



## EIGHTH ITEM ON THE AGENDA

**Evaluation****(d) A new policy and strategic framework  
for evaluation at the ILO***Contents*

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## I. Introduction

1. This paper builds on the foundations laid down in the previous evaluation framework documents presented to the Programme, Financial and Administrative Committee (PFAC) in November 2000 and 2002.<sup>1</sup> The November 2002<sup>2</sup> document defined the objectives of evaluation in the ILO, set the basic principles, methods and strategy of the evaluation function within a results-based management context and outlined the core capacities needed to implement the proposed evaluation framework over a horizon of three years.
2. Several aspects of the evaluation strategy proposed in 2002 have been implemented so far. Among these are the annual reports to the Governing Body on the outcome of regular budget programme and technical cooperation project evaluations, and consultation with the Governing Body constituent groups in the selection of evaluation topics and terms of reference. The Office has also allocated regular budget resources for some training activities on monitoring and evaluation.
3. Another key development was the creation of a central Evaluation Unit on a transitional basis in March 2005 within the Management and Administration Sector. This new unit has overall responsibility for implementing the ILO's evaluation policy. It is separate from the Bureau of Programming and Management (PROGRAM) and the Partnerships and Development Cooperation Department (PARDEV), and will submit its evaluation reports directly to the Director-General. Details regarding the mission statement, roles and functions of the Evaluation Unit are described in the present document.
4. This paper responds to further requests made by members of the Committee during the discussions of the Programme and Budget proposals for 2006-07 and the Strategic Policy Framework, for strengthened evaluation practices in the ILO, including more systematic, transparent, independent and high-quality evaluations of core programmes and technical cooperation projects. It also responds to the specific recommendation of the Committee on Technical Cooperation to the Governing Body that the Office ensure independent evaluations are carried out and reported on a regular basis.<sup>3</sup>

## II. Policy framework

5. Inspired by internationally accepted norms and standards inside and outside the United Nations system, this proposed new evaluation policy framework aims to improve and strengthen the practice of independent evaluation in the ILO. It also establishes principles for systematic self-evaluation of programme performance so that together these provide comprehensive coverage of all ILO activities supporting the ILO's vision articulated in the 2006-09 Strategic Policy Framework.<sup>4</sup>

<sup>1</sup> GB.279/PFA/8, ILO evaluation strategy, Nov. 2000; GB.285/PFA/10, ILO evaluation framework: Evaluation within a strategic budgeting context, Nov. 2002.

<sup>2</sup> GB.285/PFA/10.

<sup>3</sup> GB.291/13(Rev.), Nov. 2004.

<sup>4</sup> As per GB.292/PFA/8(Rev.)

6. The evaluation framework also aims to reinforce knowledge generation and sharing of the ILO's substantive work, while strengthening the complementarity between evaluation and other oversight and monitoring functions within the Office. The new policy also sets clearer guidelines for the consultation and participation of constituents and sharing of responsibilities within the Office in evaluation processes carried out by the ILO.

## A shared vision

7. A sustained and expanding institutional culture of accountability, transparency and quality improvement is a strong vision that both the ILO Governing Body and the Office share. Evaluation for better performance and effectiveness in the pursuit of the Decent Work Agenda is at the core of this commitment. From this perspective, it is critical that members of the Governing Body, as well as external partners, are fully confident that evaluation functions in the Office are systematically fulfilled in a transparent, reliable, credible and professional manner.
8. Evaluation is both a management and organizational learning tool to support constituents in forwarding decent work and social justice. Evaluation can be defined as an evidence-based assessment of strategy, policy or programme and project outcomes, by determining their relevance, impact, effectiveness, efficiency and sustainability.<sup>5</sup> Evaluation focuses on results, design, implementation and management processes. It should not be confused with implementation monitoring and reporting, audit, inspection, investigation or assessment of individual performance.<sup>6</sup> Although it takes the form of data-based analysis, evaluation is not academic research.<sup>7</sup>

## Objectives and outcomes of the ILO evaluation policy

9. Evaluation is expected to make an essential contribution to policy-making and decision-making within the results-based budgeting system in the Office, to optimize the allocation of resources and improve their overall management.
10. The objectives of the new evaluation policy are to:
  - improve Office-wide transparency and accountability for impact of ILO actions to support its constituents;
  - strengthen the decision-making process by the policy organs and senior management based on sound assessment of effectiveness, efficiency, relevance, impact and sustainability of ILO activities;
  - contribute feedback for learning and ongoing improvement of the ILO's work.

<sup>5</sup> Based on definition from *Glossary of Key Terms in Evaluation and Results-based Management*, OECD, Paris, 2002, p. 21.

<sup>6</sup> Audits assess internal practices with regard to effectiveness of risk management, control and governance processes. Investigations respond to complaints related to conduct or security.

<sup>7</sup> The ILO supports assessment of impact, or progress towards impact, as a core part of its evaluation methodologies. This may involve some application of research methods.

11. The Office will build on its current capacity and commitment to applying good practice in evaluation. Improvement in the management practices and the functioning of the Office is expected to result from the application of the proposed new policy in the next biennium and throughout 2008-09. Aspects of improvement will include:
- (i) more systematic use of self-evaluation and independent evaluation;
  - (ii) regular reporting to senior management and the Governing Body on evaluation activity and its effects;
  - (iii) follow-up to evaluation findings and recommendations, including their use in the results-based planning, programming and budgeting process;
  - (iv) improved institutional learning and knowledge-sharing;
  - (v) harmonization of evaluation practices and methods within the Office, regardless of source of funds;
  - (vi) decentralized evaluation responsibilities and accountabilities, as appropriate;
  - (vii) improved internal capacity and skills in evaluation and self-evaluation methodologies;
  - (viii) participatory process of ILO constituents in evaluation;
  - (ix) independence of the evaluation function preserved.

### Guiding principles of ILO evaluation policy

12. The Office is committed to ensuring the credibility, impartiality, transparency and independence of evaluation at the ILO. This will be supported through adherence to the following core principles:
- **Adherence to international good practice.** The ILO evaluation policy will be consistent with internationally accepted evaluation norms, standards and good practices, and will harmonize with the United Nations family in the context of results-based management (RBM) approaches. The Office will apply international good practices in the appropriate manner or seek to develop new guidelines, drawing lessons from existing evaluation experiences, norms and standards.<sup>8</sup>
  - **Upholding the ILO mandate and mission.** The ILO evaluation approach and methods will reflect our tripartite Organization and its focus on social justice, and its normative and technical mandate.
  - **Ensuring professionalism.** Evaluations will be undertaken by qualified technical experts and evaluators. Both external and internal evaluators will adhere to the highest ethical and technical standards, apply methodological rigour and respond to

<sup>8</sup> Evaluation policies and guidelines existing within United Nations system organizations, the OECD/DAC evaluation principles, the evaluation policies of the international financial institutions and of the European Union. The recently finalized Evaluation Norms and Standards for the United Nations system by the United Nations Evaluation Group (UNEG) have also been taken into consideration. These norms and standards are intended to improve the quality of evaluation, and harmonize and simplify its practice among stakeholders and practitioners.

all criteria of professionalism, impartiality and credibility, including the responsible handling of confidential information. In regard to ethical and technical standards, the ILO will adhere to the principles set by the United Nations. Regardless of their form or methodology, evaluation reports will provide critical assessment and an independent perspective, be issue-focused, informative, and propose actionable follow-up.

- **Transparency and learning.** Evaluations will be conducted using a transparent process and results made available to all parties concerned. Evaluation findings and recommendations will be disseminated to constituents, donors and other agencies concerned. Evaluations carried out by the Office will enable the incorporation of findings into the ILO's decision-making process and support organizational learning.
- **Independence of process.** The ILO will ensure separation of evaluation responsibility from line management functions for policies, programmes and projects, and select evaluators according to agreed criteria to avoid any potential conflict of interest.

### III. Strategy and operational approach

#### Policy and practice regarding independent evaluation

13. Ensuring the integrity of the evaluation process will largely depend on how institutional arrangements and evaluation processes are established. The Office will issue directions for ensuring transparency and independence of the evaluation function in line with international good practice. Among practices to be followed are: (i) separation of evaluation responsibility from line management functions for programmes and projects; (ii) limiting management influence over the terms of reference, scope of the evaluation, and selection of evaluators; (iii) transparency and clarity regarding the evaluation process; and (iv) involvement of constituents and others, as appropriate, in the planning and reporting processes.
14. The overall approach of the Office is to undertake independent rather than fully external evaluations. This is based on the evidence that evaluations contribute substantively to organizational learning and improved organizational practices. These aspects are best achieved through some participation on the part of the Office in the evaluation process.
15. Adherence to the above principles would ensure that evaluations are independent. According to internationally accepted practices, independent evaluation may involve a mix of external consultants and internal experts who are independent from any link to the specific programme being evaluated. (This would include representatives of other organizations involved in the programme or project, such as donors and national partners.) In this way, the Office will be able to make judicious use of its institutional memory of previous evaluations and provide valuable insights to the evaluation work based on knowledge of the ILO context and its normative and tripartite dimensions.
16. Independent evaluations can be conducted by external evaluators or a mix of external and internal evaluators. The use of individual external expertise may bring to the process specialized skills and an independent perspective not available internally or may complement internal evaluator profiles. In the case of mixed evaluation teams, to the extent possible, the team leader will be from an external source in accordance with recommended best practice.

17. External and internal evaluators will be selected on a case-by-case basis on the criteria of competence, absence of any role or relationship with whatever is to be evaluated, knowledge of evaluation techniques, technical area being evaluated, country-level issues, organizational or management expertise, knowledge and understanding of tripartism and the mandate of the ILO. The Evaluation Unit will be responsible for ensuring that the principles related to independence and other good practices are being applied in the Office.

### **Integrating evaluation with results-based management**

18. The ILO has introduced a results-based management system that is translated into a coherent medium-term strategic policy framework and a biennial programme and budget. Significant improvements have been made so far in this system, including in the way annual implementation reports are prepared. In this context, the Office will make sure that the cycles for major programme evaluation coincide with and remain synchronized with the different stages of planning, programming and budgeting throughout the 2006-09 planning and programming cycles.
19. Evaluation findings and recommendations will be used during the preparation of programme and budget proposals to better link budget decisions to expected outcomes. In this regard, it is expected that evaluation will strengthen the coherence between results, impact and resource allocation in the programming process. It can guide decisions on whether a particular strategy should be continued, discontinued or modified. Particular emphasis will also be placed on how programme managers use evaluation information to improve the performance indicators and targets used to monitor the contribution of specific activities to objectives and outcomes.

### **Evaluation types**

20. The new evaluation policy provides an operational framework that serves different needs and is aimed at different levels as described below. Responsibility for implementing some of the evaluation types will lie within line management structures. The Office will support the development of evaluation management skills in the technical sectors and regions through the existing network of programming support units.

#### **(a) Strategy and policy evaluation**

21. Evaluations of ILO strategies and policies will be designed to assess their effectiveness and impact. Within the frameworks provided by the Strategic Policy Framework (SPF) and the Programme and Budget for 2006-07, these high-level evaluations will focus on continued relevance, as well as on how to improve efficiency, effectiveness, potential for impact and sustainability of the associated strategies. Each biennium the Evaluation Unit will propose topics to the Governing Body and conduct at least two evaluations of this type.

#### **(b) Country programme evaluation**

22. Country programme evaluation is a means to systematically review progress and approaches being taken in selected countries, and assess the relevance of our country-level work to our national constituents and partners. In the March 2005 session of the Governing Body, the Director-General stated that decent work country programmes (DWCPs) will be the main vehicle for the delivery of ILO services in countries in 2006-07. Development and implementation of DWCPs can be greatly improved by timely feedback on how the Office can make the process more efficient and outcomes more effective.

23. The Evaluation Unit, in consultation with regional directors, will coordinate at least one country programme evaluation each year of the next two biennia. These will aim to reinforce implementation of DWCPs and the new approach to this process. The policy implies an expanding level of responsibility for regional offices in financing and conducting these evaluations.

**(c) Thematic evaluation**

24. Thematic evaluations assess specific aspects, themes and processes, and also can focus on specific sectors, issues or schemes. Thematic evaluations provide a means for ILO technical programmes to explore in depth the effectiveness and impact of major means of actions and interventions. These evaluations can draw from lessons learned at project level, both inside and outside the ILO. With support from the Evaluation Unit, ILO technical programmes will be responsible for conducting and resourcing such thematic evaluations on a scheduled basis.

**(d) Project evaluation**

25. ILO project evaluations provide an opportunity for the Office and its funding partners to assess the appropriateness of design as it relates to the ILO's strategic and national policy frameworks, and to consider efficiency and the effectiveness and sustainability of outcomes. Project evaluations also test underlying assumptions about contribution to a broader development impact.
26. At project level, the ILO will maintain its policy of applying good practices for the design, monitoring and evaluation of projects throughout the Office. All projects will be subject to evaluation and, depending on the project and evaluation plan established therein, will take the form of self-evaluation, independent evaluation, external evaluation, or a combination of such forms. The ILO will maintain its current rules for project evaluation,<sup>9</sup> but may specify some adjustment in light of evolving evaluation standards and practices in development cooperation. Resources for conducting independent project evaluations will continue to be included in project budgets.
27. Under the coordination of the Technical Cooperation Department, the Office will focus on supporting complementary activities that will enhance the project evaluation function. These include appraising proposed project designs, including plans for integrating baseline measures and resourcing activities to critically assess innovative and pilot work. In this way, the ILO can leverage its project work to better develop credible tools and advice on effective interventions.

**(e) Organizational review (self-evaluation)**

28. Self-evaluation is a self-learning tool to support continual improvement, build team approaches, take corrective action where needed, and share good practice and lessons learned more widely in the Office. Line managers and group leaders are responsible for coordinating the internal performance of their programmes and organizational groups. They apply self-evaluation to better understand their own performance and address strategic and performance-related issues such as efficient and effective practice, and adequacy of capacities for the levels of effort implied in work plans. Internal reviews complement self-evaluation. These can be used to verify adherence to ILO policies on programming, and that appropriate procedures have been followed.

<sup>9</sup> Rules for project evaluation have been elaborated in GB.285/PFA/10 and GB.291/TC/2.

29. Working with the executive and regional directors, the Office will conduct self-evaluations on a scheduled basis to coincide with biennial organizational performance reporting. The Evaluation Unit will develop guidelines for conducting self-evaluation. Executive and regional directors will be responsible for ensuring adequate resources and regular use of self-evaluation within their areas of responsibility.
30. A breakdown of specific evaluation types is provided below.

**Table 1. Type, purpose, responsibility and timing of evaluation**

Type of evaluation	Main purpose	Responsibility	Timing
Strategy, policy (independent)	<ul style="list-style-type: none"> <li>- Review major policies or institutional issues.</li> <li>- Assess impact, effectiveness and benefits of ILO core strategies as described in P&amp;B.</li> <li>- Improve ILO strategies and policies, and the functioning of the Office.</li> </ul>	<ul style="list-style-type: none"> <li>- Evaluation Unit, internal coordination advisory committee.</li> <li>- Topics confirmed by GB.</li> </ul>	At least one per year; additionally as mandated and resourced.
Country programme <sup>1</sup> (independent)	<ul style="list-style-type: none"> <li>- Assess the extent to which significant impacts are being made towards decent work through overall country-level activities.</li> <li>- Feed into country tripartite dialogue on impact, effectiveness and relevance of ILO action at the country level.</li> </ul>	<ul style="list-style-type: none"> <li>- Coordinated by Evaluation Unit.</li> <li>- Implemented through regional directors.</li> </ul>	At least one each year. All regions to be covered over a four-year period.
Thematic (independent and internal)	<ul style="list-style-type: none"> <li>- To assess effectiveness and impact of specific means of actions and interventions.</li> <li>- Develop cross-cutting lessons, including success stories to innovate and feed organizational learning on operational strategies.</li> </ul>	<ul style="list-style-type: none"> <li>- Technical sectors and other technical groups to prepare.</li> <li>- Evaluation Unit to coordinate and support.</li> </ul>	At least one every year, sectors to submit annually summaries of thematic evaluation work planned and completed.
Organizational review (self-evaluation)	<ul style="list-style-type: none"> <li>- Assess priority, relevance of the programme activities in relation to actual performance against planned outcome.</li> <li>- Self-assess achievement and results aimed to improve effectiveness and efficiency.</li> <li>- Get timely information and management decision in achieving planned outcomes against target and indicators.</li> </ul>	<ul style="list-style-type: none"> <li>- Line managers to ensure compliance with ILO policies.</li> <li>- Organizational group leaders to conduct.</li> </ul>	Self-evaluation is biennial. All subject to internal review, scope aligning with P&B outcomes.



Type of evaluation	Main purpose	Responsibility	Timing
Project (independent for budgets above US\$350,000)	– Assess projects for relevance, efficiency, effectiveness, sustainability and contribution to broader impact.	<ul style="list-style-type: none"> <li>– Planning and implementation of evaluation is the responsibility of the person to whom the project manager reports.</li> <li>– EDs and RDs responsible for ensuring their line managers apply ILO policy.</li> <li>– CODEV to support evaluation function as part of donor and project management good practice; monitor adherence to policies.</li> <li>– Evaluation Unit provides oversight.</li> </ul>	Mid-term or final or as set in the project evaluation plan.

<sup>1</sup> The evaluation work for 2006 will emphasize capacity building and good practice. Country programme evaluation work will be participatory and exploratory in approach.

## IV. Implementation arrangements and procedures

### Consultation with the tripartite constituents

- 31.** In line with the Tripartite Consultation (Activities of the International Labour Organization) Recommendation, 1976, (No. 152), which covers the design, monitoring and evaluation of programme activities, appropriate mechanisms are proposed to strengthen the consultative process of ILO national constituents in evaluations at the country level. It is expected that the mechanisms for involving the national constituents will also foster the evaluation capacity development of the constituents.
- 32.** Terms of reference for country programme and project evaluations will be communicated to national constituents. During the course of evaluations, ILO national constituents will be regularly consulted and final evaluation reports will be shared with them to ensure their ownership and commitment to follow-up, lesson-learning and knowledge-sharing.

### Role of the Evaluation Unit and main elements of an evaluation programme of work

- 33.** The Evaluation Unit will take responsibility for consolidating and coordinating Office efforts towards a strengthened evaluation framework and capacity through four major components:
1. Strengthening independent and strategic evaluation in the ILO.
  2. Reinforcing organizational review to improve internal performance.
  3. Coordinating and making ILO evaluation initiatives coherent.

#### 4. Building evaluation capacity and accountability.

- 34.** The Evaluation Unit will work to instil in the Office a culture of accountability and learning through evaluation. In consultation with PROGRAM and the Department of Partnerships and Development Cooperation (PARDEV), the Evaluation Unit will work with regional and sector management to establish an Office-wide evaluation network, to facilitate progress in:
- harmonizing evaluation policies and practices across ILO units, and monitoring adherence (quality control);
  - developing clear rules and guidance on roles, responsibilities and accountabilities for evaluation, including follow-up;
  - improving coherence and complementarity between evaluations;
  - managing and using the knowledge generated through evaluations;
  - developing outreach networks and promoting ILO visibility and credibility internationally and nationally in the area of evaluation;
  - conducting credible project, thematic and country programme evaluations, as outlined in table 1.
- 35.** The Turin Centre can play a key training role with regard to these activities. Training methodologies in design, monitoring and evaluation are currently being developed but additional resources are needed to support actual training delivery. A portion of programme resources reserved for staff training will be earmarked for this.
- 36.** The Office places strong emphasis on ensuring that credible independent evaluations of its strategies, programmes and projects are conducted in accordance with the expectations of its constituents and donors. Within a context of decentralized responsibilities for evaluation functions, the Evaluation Unit will ensure that the processes, principles and rules are observed in accordance with ILO policy and accepted good practices. The unit will manage, or coordinate with sectors and regions, independent evaluations throughout the Office. As appropriate, it will oversee the selection process of external evaluation candidates, the nomination of internal candidates for mixed teams for independent evaluations, and the finalization of terms of reference.
- 37.** Following the discussion by the Governing Body, a number of provisions and guidelines will be issued relating to the practical arrangements, procedures and measures by which to implement this new evaluation policy. In particular, the following provisions will be elaborated: (i) procedure and guidance for conducting evaluations; (ii) the roles and responsibilities of the Evaluation Unit; (iii) the decentralization of evaluation responsibilities within the Office; and (iv) disclosure and access to evaluation reports.

## V. Governance issues and considerations for the future

### The evaluation agenda

- 38.** Building on Governing Body requests to make evaluation timely, issue-oriented and results-focused, the Office will propose to the Governing Body each biennium, in

conjunction with its submission of the programme and budget proposal, a proposed agenda for major independent evaluations, particularly at the strategy and policy levels. Following good practice elsewhere, the Office will also establish evaluation advisory committees to oversee the implementation of recommendations and follow-up of evaluation reports.

## **Reporting evaluation results to the Governing Body**

39. According to the present reporting system, evaluation results are submitted by the Director-General to the Governing Body through the Programme, Financial and Administrative Committee with regard to regular budget programmes, and to the Committee on Technical Cooperation (CTC) as concerns extra-budgetary-funded project activities.
40. Starting in November 2006 it is proposed that an annual report of evaluation be submitted to the Programme, Financial and Administrative Committee, to provide an overview of the performance of the evaluation function in the ILO, covering all levels and types of evaluations. Drawing from approximately 100 evaluations completed each year, the report will outline the Organization's contribution to promoting decent work as evidenced through evaluations, while highlighting a number of key organizational lessons and governance issues. The report will also cover follow-up on major evaluations, with an annex listing evaluations completed and status of ongoing evaluations.
41. It is proposed that this annual report replace the current practice of submitting individual programme and thematic evaluations to the PFAC and CTC, respectively. Such a move would not preclude submission of special independent evaluation reports requested by and prepared for the Governing Body. Recognizing the limited time available to the PFAC for the detailed discussion of evaluation findings, the Office would provide other opportunities for information exchange on individual evaluations. In light of this proposal, the practice of the CTC discussing a thematic evaluation each year could be reconsidered.

## **Structure and role of the Evaluation Unit**

42. To ensure coherence and focus in the use of evaluation within the Office, the Evaluation Unit has been established as a transitional basis to coordinate and support implementation of the ILO's evaluation policies. The Office has included such a unit in the Programme and Budget for 2006-07, and it started functioning in early 2005.
43. Through regular budget funding, the unit is staffed by two Professionals and one support staff member, with external specialists being engaged to support project evaluation, as necessary. The Office will equip the Evaluation Unit with the necessary resources needed to implement a consistent work programme and preserve the independence of its function. This will be possible through decentralized responsibility for managing, conducting and resourcing evaluations, as described already in this paper.
44. This proposed policy represents an ambitious plan and will require a staged implementation to align with resources. Recognizing the need to change organizational culture and practice towards evaluation, extra-budgetary resources would greatly accelerate the pace of capacity building and staff learning. This is particularly the case for training in effective design, monitoring and evaluation practices at project and programme level.

## VI. Conclusion and point for decision

45. The evaluation policy and strategic framework proposed in this document will provide the Governing Body with a consistent and coherent oversight and monitoring system of the Office's activities, and will enable the Office to reinforce the use of evaluation for improved planning, monitoring and performance measurement at project and programme level.
46. It is further proposed that the new evaluation policy and strategy be evaluated after five years to assess its impact on the functioning and performance of the Office.
47. *The Committee may wish to recommend to the Governing Body that the Director-General apply the new evaluation policy proposed in the present document and request the Director-General to take note of the comments and observations made by the Committee.*

Geneva, 4 October 2005.

*Point for decision:* Paragraph 47.