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Improving Results-Based Management in the ILO
Challenges and Opportunities

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IMPROVING RESULTS-BASED MANAGEMENT IN THE ILO

CHALLENGES AND OPPORTUNITIES

By Osvaldo Feinstein

Abstract

The ILO has progressively introduced results-based management (RBM) since 2000 in its operations and institutional practices. RBM applies to all stages of the ILO's programming cycle, including programme planning, implementation, reporting and evaluation, and providing feedback to subsequent programming cycles. RBM encourages work units throughout the Office to determine clearly how their efforts and resources can make the biggest contribution to the Organization's vision and mandate, embodied in the Decent Work Agenda and the four strategic objectives. The Strategic Policy Framework (SPF) adopts RBM in identifying the results expected for the planning period, within a framework of outcomes, indicators and targets. The Programme and Budget (P&B) further specifies the results for the biennium, the strategies the ILO will implement to achieve them and the resources available to do so. The Decent Work Country Programmes (DWCPs) act as the main framework and Country Programme Outcomes (CPOs) as the building blocks.

In 2013, EVAL commissioned an evaluability assessment of CPOs which found quite a few limitations with regard to the evaluability of CPOs and concluded that there is significant scope for improvement with respect to risks and assumptions, baselines, M&E plans and milestones. The study suggested actions needed to address these evaluability gaps to improve the Office's accountability for its programmes and enable it to report on its accomplishments, improve the quality of its evaluations and utilize evaluation findings and lessons learned to improve performance. This study identified the following factors as the main causes for these gaps: i) restrictions imposed by the current version of the ILO's IRIS/SMM technology platform which make it difficult to formulate/capture and link CPOs to the P&B outcomes; ii) insufficient upfront guidance for the formulation of CPOs; iii) capacity constraints of both ILO staff and Constituents; and iv) lack of proper incentives for ILO staff to align the CPOs in a DWCP with the broader P&B outcomes, indicators and targets.

The author proposed the following recommendations to deal with the issues mentioned above: i) provide proactive support to field offices for the development of evaluable strategies and indicators, including a review of and improvements to ILO guides on RBM applied to DWCP; ii) shift the focus from "attribution" to "contribution" to better determine ILO's role in relation to results; iii) ensure alignment of CPOs with P&B outcomes and the SPF; iv) strengthen capacity on RBM and M&E issues, mainly of ILO staff and also of Constituents; v) encourage good practice through appropriate incentives; and vi) review the possibility to correct restrictions imposed by the current IRIS/SMM to be able to report on cross-cutting work. Furthermore, as a way to position the "Areas of Critical Importance" (ACIs) within ILO's RBM framework in a measurable and evaluable way, it is recommended to develop at least one indicator for each of the eight ACIs accompanied by specific measurement criteria.

EVAL has developed a toolkit and a how-to-manual which can facilitate the implementation of these recommendations, with the purpose of enhancing the quality of ILO's result-based management and improving the evaluability of its programmes.

I.   Introduction

This Think Piece[1] builds on the research and analysis carried out in 2013 in preparation for an EVAL commissioned study on the evaluability of ILO's Country Programme outcomes (CPOs). The purpose of this Think Piece is to expand on the key findings, conclusions and recommendations of the report and propose suggestions on how ILO could improve its Results-Based Management (RBM) system while preparing for the next Strategic Programme Framework (SPF). Recommendations will focus on improving the evaluability of all the components of the Office's strategic framework, from Country Programme outcomes (CPOs) to the eight Areas of Critical Importance (ACIs), in the context of the Decent Work Country Programmes (DWCP) as the main framework and with CPOs as the building blocks.

For ease of reference, Section II presents a brief background on the evaluability study, and Section III presents the main findings, conclusions and recommendations. Section IV suggests proposed action based on the conclusions. Section V explores ways to improve logical coherence between CPOs and SPF outcomes. Sections VI and VII discuss ACIs, results-based management in the ILO, and present ways in which the ACIs introduced in the 2014-15 Programme & Budget (P&B) can be better integrated into ILO's RBM system.

II.   Background: Key findings of the evaluability study

During the third quarter of 2013, EVAL conducted an evaluability study applying an adapted version of its evaluability assessment (EA) tool to a random sample of CPOs in outcome-based workplans (OBWS) and Decent Work Country Programmes (DWCPs) for each of the five regions in which ILO operates, including cases which allowed for the comparison of the last two biennia.[2] The sample of 42 EAs considered six dimensions: objectives, indicators, baselines, milestones, risks and assumptions, M&E plans and, finally, a composite score was calculated. The information source for the CPOs considered in the EA was the IRIS Strategic Management/Implementation Module (SMM).

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[1] This Think Piece was prepared by EVAL consultant, Osvaldo Feinstein. Sabas Monroy, Guy Thijs and Francisco Guzmán of EVAL provided comments and suggestions.

[2] The procedure followed was a random selection of countries from a list that included those for which there are DWCPs complete with results frameworks, M&E and implementation plans (approved since 2011), and countries with DWCPs approved prior to 2011. This list of countries was prepared in consultation with ILO's M&E focal points in each of the five regions in which ILO operates. A random numbers table was used to select the sample, ensuring that at least one country per region was included in the sample.

The scores of the EAs showed that there is scope, and need, for improvement in all components of the logical model underpinning the strategic framework. It should be noted that low scores in the EA are not only of concern in terms of the feasibility of conducting evaluations, but also for the quality of the logical models needed for tracking, reporting and management. It is worthwhile to point out that CPO evaluability scores in 2012-2013 were higher than in 2010-2011 in 11 out of the 13 countries for which CPO evaluability was assessed in the biennia. The average increased by 39.7 per cent. A similar increase was verified for those DWCPs in the sample where it was possible to compare scores between the biennia. Thus, there is an improvement in evaluability between the last two biennia, although the scores are still less than satisfactory.

Furthermore, comparing the last three P&B Proposals (for the biennia 2010-11, 2012-13 and 2014-15) through the lens of an evaluability assessment, the following findings emerged:

- In all of the P&B documents objectives are clearly defined.

- The same indicators are used in each P&B document. Although they are developed to allow for objective and comparable measurements, with appropriate specifications, most of them actually do not correspond to the outcome level, but to outputs or intermediate outcomes using the definition of the OECD glossary on RBM and evaluation terms (i.e., outcomes are the likely or achieved short-term and medium-term effects of an intervention's outputs).

- Baselines are listed for almost all of the indicators, in each P&B document, although there were less in 2010-11.

- Milestones and M&E plans were not included, although the P&B documents include some general comments on how M&E will be conducted.[3]

- Whereas "risks and assumptions" are considered in the P&B 2010-11, in the 2012-13 P&B, a section on "risk management" was included for each of the indicators which only partially covered the same ground as "risks and assumptions". These sections were replaced by an explicit treatment of "partnerships" for each of the indicators in the 2014-15 P&B, which make explicit a particular set of assumptions limited to those corresponding to partnerships, without considering any other risks or assumptions.

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[3] The SMM includes no M&E Plan.

- Taking into account the preceding points, the evaluability assessment of the SPF, corresponding to the operationalization of the P&B for the last three biennia, presents similar scores, with an increased score in the 2014-15 P&B.

III.   Evaluability assessment conclusions

The findings of the evaluability assessment, including a review of ILO documentation and consultations with management and ILO field and HQ staff, led to the following conclusions:

Conclusion 1   The ILO has developed, during the last six years, a strategic policy framework in the format of a results-based management system, customized to the specificity of the organization. The design of this RBM framework placed particular care to ensure that the indicators reflect changes that can be attributed to ILO's support.

Conclusion 2   The evaluability of CPOs is limited. However, there is significant scope for improvement, particularly with respect to risks and assumptions, baselines, M&E plans and milestones. The evaluability gaps are important not only to carry out full-fledged evaluations, but also to allow ILO to better manage its programmes, to report more comprehensively on its achievements, and to gain more knowledge from its own experience.

Conclusion 3   The importance of partnerships for the ILO is acknowledged through the incorporation in the P&B for 2014-15 of a paragraph on partnerships in the sections corresponding to each of the 19 outcomes, making explicit a set of assumptions related to partnerships that could affect the achievement of the outcomes. This has implications for attribution, as will be indicated below.

Conclusion 4   There is a disconnect between CPOs as presented in DWCPs and P&B outcomes as a consequence of:

i)   restrictions imposed by the IT platform IRIS/SMM used to formulate/capture the P&B outcomes;

ii)   insufficient upfront guidance to field offices when they formulate CPO;

iii)   capacity constraints of both ILO staff and Constituents; and

iv)   lack of incentives for ILO staff to align CPOs in DWCPs with P&B outcomes.

Taking into account ILO's context, as well as good practices in the UN system and other organizations, a set of recommendations was proposed by the study to enhance evaluability and, therefore, the quality of management. These recommendations have been shaped, and

partially validated through consultations undertaken during the preparation of the evaluability study. Given the heterogeneity of realities in which ILO operates and the diverse portfolio of interventions – and with the aim to avoid making one-size-fits-all recommendations – emphasis has been placed on proposing procedures that could enhance the quality of CPOs and their upward linkages with the SPF.

IV.   Recommendations based on the conclusions

A.   *Provide proactive support to field offices for the development of evaluable strategies and indicators*

Outcome coordinators and sector specialists should prepare brief guides on CPO formulation for their area(s) of expertise, focusing on strategies and a rigorous logical model, including a menu of suitable indicators. These guides should become available to field offices as methodological materials for the development of DWCPs.

linked to conclusion 4

B.   *Shift the focus from "attribution" to "contribution"*

Achieving outcomes depends on the collective efforts of ILO and its Constituents. Instead of trying to assess attribution, it would be better to focus on ILO's contribution to achieving significant results in terms of its mandate. ILO should make explicit assumptions concerning partnerships, constituencies and the political context, using an appropriate situation analysis. EVAL's *Toolkit and How-to Manual for Preparing Evaluable Results Frameworks*[4] builds on existing Office guidelines and guidance and provides detailed suggestions on how to proceed in this way.

linked to conclusions 1 & 3

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[4] ILO. Evaluation Unit. *Toolkit and How-to Manual for Preparing Evaluable Results Frameworks.* (Forthcoming). Presently in draft form for discussion with key stakeholders.

C.   Review and improve ILO guides on RBM applied to DWCP, including good practice examples

Review RBM definitions in ILO guides, particularly the ILO DWCP manual,[5] to make them fully consistent with OECD terminology in all language versions[6], including good practice examples.[7] It is crucial to move away from an emphasis on processes to a focus on results (rather than only on "outcomes"), as indicated in the United Nations Department of Economic and Social Affairs (UNDESA) 2012 report, *Results-Based Management in the United Nations Development System,* which includes "outputs" among the different types of "results". [8]

linked to conclusions 2 & 4

D.   Ensure alignment of outcomes at the country level with P&B outcomes and SPF

When country level results are not aligned with P&B outcomes and the SPF, country teams - with support of regional offices - should translate those results into P&B outcomes, identifying the link(s) between the outcomes or results at the country level with the higher level framework outcomes or results.

linked to conclusion 4

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[5] ILO. *Decent Work Country Programme - A Guidebook*, V.3 (2011). Available at http://www.ilo.org/public/english/bureau/program/dwcp/

[6] OECD/DAC. Glossary of Key Terms in Evaluation and Results Based Management, Paris: OECD (2002). Available at: http://www.oecd.org/dataoecd/29/21/2754804.pdf

[7] Note that in the French and Spanish version of the DWCP guidebook, "outcomes" are translated as "résultats" and "resultados", respectively, whereas the OECD glossary, quoted in the previous footnote, translates "outcomes" as "effets" (in French) and "efectos" (in Spanish), whereas "résultats" and "resultados" correspond to the generic term "results", which includes "outcomes" as well as "outputs". The point here is not just that there is a problem with the Spanish and French translation, but that it may be worthwhile for the ILO to focus more on "results" than on "outcomes" in order to better manage expectations concerning the type of results that are directly achieved, and achievable, by ILO.

[8] UN. Department of Economic and Social Affairs. *Results-Based Management in the United Nations Development System: Progress and Challenges. (2012).* Available at: *https://www.un.org/esa/coordination/pdf/rbm_report_10_july.pdf*

E. Strengthen capacity for RBM and M&E of ILO staff and also of Constituents

The materials to be produced following recommendations A and C[9] could be used in capacity development activities for ILO staff and to brief training workshops for Constituents[10] , including the possibility of South-South cooperation.

linked to conclusion 4

F. Encourage good practice through appropriate incentives

A range of incentives could be tailored to ILO's corporate culture and the regional/country contexts. Possible incentives could be the following: i) conditioning the allocation of resources to design quality (including CPO evaluability); ii) persuading staff of the convenience of ensuring evaluability and reportability (by coaching and training staff, supplemented by a DG circular, and making line managers and staff accountable to comply with these requirements); iii) highlighting good practices in reports, newsletters or publications; and iv) recognition awards for good practice in CPO formulation (highest evaluability scores) and considering the quality of CPO formulation in individual performance appraisals.

linked to conclusions 2 & 4

G. Release restrictions imposed by the current SMM to be able to report on cross-cutting work

The current IT platform could be adapted to make the SMM more consistent with ILO's interest in promoting cross-cutting work, overcoming the one-to-one restriction (which is not a structural limitation of the IT platform, but a rule introduced to avoid the proliferation of outcomes). What could be done is to introduce weights applied to the outcomes based on the proportion of allocated resources (from all sources).

linked to conclusion 4

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[9] This would include EVAL's *Toolkit and How-to Manual for Preparing Evaluable Results Frameworks. (Forthcoming)*, prepared by EVAL as a follow-up to the Evaluability Study.

[10] This is consistent with what is indicated in ILO. Governing Body. *Operational strategies for capacity development for constituents in Decent Work Country Programmes*. GB.310/TC/1 (2011).

Although the preceding recommendations are basically addressed to PROGRAM, Section V shows ways in which EVAL attempts to support the implementation of recommendation D (and to a more limited extent recommendations A, C, E and G) through the EVAL *Toolkit and How-to Manual for Preparing Evaluable Results Frameworks* which can also be used for training activities.

V.   Improving the logical coherence between CPOs and SPF outcomes

This section provides more detail regarding recommendation D on ensuring alignment of outcomes at the country level with P&B outcomes and the SPF. As indicated in recommendation D, when country level results are not fully aligned with P&B outcomes and the SPF, country teams - with support of regional offices - should translate those outcomes into P&B outcomes, identifying the link(s) between the outcomes or results at the country level with the higher level framework outcomes or results.

To facilitate the "translation" of CPOs at the country level into SPF outcomes, the *Toolkit and How-to Manual for Preparing Evaluable Results Frameworks,* based on evaluable CPOs and prepared by EVAL as a follow-up to the evaluability study, provides specific suggestions on: i) how to describe the CPOs; ii) key elements that must be addressed in the outcomes' strategies in order to build the foundations of evaluable results frameworks; and iii) links that the descriptions of the CPOs must include with respect to the related outcomes of the DWCP or OBW, P&B, SPF and ACIs (see sections VI and VII).

The toolkit also provides a template to be used in IRIS/SMM to upload the description and strategy of the CPOs, thus contributing to the implementation of recommendation G. It also includes a checklist for quality assurance and enhancement which focuses on the evaluability of CPOs (the first module of the toolkit makes explicit reference to the links of CPOs with the SPF and the ACIs).

Furthermore, the toolkit can also be used for training activities in order to develop capacities that would lead to improvements in the logical coherence among the different levels of strategic planning, thus enhancing the evaluability of ILO's strategic framework.

Finally, as DWCPs are the main vehicle for the delivery of ILO's assistance to countries, which is focused and prioritized around CPOs, improving the evaluability of CPOs contributes to the improvement of DWCP evaluability and the ILO's results framework as a whole.

VI.   Areas of Critical Importance (ACIs) and ILO's RBM

An innovation, introduced in the 2014-15 P&B, is the Areas of Critical Importance (ACIs). In the 2014-15 P&B preface, the Director-General refers to "the idea of focusing on a limited number of areas of critical importance", indicating that "they will enable the ILO to bring a critical mass of effort and resources to focus on issues that really matter and can play an important role in building teamwork in the Office so that it truly does deliver as 'one ILO'."[11] The creation of corporate synergies through strengthened cross-organization teamwork, and facilitated by the introduction of the ACIs, could allow ILO to achieve greater effectiveness and efficiency. The ACIs could be considered as a transition towards a new and more focused SPF. The following identifies some potential pitfalls in linking P&B outcomes to the ACIs and suggests how to avoid them.

In the last set of P&B documents there were 19 outcomes and 4 strategic objectives. It could be argued that the eight ACIs may be the "missing middle" between the rather too broad four "strategic objectives" and a large number of outcomes. To maximize the potential value added of the ACIs, and to minimize the risk that they could become an additional layer in the system without adding value, this Think Piece reviews the extent to which ACIs have been, or could be, integrated within ILO's RBM framework and suggests some ideas on how to improve the system.

VII.   Integration of ACIs within ILO's RBM framework

It should be noted that in the P&B Proposal for 2014-2015, the ACIs are not yet fully integrated within ILO's RBM framework. For example, Figure 1 of the P&B Proposal for 2014-15 refers to "expected results (19 outcomes) with indicators, measurement criteria and targets for the biennium" and an additional bullet point mentions the "areas of critical importance (eight) each combining inputs from several technical domains and delivering

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[11] ILO. Governing Body. *The Director General's Programme and Budget Proposals for 2014-15,* GB.317/PFA/1. (2013). Available at: http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_203480.pdf . The eight ACIs are: Promoting more and better jobs for inclusive growth; Jobs and skills for youth; Creating and extending social protection floors; Productivity and working conditions for SMEs; Decent work in the rural economy; Formalization of the informal economy; Strengthening workplace compliance with labour inspection; and Protection of workers from unacceptable forms of work.

results under relevant outcomes".[12] Furthermore, in paragraph 28, it is stated that "progress under the areas of critical importance will be measured through indicators attached to the 19 outcomes". Thus, there are yet to be specific indicators, measurement criteria and targets presented in the 2014-15 P&B Proposal for the ACIs.

The potential ACI gap in the RBM framework can be better perceived through an analysis of indicators for the "principal outcomes" corresponding to two of the eight ACIs (page 19, paragraph 49 of the *P&B Proposals for 2014-15*), as concrete examples of the RBM issues and of ways to address them.[13] Thus, for the "Jobs and skills for youth" ACI, the following "principal outcomes" were identified: employment promotion, skills development, sustainable enterprise and child labour. For those four "principal outcomes", the P&B document includes 17 indicators, none of which includes any reference to "youth".

In the case of the ACI "decent work in the rural economy", five "principal outcomes" were identified, with 18 indicators and 47 measurement criteria, none of which includes any reference to "rural" issues. This ACI gap in the RBM framework can potentially lead to an "evaluability gap". The indicators, measurement criteria and targets for the principal outcomes associated to the ACI are, therefore, of very limited use to evaluate the ACI or measure the impact of ILO on the ACI, Furthermore they do not allow for an appropriate consideration of the ACI in the result-based management process.

As a way to position the ACIs within ILO's RBM framework in a measurable (and evaluable) way, it would be highly constructive to develop at least one indicator per ACI, with specific measurement criteria. It should be noted that, as indicated in paragraph 29 of the 2014-2015 P&B "before the start of the biennium, a workplan will be prepared for each area of critical importance". [14]

Thus, the proposal in this Think Piece is to develop specific indicators for ACIs that can be seen as a way to contribute to the development of the workplans' results framework. In the cases mentioned, ILO's technical teams could develop an indicator corresponding to jobs and skills for youth and an indicator for decent work in the rural economy.

Once these indicators are in place (and the same applies to the remaining six ACIs), expected results could be framed and links could be established with the "principal

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[12] Ibid. p. 2.

[13] Ibid. In Figure 10, p.14, the one page diagram makes no reference at all to the ACIs.

[14] Ibid. p.12.

outcomes" associated to the ACIs, and with the expected roles of Partners and Constituents in achieving these results (identifying ex ante their expected contributions, which will facilitate the ex post assessment of their actual contributions and that of ILO). This way, the ACIs would not only become evaluable, but would also be more useful for management[15] and for measuring results and, as a by-product, they would also enhance the evaluability of the SPF.

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[15] Ibid. Paragraph 19 states that expenditures under the ACIs are estimated at 42 per cent of the total regular budget under the 10 outcomes. If indicators for the ACIs become available, this would facilitate the distinction between resources allocated that are linked to ACIs from those beyond their scope, allowing for better tracking of resource allocations. Likewise, ACI specific indicators would be useful to concentrate RBSA funding primarily on the ACIs with an emphasis on countries less endowed by ILO extra-budgetary resources.