

**RBSA Review Recommendations (September 2014) and ILO responses (December 2014 interim response and October 2016 update)**

RECOMMENDATIONS FROM THE REVIEW	OFFICE RESPONSE (Dec. 2014)	UPDATE ON PROGRESS (as of Oct. 2016)
<p><b>1. CLARIFY THE PURPOSE OF THE RBSA FUNDING MODALITY</b> and the rationale for aligning resource use with the objective of improving the long-term effectiveness of the ILO technical cooperation.</p> <p>This would involve revisiting the definition, rules of RBSA, and ensuring donors' understanding and endorsement of its modus operandi. It would also provide an opportunity to streamline and simplify procedures across the various funding modalities to match their specific requirements while keeping administrative and transaction costs to a minimum. This needs to be done within a broader integrated resource framework to ensure consistency between all types of funding, and rationalise planning, programming, budgeting and resourcing. ILO could benefit from the experience from other agencies and the lessons they learned from their approach to and use of un-earmarked funds.</p>	<p><b>Agreed.</b></p> <p>As part of reform commitments on implementing an integrated resource framework, the Office is streamlining appraisal and allocation functions across different sources of funds, including RBSA. This includes a rethink of the balance between 'field' and HQ' in selecting the priorities where demand exceeds supply of resources.</p> <p>For 2014-15, the RBSA is used to support the ACIs, meaning that country-level allocations will seek to deliver both on the results as per the P&amp;B (19 Outcomes and target-CPOs) as well as form part of the ACI workplans. Allocation procedures and relevant IGDS documents are in place. For 2016-17 and taking into account the new results framework, there will be a need to adjust the RBSA procedures accordingly, possibly revisiting the IGDS etc. <i>(Medium Term -&gt; December 2015 ahead of new biennium)</i></p> <p>The RBSA fact-sheet (Nov14) intends to clarify RBSA as a modality. The March session of the regular bi-annual donor meetings could be used to give further insight and illustrate how actual allocation processes work. <i>(Short term -&gt; March 2015)</i></p> <p>PARDEV will follow up with WHO and FAO in particular to compare notes on voluntary core funding. From existing exchanges it appears that these 2 agencies have further progressed on an integrated resource framework where RBSA-like resources are fungible. On the other hand they also have thematic funding windows that allow to pool what today in ILO are 'lightly-earmarked' and 'outcome-based funding' modalities. <i>(Short Term -&gt; Overview and internal ILO recommendations by March 2015)</i></p>	<p>New guidelines on RBSA for 2016-17 were issued in December 2015 and followed by an IGDS in May 2016 (<i>see annex 1</i>). The guidelines strengthen the quality, result focus, merit and timeliness of RBSA allocations.</p> <p>As part of the lessons learned in 2014-15, RBSA in 2016 has longer implementation time-frames, which allow interventions to be more sustainable. The financial threshold per project was set at USD 200,000 (up to USD 500,000) – this is because, as learnt in the past, small amounts have led to small interventions, whose impact is unclear and difficult to report, which also resulted in high administrative costs for the Office.</p> <p>The guidelines also focus on: a) quicker allocation and appraisal process without compromising on quality and with better involvement of field unit in the appraisal process; b) allocating RBSA in line with the new P&amp;B framework as suggested by ILO's Member States; c) taking into account the SGDs, the guidelines introduced co-funding arrangements with recipient country for interventions in UMICs/MICs; and d) stressing the importance on results. The present framework responds specifically to Recommendations 1, 2 and 3 in this table.</p> <p>An amount of approximately USD 24 million has accordingly been allocated during the period January-July 2016, the implementation is currently ongoing.</p>

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<p><b>2. CONFINE RBSA TO ITS ORIGINAL FUNCTION OF BEING A FULLY UNEARMARKED FLEXIBLE RESOURCE POOL AND UNIFIED ACCOUNT.</b></p> <p>Donors should be encouraged to commit “lightly earmarked” funding to the dedicated outcome-based funding modality. This should be accompanied by a proposal to see ‘pure RBSA donors’ bilateral thematic/geographic priorities acknowledged, such as through specific bilateral policy dialogues with donors.</p> <p>In turn, the RBSA modality should be advertised and promoted by ILO to attract more donors to un-earmarked funding, and encourage donors to support the modality. This should be part of a coherent communication drive to underline the need for unrestricted funding.</p> <p>As most donors’ funding to the ILO is part of a “general arrangement” covering all types of funding, reach consensus with donors on a standardised outline defining what is acceptable, the conditions, and what is not. In such cases, ILO could propose alternative funding arrangements.</p>	<p><b>Agreed.</b></p> <p>The Office is satisfied with the current agreements signed with the different donors but acknowledges that further streamlining would be beneficial, especially to achieve more complete un-earmarking. This requires a further dialogue with those donors currently providing light earmarks to their RBSA allocations to understand their precise requirements. The ILO/Netherlands Policy Dialogue on 8 December could be a pilot for an approach that donors such as Belgium, Germany and Luxembourg could also agree to adopt.</p> <p>The vision is that from 2016-17 RBSA would only capture truly un-earmarked contribution (reaping the full benefits of pooled funding in terms of administrative costs) and offering a thematic funding window to other contributions.</p> <p>PROGRAM and PARDEV will prepare clear outlines of the different funding modalities and consult current RBSA donors before rolling these out. <b>(Medium Term -&gt; December 15 ahead of new biennium)</b></p> <p>Promotional efforts are ongoing, possible targets for RBSA include UK/DFID. Others such as France, Ireland and Finland seem for now not to be able to move towards RBSA.</p>	<p>The Office’s decision to restrict RBSA contributions only as fully un-earmarked, continuously guides resource mobilization efforts.</p> <p>The Office remains committed to bring on board other development partners to RBSA funding and is undertaking wider explorations of new, emerging donors.</p> <p>ILO’s use of un-earmarked funding has helped the Office in planning and identifying priorities for RBSA, within its overall integrated resource framework. This is done during Office’s Outcome-based Work planning exercise (internal bi-annual programming exercises) with regions and countries.</p> <p>The Outcome-based Work planning exercise of the 2016-17 biennium took place through videoconferences from 8 to 29 April 2016, with participation from management and technical specialists at HQ and in the regions. It provided a platform for overall programme and resource planning for 2016-17 under the new framework of 10 policy outcomes, along with early identification of funding requirements and opportunities to leverage available resources, including RBSA.</p>

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<p><b>3. RETURN RBSA TO BEING AN INSTRUMENT FOR STRATEGIC RESPONSE AT THE CORPORATE LEVEL, TO DEVELOPMENT ISSUES AND PROGRAMMATIC CHALLENGES AFFECTING FIELD OPERATIONS.</b></p> <p>RBSA allocation procedures would need to be adjusted to more explicitly and directly support specific ILO priorities. This will require executive management (DDG/FOP) decision on the countries/themes to be supported through RBSA as well as an approximation of allocations. Regional programming units would then prepare corresponding implementation plans, updating OBW-related information in IRIS/SM in the process. A smaller share of the RBSA could be used to foster strategic responses directly at the field level, for example, through an “innovation fund”, to which any Field Office could submit proposals for new areas of work at country level, possibly outside the scope of the OBW. Finally, discussions need to start with donors on how to create additional programming flexibility of an unearmarked type at the country level.</p>	<p><b>Agreed.</b></p> <p>This is foreseen as part of the reform commitments. A joint committee made up of members of DDG/P, DDG/FOP and PARDEV/PROGRAM has been constituted to appraise the proposals submitted for the second round of RBSA allocations in 2014, initial results are encouraging. This is initially still an ex-post process in relation to a ‘call for proposals’ from the regions but allows to move from there to ex-ante priority setting for subsequent allocation rounds in 2014-15, developing clear criteria and updating IRIS/format-related guidance.</p> <p>While reduced transaction cost and swifter turn-around times are envisaged, the ‘switch’ will need to be carefully managed so as not to lose the demand-driven nature of the allocation process in terms of country ownership and responding to constituents’ demands.</p> <p>While agreeing to move towards larger allocations in general, a question mark remains on the issue of systematically large allocations from RBSA only, in the sense that this may not be the best use of RBSA, sometimes ‘small is beautiful’.</p> <p><b>(Short to Medium Term -&gt; First round completed by December 14, next round in first half of 2015).</b></p>	<p>Elements on the guidelines for RBSA 2016-17 are mentioned under Point 1 of this table. In addition, some of the strategic considerations in 2016-17 included:</p> <ul style="list-style-type: none"> <li>- Pre-set region budget envelope (USD 9,600,000/40% of total allocations) based on competition within each region, and the remaining 60% of total allocations based on open competition across all regions.</li> <li>- A fast-track process was initiated to respond to crisis countries, in line with the nature of RBSA, being a flexible and agile source of funding. For example, RBSA have been fast-tracked to respond to a crisis in Liberia (USD 365,000 for work on social protection). Additional RBSA resources have also been channelled to Lebanon and Turkey in order to rapidly respond to the challenges arising from the Syrian refugee crisis. The proposals of these interventions went through the appraisal process, which however has been quickened in order to allow a timely response.</li> <li>- RBSA has been allocated to leverage resource mobilization in countries.</li> </ul>
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<p><b>4. EXPLORE OPTIONS FOR OVERCOMING THE LIMITATIONS IMPOSED ON RBSA BY THE BIENNIAL APPROPRIATION MOULD OF THE P&amp;B.</b></p> <p>This should be done with a view to accommodating the longer-term horizon of technical cooperation and DWCP. The goal should be to preserve the advantages of RBSA integration with the RB system while adding spending flexibility, for example, along the lines of a global trust fund for un-earmarked voluntary resources.</p>	<p><b>Agreed</b></p> <p>In actual practice this is not a real limitation at the moment. Given the biennial P&amp;B, PIR etc. there is and will be a need to take stock and report out on progress and results achieved on a biennial basis. Many of the ILO's country results are based on a longer-term timeframe (DWCPs typically cover 5 years and are aligned with national planning cycles and UNDAFs.</p> <p>While a biennial allocation basis has been used as a starting point up to now, in practice we've been flexible in rolling over allocations where it made sense, while keeping track of delivery rates. At the same time ILO does not envisage to use RBSA to fully-fund 5 year large programmes but rather to see RBSA as a seed-funds or a tool for leveraging other resources.</p> <p><i>(Medium Term -&gt; Revisit by end 2015 in terms of re-phasing and/or re-allocating across biennia.)</i></p>	<p>Allocations under RBSA are not linked to the biennium cycle, although reporting on results achieved through different sources of funding, including RBSA, takes place within the biennial ILO Programme Implementation report. Focus of RBSA allocations is on contributing towards achieving results for the overall identified country programme, which is not biennium based.</p>
<p><b>5. COMPLEMENT THE OVERSIGHT AND ACCOUNTABILITY STRUCTURE FOR RBSA UNEARMARKED RESOURCE</b></p> <p>Doing so, would better capture their contribution to enhancing ILO long-term technical cooperation capacity and service delivery in countries. Appropriately, this should be done in the context of monitoring and reporting on ILO's strategic efforts to improve its technical cooperation performance and including appropriate involvement of ILO Governing Body structures (Technical Cooperation Committee).</p>	<p><b>Agreed</b></p> <p>Several IRIS/SM system enhancements have been identified to better track and identify the added-value of RBSA in supporting results in view of the preparation of the next PIR 2014-15. The attempt is to assess the extent to which RBSA funds have expanded, accelerated, deepened, or replicated programme results and identify possible typologies of technical interventions supported through RBSA, in collaboration with EVAL.</p> <p>This could be the subject of a future discussion in the TC segment (Nov 2015 GB?)</p> <p><i>Medium Term -&gt; Address in next PIR (from Oct 2015) based on systematic approach to upgrade the tracking of RBSA allocations and their contributions to results.</i></p>	<p>All high-level evaluations include a review of RBSA-funded activities as part of the overall analysis.</p> <p>Many evaluations have been catalysts for change or have led to new approaches and further planning. One such evaluation is the 2016 RBSA-funded country programme outcome evaluation on social dialogue in Eastern Europe and Central Asia. The findings of this low cost evaluation were applied to the Decent Work Agenda for all countries in the region to a far greater extent than expected, in terms of both depth and scope. The conclusions and recommendations made for the new DWCP for Azerbaijan proved particularly useful. The ILO Office in Moscow used them in its formulation of country programme outcomes for the next programming cycle. (<a href="#">GB.328/PFA/5</a>)</p>

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<p><b>6. PROMOTE STRATEGIC PARTNERSHIPS WITH DONORS AROUND THE RBSA MODALITY.</b></p> <p>Provide donors with more information in an informal manner, either through regular consultations with Permanent Missions in Geneva, or through informally sharing updates on projects funded by RBSA, including in areas that are of particular interest to donors. The format, timing, venue and content of RBSA donor consultations should be reviewed to ensure that the event meets its purpose: build a strong partnership between ILO and donors with a view to retain and expand their support and promote funding for ILO activities with other donors. Different formulae could be proposed, such as rotating venue, rotating hosting (e.g. donors instead of ILO) or participation of outside guests (e.g. other potentially interested donors; representatives from other agencies; Field recipients). Donors could be solicited (and are willing) to support in promotional efforts through briefings, reporting, news items and through custom-designed information kits.</p>	<p><b>Agreed</b></p> <p>ILO is open to suggestions to move from the current format of short meetings twice a year during the GB. This could involve a more substantive meeting of core ILO donors (similar to earlier donor-initiated 'Like Minded Donor Meetings), briefings on RBSA in the capitals etc. At the same time the GB day around the TC segment allows participants from capitals to maximize the use of their time.</p> <p>For the Nov 2014 meeting ILO prepared a factsheet on RBSA, feedback on further tools will be welcome. The Office would like to explore the donor's interest in: i) a site visit to an ILO country programme (Zambia, Ethiopia, Myanmar) and ii) ad-hoc briefings with visiting ILO field office directors</p> <p><b>Short Term -&gt; Discussions to be held to come up with specific proposals by March 2015</b></p>	<p>By the end of 2017, 15% of the total voluntary contributions should consist of un-earmarked and lightly earmarked resources (<a href="#">ILO Development Cooperation Strategy 2015-17, GB.325/POL/6</a>). In 2012-13 this share was 10%, in 2014-15 12%, and in September 2016, 18%.</p> <p>The Office continued to provide 'regular' RBSA updates around the Governing Body, including also specific agenda items such as testimonies from beneficiary countries, regional perspectives, and exchanges on best practices with other UN agencies such as WHO and FAO. In addition, a more substantial dialogue with RBSA partners took place on 28 April 2016 – it provided a constructive platform of engagement between the Office and the core group of RBSA partners, and allowed the ILO to offer greater insights in resource allocation and monitoring.</p> <p>The April 2016 RBSA meeting also saw the participation by an official from WHO, who informed the Office and the RBSA partners on their experience in managing voluntary contributions, how this guided resource mobilization and allocation and lessons learned.</p> <p>The July 2015's field visit to Zambia provided an opportunity for RBSA partners to better understand the interaction between technical content of ILO's work and country-level programmes; to show how the ILO achieves country-level results and to highlight the advantages of the application of an integrated resource framework approach in practice. It also</p>
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		<p>provided a platform for constructive reflection on challenges and opportunities of ILO's un-earmarked funding.</p> <p>Recognizing the importance of staying connected to the field and to increase the visibility and impact of ILO interventions, the next field visit is envisaged to Jordan in January 2017.</p> <p>The Office updated a 4-pager brochure to position and market RBSA as the ILO's voluntary core funding mechanism, with the objective of attracting further donors. The current RBSA donors will be solicited to help engage their peers. Country offices are encouraged to reach out to RBSA donor embassies to inform them about this funding modality and results achieved</p>
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