have strongly underlined the need to reinforce the ILO's mobility system. Many expectations in this respect have been raised and must be addressed as a matter of priority, also because many other recommendations put forward will not be effective without a dynamic and well-implemented mobility policy. The staff survey conducted in the course of this review has clearly shown that all staff, whether at HQ or in the field, overwhelmingly endorse a stronger mobility policy as an underpinning of the "ONE ILO" approach. Inadequate mobility is perceived to result in unfair distribution of career opportunities among professional staff at HQ and fields, leading to a 'them and us' culture across the Office.

A managed rotation scheme (at least for technical specialist positions) is likely to be more effective than an entirely voluntary system to promote staff mobility. In the meantime, however, the implementation phase will have to rely on the existing arrangements and some of the proposed changes (especially, those involving transfer of technical staff from one office to another) will have to be managed in this context. A preliminary consultative process with the staff concerned will therefore be needed as an essential element to ensure smooth implementation and reduce the risk of individual grievances.

Skills composition and job profiles

The main findings of the review exercise point to the need to review existing job profiles and skills for both technical and support positions (with a specific focus on the roles of national officers (NO), to ensure better alignment with the functions performed, the needs of the new structures and the working arrangements being proposed. An essential point in this process will be to systematically reflect in the relevant job description the close coordination needed between field/HQ and the roles and responsibilities resulting from the new structures, including a much more prominent role for knowledge management. Job Descriptions of AOs and DWTDs will have to be closely looked with that in mind.

Job grading

Following the above-mentioned review job profiles and job descriptions, the implementation phase shall include a review of the impact on job grading and re-classification of those positions where substantial changes have occurred due to the reform outcome. In the context of the review exercise, the following grading aspects were mentioned as being particularly critical:

- Need to review grading band for national officers currently limited to NO/B (for most of the NO job profiles used by the Office).
- Need to explore a grading system that can help define a clearer career path for technical specialists and facilitate mobility (for example, foreseeing that a specialist with a few years of HQ experience in a junior position could move to a country position as a mid-career path, and subsequently move to a DWT position in a more senior position or return to HQ).
- Need to foresee some flexibility in the grading of Office Director positions, leaving space for grade adjustment in case of DWT with wide coverage or AOs with particularly demanding activities. This, however, should not be done at the costs of creating a grade inflation, which will be difficult to manage under the new differentiated standard cost system.
- Facilitate mobility in senior positions by allowing D staff to apply for field office director positions and maintain personal higher grade even if position grade is lower (this may play as an incentive for mobility from HQ to Field).

Staff Learning and Development

To the extent possible, the Office staff development and learning objectives for the next biennium shall include a component which will seek to facilitate the field reform implementation both through the development of specific training programmes (to explain the new work methods between field and HQ) and through individual learning activities to help staff adjust to the new skills set mentioned above.

A specific training needs assessment should be undertaken to better address the gaps identified in this report concerning induction/briefing/training of field staff, office directors, policies and procedures for field operations, including TC staff in these programmes. Such an assessment should take into account the results already achieved through the various training activities recently started on internal governance and leadership.

Impact on local staff

Recognizing that local staff constitute a very significant asset in ILO field operations and represent the majority of ILO workforce in the field, the implementation phase will have to ensure that changes are perceived as an opportunity rather than a threat. In cases where the mandate/structure of an office is changed (more importantly in the case of a DWT/CO that becomes an AO) attention should be paid to ensure that changes in local staff composition follow a consultative approach to avoid, if possible, any job losses. Increases in the number of technical specialists/activities in a given office shall go hand in hand with a thorough assessment concerning implications for local support.

Critical mass of technical expertise in the field

Feedback from constituents, managers and staff has emphasized the need to enhance the critical mass of technical expertise in the regions as an essential element of the reform geared towards improving ILO operations and service delivery in the field. The concentration of DWTs along with in-country posting of technical specialists suggested in this report is meant to partly address this demand. However, it is clear that much bolder changes would be required in this respect. One implication is that the Office will have to make some tough choices in respect of where it wants to concentrate its efforts and resources, including its human resources.

ANNEX

Field Operations & Structure and Technical Cooperation Review

Terms of Reference

Background

In October 2012, the ILO Director General launched a major commitment to reform the Office (ILO's IGDS Number 302 of 1 October 2012). This was operationalized in a Plan of Action with the following goals:

- Technical excellence and quality policy advice;
- Effectiveness, efficiency, transparency and fairness;
- Quality service delivery;
- Delivering as “one ILO”;
- Increased influence in the Multilateral system; and
- Improved internal communication;

So far the reform process has focused primarily on structures, management and work methods at headquarters, particularly through the structural reviews of the Policy and the Management and Reform Portfolios. In both cases, and in line with the Director-General's commitment and the findings of the Transition Team, the critical importance of field operations has been emphasized in terms of shaping the Office's overall impact and effectiveness.

It is an opportune time to articulate a common understanding and vision of what “effective and efficient service delivery” mean. A strategy for field operations & structure and technical cooperation within the broader reform of the Organization would include a set of indicators by which the Office and constituents could benchmark current service delivery and recognize improvements, and against which proposals for changes in field structures and ways of doing business would be measured. This would prepare the Office to launch a business re-engineering process to better meet the expectations of constituents, strengthen multilateral and bilateral coordination mechanisms, and sustain an enabling work environment for staff and for teamwork.

Purpose

The overall purpose of the review is to continue the reform process and to identify and develop proposals for effective and efficient delivery of ILO field operations including technical cooperation, as well as for field structures which will strengthen the ILO presence and enable the Office to provide quality services to ILO constituents.

The review is also aimed at a better relationship, understanding and cooperation between Headquarters and field units to ensure that the Office will act as “**One ILO**” with improved in-country work. The review will identify structural, management, resource and staffing implications of the proposals and suggest appropriate management systems and working methods to effectively implement them and to foster teamwork, as well as to maximize synergy.

In order to ensure coherence of recommendations, a coordinated approach will be taken in examining key determinants of effective operations and structures. The overall review project will give particular attention to:

Technical Cooperation: The quality of technical cooperation programmes and initiatives and their sound management are crucial for achieving results in the field and for ensuring value for money to financial partners. Extra budgetary funding (TC, RBSA and PSI) constitute around 40% of the total resources available to the ILO to realize its objectives and 80% of those funds are currently used in field level interventions. About 80% of ILO TC projects are decentralized.

Resource Mobilization: A resource mobilization strategy, incorporating traditional and non-traditional financial partners and international and national financial resources, is central to improving effectiveness of technical cooperation and field operations. About 50% of the funds raised by the Office are mobilized locally i.e. by the field offices. This trend is increasing.

The objectives, scope and outputs for the overall field review are provided below.

Objectives

The review should identify and assess options and develop proposals for alternative arrangements of field operations and structure with the following objectives:

- ILO services at country level are of the highest quality and support the constituents in achieving the decent work agenda in a practical and comprehensive manner, taking into account the relevant levels of economic development. They also enable the Office to harness the expertise and insights of the constituents.
- Proposals for clearer arrangements for sound accountability at all levels are based on critical review of existing structural set up for staff and operations management. Roles and responsibilities for management and staff at ROs, DWTs and COs (including liaison offices, CTAs and National Coordinators) are well defined.
- The distribution and organization of the external offices and representations are aligned with the Office priorities and capacity and the needs of the constituents. At national level, ILO is able to effectively participate in and influence the Local Consultative Group, the UN Country Team and other local development and assistance coordination mechanisms.
- The relationship between the field and HQ technical, political and administrative functions is clearly articulated with the goal that policy related work informs services delivered in the field, and is informed by experiences and lessons from the field. Good relationships, interaction and coordination between headquarters and the field are fostered and recognised.
- ILO Technical Cooperation (TC) is managed with efficiency and effectiveness. Needed improvements in terms of capabilities, roles and responsibilities of the different actors in TC delivery, coordination mechanisms and lines of accountability are well identified.
- Lessons and experience from technical cooperation interventions feed into policy design and future programming and TC projects contribute to knowledge development, through experiential learning in projects and through financing research activities.
- ILO's funding base, in terms of sustaining effective partnerships in the donor community and building relationships with non-traditional donors is enhanced.
- ILO resource mobilization strategy is aligned to the principles embedded in the relevant international development fora such as the Paris Declaration, Accra, Busan, IATI, QCPR, and the Post-2015 Development Agenda; and the quality of donor reporting, in particular in the credible documentation of results is enhanced.
- The new Field Operations and Partnerships Portfolio is organized and managed in the most effective and efficient manner and works with the two other Portfolios (Policy and Management and Reform) to ensure the highest level of overall impact, coherence and synergy.

- Gaps, duplication, inconsistency or inefficiencies in the current field structure and operations are eliminated so that the ILO presents a clear and accessible “user interface” to constituents and other clients at the field level. Field structures and resourcing are sufficiently agile to quickly respond to the changing needs of members, regionally and globally.

Scope

The review is a central element in ILO’s overall reform process and closely linked to other ongoing review projects. The review is expected to cover management practices, working methods, organisational culture, technical capacity and human resources, organisational structure (functions, roles and responsibilities), communications, technical cooperation strategy, resourcing and other related issues.

The overall review will inform and be informed by the following review projects:

The two Portfolio Structure Reviews;
Research, statistics and publications;
Communications (internal & external);
Human Resources; and
Administrative services.

Project Team

A core project team consisting of 15 ILO officials with relevant knowledge and experience from both field and HQ (and strong representation of field staff) will be appointed by the Director- General, in close consultation with the Senior Management Team.

A team leader with relevant knowledge and experience from both field and HQ will also be appointed. He will lead the process and report, for this exercise, to DDG/FO who in turn reports to the SMT.

The team will also benefit from the knowledge of a “sounding board” with key ILO staff, constituents and partners, as well as inputs from resource persons and relevant units.

Once the core team has developed a detailed work plan and methodology for analysis, working groups, involving additional staff, may be established to implement the work required for specific focus areas.

Working Methods

The review will be conducted as follows:

A. Documents to be reviewed:

- The DG statements on reform generally and on field particularly;
- The two structural review outcomes and the findings of the TT;
- Documentation related to earlier field structure reviews and relevant evaluations;
- Documentation related to good practice among UN agencies, funds and programs;
- Documentation related to DWCP, technical cooperation and relevant evaluations.
- Documentation related to the role of the Turin Centre in the provision of capacity development, training and learning activities in collaboration with the regions.

B. Process:

- Meetings, interviews and consultations with directors, managers and staff at field level and HQ as well as the Turin Centre for inputs and suggestions;
- Meetings, interviews and consultations with tripartite constituents, development and funding partners, UN agencies and national institutions representatives for inputs and suggestions;
- Surveys and other methodologies to obtain feedback from constituents and other key client groups.

C. Analytical work including:

- Identifying present and anticipated future challenges and demands from constituents and other key actors at national and regional levels, particularly taking account members at different development levels (low, middle and high income countries).
- Reviewing outcomes of other task teams to ensure coherent design and implementation of reform processes.
- Examining current and assessing possible alternative business practices, across finance and budgeting, procurement, human resources, programming, and resource mobilisation.
- Assessing the impact on ILO field offices of the “One UN” practice;
- Assessing the appropriate distribution and resourcing of the ILO field offices with due consideration to ILO activity in countries in which it is not resident;
- Mapping current division of tasks and responsibilities among ROs, DWTs, CO and HQ in terms of technical, advisory, advocacy, relations, programming and administrative functions and accountabilities;
- Mapping technical and administrative resources (staff profile and capacity) currently committed to the field structure and identifying gaps, mismatches and needs in the skills profile of each RO, DWT and CO;
- Identifying ambiguities, duplication, gaps, or inefficiencies in the current field structures and operations; Comparing the strength and weakness of differences in the existing field structures and identifying good practices;
- Analysing current capacity to effectively develop and support the TC portfolio;
- Developing a strategy for the organization and management of the ILO field structure, including the nature of the linkages and relationships with HQ, staff mobility, security issues, and legal arrangements with host countries.

Outputs

A report will be prepared with following elements:

- Identification of the current aspects of field structure and operations that have led to gaps, duplication, inconsistency or inefficiency;
- A reference framework for effective and efficient service delivery to articulate a vision for field operations within the broader reform of the Organization. A set of indicators to benchmark the current service delivery model and recognize improvements;
- An integrated strategy to improve HQ-field teamwork and field structure organization and operations that can most effectively and efficiently support ILO’s overall vision, service delivery and enhance impact;
- Clear roles and responsibilities among ROs, DWTs, COs and HQ;
- Definition of roles and responsibilities in HQ and the different structures in the field for the design and implementation of TC projects, including approval and coordination functions;
- Proposals for alternative arrangements of the field structure and operations; Implications of these proposals on existing job and skills profiles in the field;
- An overall vision for a strategic approach to ILO’s donor partnerships including roles and responsibilities (as requested to be reported to the GB in October 2013). It will

include a detailed set of recommendations for implementing the proposed vision and strategy.

- Proposals to contribute to the organization of the DDG/FO portfolio and for the implementation of the proposed field reform.

Timeframe

The review project will start on 7 May 2013 and will complete its work by the end of December 2013. An interim report will be delivered by the end of September 2013.

Core Team

- André Bogui (CABINET) – Team Leader
- Luca Bormioli (HRD)
- Belinda Chanda (CO-Lusaka)
- Pierre De Lame (RO/Europe)
- Chris Evans-Klock (EMPLOYMENT)
- Gerardina Gonzales (RO/Americas)
- Nicolas Grumbach (FINANCE)
- Michael Henriques (DDG/P)
- Jean-François Klein (RO/Arab States)
- Mohui Jiang (DDG/MR)
- Chang-Hee Lee (CONDITIONS OF WORK)
- Alexio Musindo (CO-Dar es Salaam)
- Giovanna Rossignotti (PROGRAM)
- Jeannette Shalabi (ITC-ILO)
- Peter Van Rooij (CO-Jakarta)

Sounding boards

- Key ILO officials
- Constituents
- Partners
- Category of experience, i.e. unit managers, technical specialists, programme officers,
- CTAs, local support staff

Resource Persons/units

- | | |
|---------------------|-----------|
| - RD Africa | - PARDEV |
| - RD Americas | - PROGRAM |
| - RD Arab States | - FINANCE |
| - RD Asia | - HRD |
| - RD Europe | - MRD |
| - New York Office | - ITCOM |
| - Washington Office | - JUR |
| - Tokyo Office | - DCOMM |
| | - SERVSEC |