



Governing Body

328th Session, Geneva, 27 October–10 November 2016

GB.328/PFA/6

Programme, Financial and Administrative Section
Audit and Oversight Segment

PFA

Date: 10 October 2016

Original: English

SIXTH ITEM ON THE AGENDA

Discussions of high-level evaluations (strategy and Decent Work Country Programme evaluations)

Purpose of the document

This document presents a summary of the findings and recommendations of two independent high-level evaluations conducted during 2016. Part I pertains to the evaluation of the ILO's strategy on skills development for jobs and growth 2010–15. Part II concerns the evaluation of the ILO's Decent Work Country Programmes, strategies and actions in the Western Balkans 2012–15. The final section of each summary contains a set of recommendations requiring follow-up and sets out the Office response. The Governing Body is invited to endorse the recommendations and request the Director-General to ensure their implementation (see draft decision in paragraph 79).

Relevant strategic objective: All.

Policy implications: The final section of each evaluation summary contains a set of recommendations, the implementation of which will have policy implications.

Legal implications: None.

Financial implications: Changes in resource allocations within approved budget level may be required.

Follow-up action required: Follow-up to the recommendations will be reviewed by the Evaluation Advisory Committee and reported to the Governing Body through the annual evaluation report.

Author unit: Evaluation Office (EVAL).

Introduction

1. This report presents a summary of the findings of two high-level evaluations conducted by the ILO's Evaluation Office (EVAL) in 2016. The evaluations were undertaken using standard Organisation for Economic Co-operation and Development (OECD) and Development Assistance Committee (DAC) evaluation criteria and were built on the approach presented in the ILO's high-level evaluation protocols for outcome strategies and Decent Work Country Programmes (DWCPs). The evaluations use secondary data sources as well as substantial original surveys and carefully structured and selected sets of country case studies.¹ Data derived from different methods and sources were triangulated to ensure consistency and reliability. A six-point rating scale, ranging from very unsatisfactory to very satisfactory, was applied whenever appropriate to complement the evaluation findings. The high-level evaluations aim to generate insights into organizational-level performance within the context of the ILO's results-based management system and are expected to contribute to decision-making on policies, strategies and accountability.

Part I. Independent evaluation of the ILO's strategy on skills development for jobs and growth 2010–15

Purpose and scope

2. The purpose of the evaluation is to provide insight into the relevance, coherence, effectiveness, efficiency, impact and sustainability of the skills-related work of the ILO. The evaluation focuses on the period 2010–15, which falls under the Strategic Policy Framework (SPF) for that period. It also considers the Programme and Budget for 2016–17 and aims to inform the development of the ILO's Strategic Plan for 2018–21 and facilitate its alignment with the 2030 Agenda for Sustainable Development.
3. The evaluation concentrates on activities associated with outcome 2 of the SPF, which is based on the premise that skills development increases the employability of workers, the competitiveness of enterprises and the inclusiveness of growth.² In addition, it considers other outcomes and other skills-related efforts of the ILO. The scope of the evaluation, therefore, encompasses the work of the Office as a whole, not just that of the Skills and Employability Branch (SKILLS) (formerly Skills and Employability Department). The ILO's contribution to global skills strategies and its collaboration with multilateral partners are also considered.

Summary of findings

A. Relevance

4. Although some of the ILO's skills work in the period under review found no natural home among the SPF performance indicators, in all other respects its activities and approach were relevant and appropriate, including with regard to key Conventions, Recommendations and

¹ Country case studies for each evaluation are available on request.

² GB.304/PFA/2(Rev.), p. 10.

implementation of the G20 Strategy. In the countries visited for the evaluation, constituents were supportive of the ILO's tripartite approach, although it was noted that links might need to be strengthened beyond its traditional partner ministries. While skills development has clear synergies with other cross-cutting work of the ILO, the programme and budget processes in place at the time the evaluation was carried out might have created a disincentive for collaboration. The evaluation noted that activities converged well in the field. Stakeholders surveyed saw the ILO as a natural leader in the area of skills work. Moreover, the recognition given by the G20 in asking the ILO to take the lead in developing the G20 Training Strategy has positioned the ILO as a global influence in skills development work. Given the high demand and need, however, further guidance may be needed on organizational priorities, including geographical focus.

B. Coherence

5. Action implemented in the field was not always coherent with the strategy expressed in the programme and budget and did not adequately describe the full range of activities in which the ILO was engaged to support constituents. This lack of coherence could have led to inconsistencies and errors in reporting, as country offices might have been faced the difficult choice of either adhering strictly to the SPF or adjusting their reporting to fit better with the global results framework. Furthermore, there was a lack of clarity regarding what the ILO's skills strategy actually is. Although staff and constituents cited a range of policy documents, there was no consensus among them. The evaluation noted that ILO activities harmonized with the strategies of other development agencies and United Nations (UN) partners and, moving forward, could make important contributions to the attainment of the Sustainable Development Goals (SDGs).

C. Effectiveness

6. Performance was examined through the lens of the SPF. Of the five indicators linked to outcome 2, three were not met and two on youth employment and employment services were exceeded. The evaluation team expressed concerns about the accuracy and validity of some of the reported results. In the countries visited, some of which had large development cooperation portfolios, major successes were achieved but were not fully reflected in the implementation reports. Generally, activities in the countries visited took gender concerns into account although not in a systematic manner; gender was not reflected thoroughly in the reporting of results. Staff and constituents interviewed had a favourable view of the effectiveness of the ILO's skills work. Although the strategy was deficient in some respects, in practice the ILO's efforts proved to be adaptable, responsive and effective in meeting the differing needs of the constituents.

D. Efficiency

7. A comprehensive assessment of the efficiency of the ILO's skills work would require data that the Office cannot currently provide. Such an assessment would need to include a review of the cost of all resources used to undertake specific skills activities, in addition to information on how those activities were linked to outputs and contributed to the achievement of outcomes. An examination of expenditure on skills by country raised some questions about relative return on investment. However, no conspicuous signs of inefficiency were observed in the field. In fact, in some cases a great deal had been achieved with very limited resources. Nevertheless, a number of constraints to operational efficiency and effectiveness were identified through the survey, including issues related to access to technical expertise, time required for internal decision-making and funding, including adequate access to both financial and human resources.

E. Impact

8. The goal as expressed in the SPF was that by 2015, over 30 member States have aligned training supply and demand and extended access to training.³ However, no data were available on the actual number of countries assessed as having attained this goal. The countries visited had undertaken activities that related to the 2015 goal; constituents in those countries were generally satisfied; and survey data suggested that staff and stakeholders believe that the Office had made a difference. Some staff and stakeholders questioned in the field were often unable to present any hard evidence of impact, especially in respect of “aligning supply and demand” through training system reform.

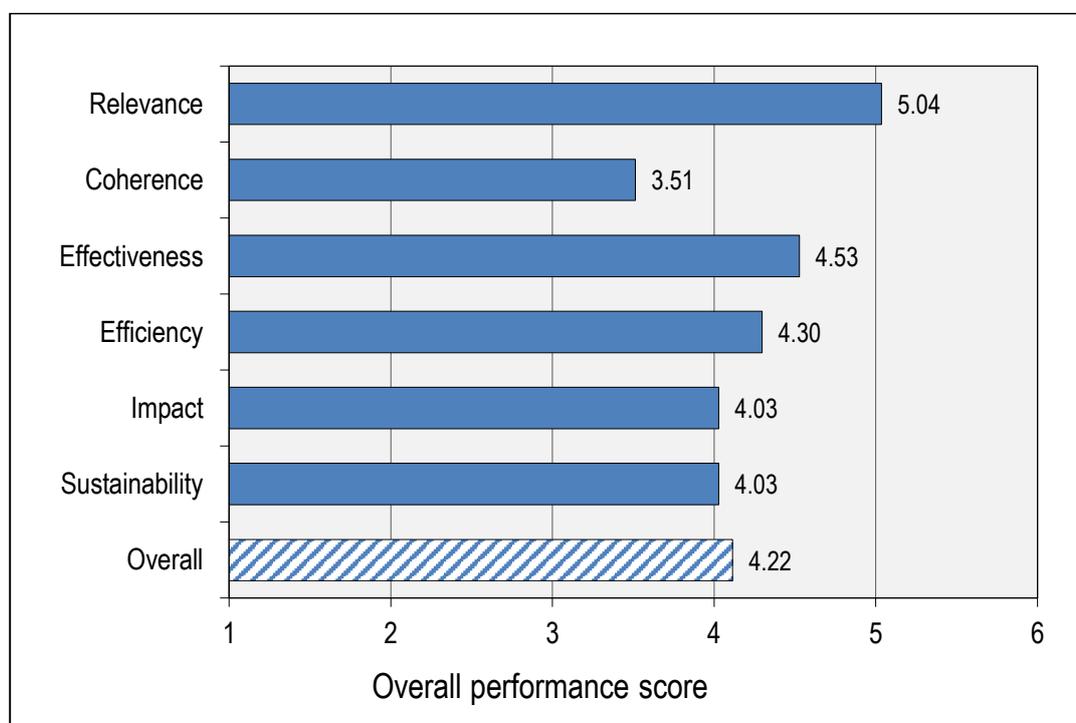
F. Sustainability

9. Policy development and training system reform offers greater potential for sustainability than that of more community-based approaches that test delivery mechanisms, although such approaches offer more visible and immediate results for beneficiaries. This was observed by the evaluation team, which cited cases where the sustainable results for individuals were positive although the sustainability of the intervention itself was not certain. Staff and stakeholders perceived the ILO’s skills work as having a sustainable impact on extending access to training systems and services to identified priority groups. However, the field visits did not find much hard evidence of this.

Overall assessment of the strategy

10. Figure 1 converts the performance analysis into the overall ratings assigned to the ILO.

Figure 1. Evaluation criteria rating



Scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = somewhat unsatisfactory; 4 = somewhat satisfactory; 5 = satisfactory; 6 = highly satisfactory.

³ GB.304/PFA/2(Rev.), p. 10.

Conclusions and lessons learned

11. Skills development is an important part of the ILO's work. It raises the value and output of labour, empowers workers and enriches their lives and improves the productivity, sustainability and competitiveness of enterprises. For many, it is a key that allows them to access the labour market and escape from poverty and the opportunity to adapt to a changing world. Skills development is a fundamental enabler of decent work.
12. The lack of clarity about the ILO's global skills strategy means that much of the work performed, though following a recognized agenda set out in key policy documents, does not reflect the SPF, the programme and budget or the indicators used to measure results.

The following lessons are highlighted

13. Although the process can sometimes be slow, the training system reform is a fertile field for the ILO that has the potential to yield sustainable results and advance the Decent Work Agenda.
14. While efforts to provide skills to highly disadvantaged groups at the community level can have an immediate impact, sustainability and expansion are hard to achieve.
15. It is important to ensure that appropriate attention is given to the input of ministries other than the Ministry of Labour.
16. The ILO needs either a more elaborate section on skills in the programme and budget or a separate document that guides skills work and establishes priorities in the short, medium and long term.
17. Performance indicators and their measurement criteria need to reflect more accurately the work that actually leads to the outcomes.

Recommendations

18. **Recommendation 1:** Enhance coherence between the programme and budget, key policy documents and the Sustainable Development Goals (SDGs) by mapping key skills development activities to the indicators in the ILO's Strategic Plan for 2018–21 and the Programme and Budget for 2018–19. Mapping activities in this manner will make clear what fits, and what does not. Any gaps should be highlighted and resolved through a high-level decision. Although much of the ILO's work relates to SDG 8 (Decent work and economic growth), its skills work also relates to SDG 4 (Quality education). The Programme and Budget for 2016–17 does not seem to adequately recognize this and the ILO's Strategic Plan for 2018–21 should therefore ensure that the ILO skills activities that relate to SDG 4 are adequately recognized.

Responsible units	Priority	Time implication	Resource implication
EMPLOYMENT/SKILLS, PROGRAM	High	December 2016	Low

19. **Recommendation 2:** Ensure that adequate technical support is available for areas of growing demand and consider the need to target specific skills-related activities in priority regions or countries. The evaluation found that demand for different types of skills work can fluctuate and the ILO needs to ensure that it can quickly respond to such changes. It also needs to ensure an appropriate geographical spread in its skills work since, for example, it

found that the Asian region currently receives more than three times the share of project funds allocated to the African region, despite higher demand from the latter.

Responsible unit	Priority	Time implication	Resource implication
EMPLOYMENT/SKILLS	Medium	June 2017	Medium

- 20. Recommendation 3:** Clarify the full scope of the skills agenda and communicate this to ILO offices and constituents. Develop tools and guides that support offices and constituents to better integrate skills activities more effectively into the full range of development interventions. Skills work touches on many areas of the ILO's operations, but the opportunity to include skills development elements can sometimes be missed. Practical tools and guides, written with a broad audience in mind, may be needed to help ILO offices and constituents to better integrate skills into a broader range of activities.

Responsible unit	Priority	Time implication	Resource implication
EMPLOYMENT/SKILLS	Low	December 2017	Medium

- 21. Recommendation 4:** Encourage innovation in the ILO's skills work by allocating funds to develop and test new models. The Office appears to rely heavily on long-standing products and services and should actively pursue innovative solutions that offer sustainability and capacity that can be scaled up. Establishing an "innovation fund" to support the development and piloting of promising new models could be considered. Finding new models that are effective, scalable and cost-effective should be a priority.

Responsible units	Priority	Time implication	Resource implication
EMPLOYMENT/SKILLS, PARDEV	Medium	December 2017	High

- 22. Recommendation 5:** Enhance the capacity of tripartite partners to participate in the ILO's skills work and ensure all relevant ministries are effectively engaged in identifying and addressing skills priorities. Worker and Employer representatives have a vital role to play in skills development. The evaluation identified a need to support their capacity to participate in and influence skills development. In addition, as vocational education and training often falls under the responsibility of the Ministry of Education and not the Ministry of Labour, the ILO needs to ensure that country-level analysis and planning processes effectively engage with the Ministry of Education. Skills work also extends to other ministries, which should also have input to the ILO's skills-related work.

Responsible units	Priority	Time implication	Resource implication
EMPLOYMENT/SKILLS, ACTRAV, ACT/EMP, country and DWT offices	Medium	December 2017	High

- 23. Recommendation 6:** Improve the systems in place to review and assess the results reported in the implementation reports and improve the capacity of the ILO's systems to report on the allocations of regular budget (RB) resources to outcomes. The Office should implement a system to make a more realistic assessment of the ILO's contribution to reported results. Results reported against performance indicators need to be reviewed more thoroughly and only included in performance reports when the ILO has made a substantial and verifiable contribution. Technical interpretation, when required, should be performed jointly with PROGRAM and the technical department concerned. As a number of evaluation reports have highlighted, the expansion of the current system should be set up to better capture the use of resources, including regular budget resources, linked to outcomes. This will reflect and more accurately quantify the work undertaken by the ILO, including support to constituents and capacity-building efforts.

Responsible units	Priority	Time implication	Resource implication
DDG/MR, PROGRAM, DDG/P, all technical departments	Medium	December 2018	High

- 24. Recommendation 7:** Improve institutional record-keeping to ensure that important information is not lost when key staff leave the Office. At times, the evaluation was hindered by an inability to access certain information, including the background to and the reasoning behind significant decisions, due to the departure of staff members. Some relevant information, kept in emails or personal drives, ceased to be accessible once staff members left. Basic record-keeping that retains important decision-making documentation needs to be improved across the Organization.

Responsible units	Priority	Time implication	Resource implication
EMPLOYMENT/SKILLS, PROGRAM	High	December 2016	High

Office response

- 25.** The Office acknowledges with thanks the evaluation of an important area of work in high demand by the ILO constituents. The responsible technical department, the Employment Policy Department (EMPLOYMENT), appreciates the finding that the ILO's work in skills development is adaptable, responsive and effective in meeting the diverse needs of the constituents, ranging from policy and institutional reform to community-based action. The Office welcomes the recommendations and draws attention to the organizational reforms introduced after 2013. These reforms resulted in better integration of work on skills with the ILO's work on employment policy, synergizing with other outcomes and increasing capacity in the field, from both supply and demand perspectives.

Recommendation 1

- 26.** The Office recognizes that the programme and budget, the SPF and indicators under outcome 2 covering skills work in the period 2010–15 did not reflect the full scope of the ILO's skills strategy as deployed at the country level. However, it underscores the internal consistency and coherence of the ILO's strategy, approach and action, as guided by: the normative and policy frameworks of the Human Resources Development Recommendation, 2004 (No. 195); the Conclusions on skills for improved productivity, employment growth and development, adopted by the International Labour Conference (ILC) in 2008; and the Conclusions concerning the recurrent discussion on employment adopted by the ILC in 2010 and in 2014. The skills strategy is also reflected in the ILO's G20 Training Strategy, a major outcome of the ILO's partnership and advocacy. While a perfect match of the strategic framework with the full range of support provided through ILO action may not be feasible, new indicators were already introduced in the 2016–17 biennium under outcome 1. These indicators are being further refined in the proposals for 2018–19, in the light of experience and lessons learned. The Office agrees that in addition to SDG 8, much of skills work also relates to SDG 4. Relevant SDG indicators and targets are being fully mapped and reflected in the Programme and Budget for 2018–19.

Recommendations 2 and 3

- 27.** To improve the geographical spread of ILO support, two new skills specialists were appointed in the African region in 2016, bringing the total to four posts. The Office expects that these appointments will bolster its work on skills, including by increasing its development cooperation portfolio in Africa. The Office appreciates the need for tools and

guides to assist the ILO offices in addressing skills concerns. It has made a head start in this regard, including by preparing a series of policy briefs to inform technical specialists working in fields other than skills. It will also consider consolidating the ILO skills strategy into a single document, other than the programme and budget that addresses a broader audience.

28. The Office is taking several steps to continuously update and adapt its response to rapid changes and evolving conditions in labour markets and the skills needs implications, as well as the diverse and changing needs and priorities of the ILO constituents. Focusing on available as well as additional resources, the Office is emphasizing areas of action in high demand, such as apprenticeships and skills anticipation methodologies. In addition, it has launched a new initiative on jobs and skills mismatches with a view to better assessing and responding to present challenges and future of work issues, as reported under outcome 1 in November 2015.

Recommendation 4

29. The evaluation highlights the relevance and effectiveness of some well-established ILO models. The development and testing of new models is part of the ongoing work of the Office. Within the limitation of existing resources, efforts will be made to increase the focus on this aspect of the technical department's work. The Office will also review the feasibility of the creation of an "innovation fund" to support the development and piloting of promising new training models.

Recommendation 5

30. The Office will intensify its efforts to improve the capacities of worker and employer organizations to engage in the development of skills policies and programmes, including through the development of dedicated knowledge products. Work with government entities other than ministries of labour and employment is taking place, where appropriate, taking into account specific mandates and arrangements. This cooperation will be made more visible.

Recommendation 6

31. A system for tracking resources to outcomes, enabling the Office to quantify contributions to reported results has been operating for two years and an enhanced model for capturing base data is currently being tested. The Office acknowledges the need for further improvements in the reporting of results in implementation reports, which will be assisted by the implementation of the enhanced data capture model effective 1 January 2017.

Recommendation 7

32. The Office acknowledges the challenge of maintaining institutional memory, including the need for a record-keeping system that does not depend on staff email accounts. The Office will step up its efforts to devise an electronic system in which records for major development cooperation programmes and key work items are kept centrally.

Part II. Independent evaluation of the ILO's Decent Work Country Programme, strategies and actions in the Western Balkans, 2012–15

Purpose and scope

33. The purpose of this high-level evaluation was to assess the ILO's DWCPs, strategies and actions in the Western Balkans during the biennia 2012–13 and 2014–15. The DWCPs evaluated included Albania, Bosnia and Herzegovina, Montenegro, Serbia and the former Yugoslav Republic of Macedonia. The ILO's assistance to member States in the subregion is delivered through DWCPs, while a number of strategies and actions are also pursued at the subregional level.

Summary of findings

A. Relevance

34. In all countries of the Western Balkans, DWCPs took account of the priorities of the ILO constituents (such as employment, social dialogue, social protection, strengthening employers' and workers' organizations and international labour standards). In addition, they were aligned with international development agendas, such as the Millennium Development Goals and United Nations Development Assistance Frameworks, as well as with national development objectives and strategic agreements with the European Union (EU). The results achieved under each country programme outcome at the national level supported the respective country DWCPs. These, in turn, contributed to the achievement of the ILO's programme and budget and the SPF.

B. Coherence

35. The evaluation team found the design of the DWCPs' outcomes and the country programme outcomes to be well-aligned overall. However, the ILO's reporting systems (such as internal reporting and donor reporting) were not completely accurate or harmonized. For example, some country programme outcomes reported in the programme implementation report were not mentioned in the DWCPs or reported in the DWCP results matrix and the associated monitoring plan. Conversely, not all achievements at the country level were reflected in the implementation reporting. On the whole, however, the DWCP framework, including its results matrix and monitoring plan, helps to promote results-based management in all countries in the Western Balkans.

C. Effectiveness

36. The ILO's work in the Western Balkans can be analysed in terms of five main areas of work, namely: employment; social dialogue; social protection; strengthening workers' and employers' organizations; and international labour standards. The ILO's approach to employment was tailored to the country context and the specific needs of the constituents. In some countries (such as Bosnia and Herzegovina, Montenegro and the former Yugoslav Republic of Macedonia), the focus was on youth employment; in others, it was on strengthening the social cohesion of the labour market (Serbia) or the development of employment policies (Albania). Taking into account prevailing conditions and needs, this adaptive approach appears to have been relatively effective. As a result, the ILO's leading

position in the area of employment was widely recognized among UN agencies and outside the UN system.

37. The ILO contributed to improving social dialogue by providing legal advice on and technical assistance to national social dialogue mechanisms, and building the capacity of the social partners. In Albania and Bosnia and Herzegovina, the ILO organized workshops to develop constituents' capacity with regard to various aspects of collective bargaining. In the former Yugoslav Republic of Macedonia, the ILO collaborated with three organizations (two workers' organizations and one employers' organization) that were represented at the national level. The ILO's efforts appear to have yielded mixed results. The assistance provided with a view to increasing social dialogue led to effective results at the national level. However, because of resource constraints, the capacity of the social partners was not addressed at the local level.
38. The ILO tailored capacity-building efforts in the area of social protection to the specific needs of the constituents, as was the case with regard to employment. In some countries, the focus was on occupational health and safety (Albania and Serbia); in others, it was on establishing a minimum wage for vulnerable groups (the former Yugoslav Republic of Macedonia) or reforming the pension system (Bosnia and Herzegovina). This flexible approach seems to have been relatively effective. Interventions to improve HIV/AIDS legal and policy frameworks (Bosnia and Herzegovina) may have been driven more by the availability of funds than by prevailing needs.
39. The Office used the Enabling Environment for Sustainable Enterprises (ESEE) evidence-based policy and advocacy toolkit developed by the Bureau for Employers' Activities (ACT/EMP) (Albania, Montenegro, Serbia and the former Yugoslav Republic of Macedonia) in order to develop the capacity of employers' organizations. The capacity of workers' organizations was developed by means of workshops on collective bargaining, informal work and the accession policy of the EU. Notwithstanding these activities, the work on strengthening the capacity of the ILO's tripartite constituents was perceived as being of limited effectiveness. This can be attributed, in part, to deeply rooted mind-sets and institutional structures that require time to change.
40. In the countries of the Western Balkans, the ratification and application of international labour standards had the additional benefit of aligning law and practice with European frameworks and thereby contributing to their goal of joining the EU. The ILO's technical assistance, aimed at ratification of, and full compliance with, international labour standards, consisted of advisory services on training, awareness-raising and promotional activities and how best to fill in implementation gaps identified by the ILO's supervisory bodies. The average number of ratifications by the countries concerned was 72, compared to around 60 in Central and Eastern European countries. All countries of the Western Balkans have ratified the four governance Conventions and the eight fundamental Conventions covering subjects that are considered to be fundamental principles and rights at work.
41. Despite the dearth of sex-disaggregated data in most projects, the contribution of such data to the ILO's cross-cutting themes of gender and non-discrimination was considered satisfactory. The data indicated that not only did women actively participate in non-discrimination activities but that numerous other activities also contributed to mainstreaming gender equality.
42. The key factors of success appear to be related to the ILO's comparative advantage as a value and knowledge-based organization. Constituents interviewed recognized the advantage of having access to the ILO's knowledge base, and the ILO's commitment to high quality knowledge production was greatly appreciated. Apart from these successes, the ILO faced a series of challenges and constraints in the countries of the Western Balkans. The

most frequently cited external challenges were political instability and political division between the social partners and the government. High staff turnover and constantly changing political interlocutors also hindered the efficiency and effectiveness of the ILO's work.

43. Perhaps the highest internal risk identified in the Western Balkans was the lack of resources. Programme planning did not always match available resources.

D. Efficiency

44. Financial information provided by headquarters and the ILO Decent Work Technical Support Team and Country Office for Central and Eastern Europe (DWT/CO–Budapest) indicated that the ILO expended a total of US\$9,157,537 in the five countries during the period under review.⁴ The time and level of effort by ILO staff in the field was a serious concern. The DWT/CO–Budapest Director is responsible for both the strategic and technical aspects of the Office's work, which was reported as being very challenging. The Decent Work Team (DWT) itself has only six specialists for 19 countries and each specialist is required to support more than one technical area.

45. Headquarters backstopping of the DWT was reported to be somewhat uneven and at times difficult to obtain. The availability of backstopping appears to depend primarily on the capacity of the sector's departments located at headquarters.

E. Impact

46. The work of the ILO had greater impact in law reform and institution building than in other socio-economic areas. Factors that impeded the ILO's impact included limited resources and a modest ILO presence in the countries concerned. Other factors included structural challenges in the society, such as: lack of dialogue; culture; lack of ownership and awareness among the tripartite constituents of the structural changes initiated as part of the EU's accession process; and disruption between changes initiated at central government and at local levels.

47. Despite being part of the ILO's core mandate, the ILO's work to strengthen tripartite constituent capacity was reported as having minimal impact.

F. Sustainability

48. The sustainability of the ILO's work is influenced by external factors over which the ILO has no control. These factors include labour market conditions, government budgets and structural rigidities that continue to hamper job creation. Internal factors, over which it has some control, include the capacity of the DWT/CO–Budapest, ILO constituents and resource mobilization.

49. Due to declining interest among donors and limited resource mobilization by field staff, there were very few new projects in the pipeline at the time of the evaluation to continue activities once the current generation of development cooperation projects is completed. The DWT/CO–Budapest turned the situation around by various means, including by entering into new strategic partnerships with other UN agencies, programmes and funds to carry out projects. Nevertheless, this shows that lack of attention to project cycles may limit the

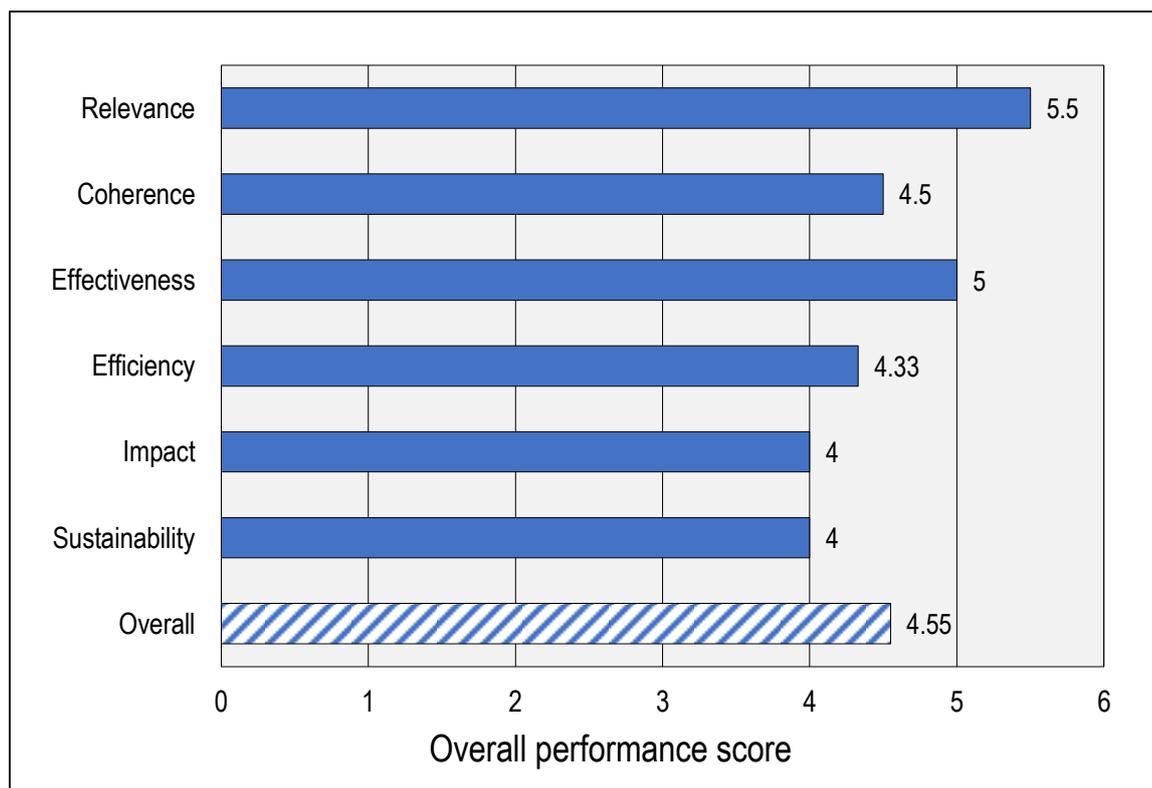
⁴ This figure includes funds from the regular budget, Regular Budget Supplementary Account (RBSA), extra-budgetary technical cooperation (XBTC) and Regular Budget Technical Cooperation (RBTC).

sustainability of the ILO's development cooperation in the subregion, and that exit strategies need to be considered from the start.

Overall assessment of strategy

50. The evaluation team rated the overall performance of the ILO's DWCP strategies by triangulating information and data gathered through desk reviews, interviews and surveys of staff and constituents, as described in figure 2.

Figure 2. Evaluation criteria rating



Scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = somewhat unsatisfactory; 4 = somewhat satisfactory; 5 = satisfactory; 6 = highly satisfactory.

Conclusions

51. Based on the findings presented above, the evaluation concluded that the DWCPs were aligned with constituents' needs, with national and international development and with the ILO's programme and budget and the SPF.
52. In response to country priorities, the ILO's work in the Western Balkans was clustered around five main domains: employment; social dialogue; social protection; strengthening employers' and workers' organizations; and international labour standards. The ILO applied an approach to technical support that was tailored to the country context and to the specific needs of the constituents. This flexible approach seems to have led to relatively effective results.

53. The time and level of effort by ILO staff in the field was a matter of urgent concern. Due to capacity constraints in the DWT/CO–Budapest Office and uneven support from headquarters, technical support appeared to be caught in a zero-sum situation since an increase in support in one country was often matched by a decrease in another country.
54. Impact and sustainability were both influenced by external factors, such as labour market conditions, structural rigidities and government budgets. They were also influenced by internal factors, such as the capacity of staff and the inability to establish continuity of funding.

Lessons learned

55. The financial and technical monitoring of development cooperation projects for all countries in the subregion is centralized in DWT/CO–Budapest. This increased quality control, but also increased the time required for taking project implementation decisions, in particular decisions related to contractual arrangements. When DWT/CO–Budapest provided monthly expenditure reviews to project teams, it increased their planning and reporting capacity.
56. The ILO’s internationally recognized technical expertise in the area of employment enabled it to raise awareness, attract strategic partners and mobilize resources for its respective strategic approaches, even when the reform process encountered bottlenecks and difficulties along the way.
57. Systemic interventions, such as the one designed to create employment in Albania, need extended timelines in order to consolidate and assess progress. Such interventions need to build an enabling environment for the reform to take place, to strengthen the balance between supply and demand of technical support, to encourage a shift in social norms and to promote quality of service.
58. A project that devotes substantial resources to designing strategies, plans and institutional tools also needs to be adaptable to changing circumstances. Strong local ownership needs to be established in order to embed these instruments into the future practice of the constituents. This may require sharing information about new approaches beyond the ILO’s traditional stakeholders and specialists.
59. The pressure to increase expenditure or reallocate funds at the end of the biennium by sectoral departments at headquarters could be reduced by increasing awareness of the importance of good planning and better monitoring of DWCPs. DWCP planning and implementation would also be improved by emphasizing the importance of setting priorities based on robust ex-ante prior evidence.

Recommendations

60. **Recommendation 1:** Stakeholder participation in all programming cycle phases should be increased. When agreeing on priorities and outcomes, the ILO should consider more accurately the capacity and commitment of constituents to contribute actively to implementation and to take over achievements for further developments. Consultations for the design and implementation of DWCPs should include not only central government actors but also stakeholders active at the local grassroots level. In addition, more focus on developing social dialogue at the local level might be necessary.

Responsible units	Priority	Time implication	Resource implication
DWT/CO–Budapest, PROGRAM	High	Ongoing	Low

- 61. Recommendation 2:** The ILO should better prioritize and increase consistency between planning, monitoring and reporting in order to reduce the proliferation of country programme outcomes. This should include the identification of areas where the ILO should work, but does not have committed financial resources. The DWCP steering committees could be involved more in monitoring progress with reference to country indicators and changes in DWCP planning.

Responsible units	Priority	Time implication	Resource implication
DWT/CO–Budapest, PROGRAM	High	Ongoing	Low

- 62. Recommendation 3:** The ILO should consider exit strategies earlier in project implementation in order to increase national ownership and sustainability. This may involve developing the knowledge, skills and awareness of constituents in order to help them assume a leadership role.

Responsible units	Priority	Time implication	Resource implication
DWT/CO–Budapest, PROGRAM	High	Long term	Low

- 63. Recommendation 4:** Better synergies should be established between the ILO’s internal and donor reporting mechanisms in order to avoid overlap. The ILO’s technical project staff should be trained to create and implement linkages between project outcomes and DWCP outcomes and indicators. The DWT/CO–Budapest staff should be involved in this process.

Responsible units	Priority	Time implication	Resource implication
DWT/CO–Budapest, PARDEV	Medium	Long term	Low

- 64. Recommendation 5:** Resource mobilization in the Western Balkans needs to be re-energized if the ILO wants to continue the level of support of previous biennia. It will need to generate new projects and partnerships and ensure that there is adequate capacity to implement such projects. The balance between country-focused projects and those with subregional coverage should be maintained.

Responsible units	Priority	Time implication	Resource implication
DDG/FOP, DWT/CO–Budapest, Regional Office for Europe and Central Asia, PARDEV	High	Short term	Medium

- 65. Recommendation 6:** The full and effective implementation of DWCPs mainly depends on the technical resources of DWT/CO–Budapest and successful resource mobilization. The capacity and office configuration of the DWT/CO–Budapest team should, therefore, be compared with other subregions and reviewed for potential improvements, including achieving a better understanding of the special role played by national coordinators.

Responsible units	Priority	Time implication	Resource implication
DDG/FOP, DWT/CO–Budapest, Regional Office for Europe and Central Asia, PROGRAM	High	Medium term	Medium

- 66. Recommendation 7:** The ILO should consider a more closely coordinated relationship with the EU, which is the main donor for the countries of the Western Balkans. Closer coordination would require staff in the ILO Office for the EU and the Benelux countries (ILO–Brussels) to build expertise in respect of the Instrument for Pre-Accession Assistance

(IPA) and work more closely with the DWT/CO–Budapest Director and the national coordinators.

Responsible units	Priority	Time implication	Resource implication
DDG/FOP, DWT/CO–Budapest, Regional Office for Europe and Central Asia, PARDEV	Medium	Long term	Medium

- 67. Recommendation 8:** The ILO must reduce the timeline for launching development cooperation projects. The time needed for the mobilization of project staff should be reduced and greater attention should be given to the transparency of the selection process. Administrative procedures for hiring project staff in DWT/CO–Budapest should be reduced where possible.

Responsible units	Priority	Time implication	Resource implication
DDG/MR, DDG/FOP, HRD, PARDEV, DWT/CO–Budapest	High	Long term	Low

- 68. Recommendation 9:** At the headquarters level, access to regular budget expenditure information appears to be difficult, including information pertaining to the number of work-months spent by specialists in order to support the country programme outcomes. The ILO should increase accountability in respect of regular budget funding for work-months spent by headquarters specialists on the countries concerned.

Responsible units	Priority	Time implication	Resource implication
DDG/MR, PROGRAM, all relevant sector-specific departments at headquarters	Medium	Medium term	Low

Office response

- 69.** Overall, the report captures well the challenges, opportunities, strengths and areas of improvement for the ILO’s work in the Western Balkans. Some of these issues are specific to the context of the Western Balkans, while others may be more broadly related to the nature and model of ILO operational activities as a whole.

Recommendation 1

- 70.** The Regional Office partially agrees with recommendation 1. DWCPs developed between 2014 and 2016 included tripartite strategic planning exercises to enhance joint ownership between the ILO and its constituents. This consultative process can be further strengthened. The ILO is currently making efforts to develop local social dialogue practices in different countries of the Western Balkans and can encourage constituents to strengthen their internal consultative processes. However, the ILO may not be able – for political and for practical reasons – to undertake local/grass-roots consultations directly without going through national constituent organizations.

Recommendation 2

- 71.** The Regional Office partially agrees with recommendation 2. The large number of country programme outcomes responds to the need to capture information related to specific demands that are not explicitly linked to established DWCP priorities. DWCP steering

committees can be encouraged to a certain extent by the DWT/CO–Budapest to play a more active role, as long as the state of national social dialogue allows for it.

Recommendation 3

72. The Regional Office accepts recommendation 3. Exit strategies were designed for larger projects. This practice can be applied more systematically.

Recommendation 4

73. The Regional Office partially accepts recommendation 4. Internal ILO and external donor reporting may follow different procedures, formats and deadlines depending on the level of customization sought by donors. However, it is not certain that this generates inconsistencies in the substantive reporting. The Office will continue to encourage donors to accept standardized reporting so as to reduce the administrative burden.

Recommendation 5

74. The Regional Office accepts recommendation 5. The need to permanently renew the project portfolio is well noted. Between 2015 and 2016, the ILO succeeded in generating over US\$10 million in fresh extra-budgetary contributions (including Regular Budget Supplementary Account (RBSA)) for the Western Balkans and currently has operational projects in all countries. The fact that the EU has become the main funding source in the subregion has important implications for the nature, timing and modalities of ILO development cooperation.

Recommendation 6

75. The Regional Office accepts recommendation 6. Indeed, the geographic coverage of DWT/CO–Budapest includes an additional 13 Central and Eastern European countries beyond the Western Balkans. The capacity of the team can be strengthened gradually as resources (regular budget and development cooperation) become available.

Recommendation 7

76. The Regional Office partially accepts recommendation 7. ILO–Brussels provides effective expertise on IPAs to the DWT/CO–Budapest Office. However, the evolving nature of EU-funding modalities and the need to reconcile EU and UN regulations would require an increase in the number of staff. At this stage, only one regular budget staff dealing with PARDEV issues is available in ILO–Brussels to assist all regions and departments. The Regional Office will consult to consider adding staff dealing with EU-funding modalities.

Recommendation 8

77. The Regional Office partially accepts recommendation 8. Usually, the time lag between project approval and inception is determined by: (a) the need to receive donor payment; and (b) the recruitment of project staff, following a transparent selection process (involving the publication of vacancies, pre-selection of candidates, written tests and/or interviews and final selection). Whenever possible, DWT/CO–Budapest has sought to reduce the time lag by initiating the staff selection process before formal project approval. However, in line with ILO financial regulations, recruitment cannot be completed until funds are available. The Regional Office will consult the Human Resources Development Department (HRD) to

consider the possibility of establishing more realistic time schedules for project implementation incorporating these inevitable delays, provided that donor rules allow.

Recommendation 9

78. The Regional Office accepts recommendation 9. Specialists' staff time allocation to country programme outcomes was not required in 2012–13. Since the introduction of a monitoring tool in 2014, staff time has been systematically allocated to country programme outcomes.

Draft decision

79. *The Governing Body requests the Director-General to take into consideration the recommendations (paragraphs 18–24 and 60–68) of the two high-level independent evaluations presented in this document and to ensure their appropriate implementation.*