

PERFORMANCE AT A GLANCE: ILO

International Labour Organization

NOVEMBER 2021

Overview

A relevant strategic position for the future

As it stands at the beginning of its second century, the International Labour Organization (ILO) is in a relevant strategic position for the future. It has significantly invested in reflection and consultation to understand future needs in the world of work, and adopted a human-centred approach embedded in the Centenary Declaration for the Future of Work to address these needs. The Declaration reaffirms the ILO's mandate in social justice, social dialogue and international labour standards that it was given in 1919. At the same time, it focuses on the future, urging constituents "to shape a fair, inclusive and secure future of work with full, productive and freely chosen employment and decent work for all". The ILO's robust strategic framework, guided by the Declaration, provides a clear roadmap for the organisation. With its reinforced mandate and long-term vision, strengthened with internal reforms initiated in 2012, the ILO has created a favourable climate for change and innovation in recent years. When the COVID-19 crisis struck, the ILO was in a good position to adapt and respond with agility.

As the only tripartite organisation within the United Nations (UN) system, the ILO brings together governments, employers and workers from all member states. Together, they set international labour standards and develop policies and programmes to promote decent work. The ILO supports social dialogue at the country and global levels to shape policies and programmes. Its mandate is to advance social justice and promote decent work. The Decent Work Agenda, endorsed by the ILO Declaration on Social Justice for a Fair Globalization in 2008, translates the ILO mandate into four strategic objectives: employment, social protection, social dialogue and tripartism, and fundamental principles and rights at work, with gender equality and non-discrimination as cross-cutting issues. A significant programme of development co-operation supports constituents at the country level to implement the Decent Work Agenda.

Successful improvements in many areas of work

The ILO's performance trajectory shows improvement since 2017 in all areas that MOPAN assesses. The development of a coherent strategic framework aligned with the Centenary Declaration was a key achievement. Keen to ensure that its strategic framework leads to tangible results, the organisation has remained committed to results-based management (RBM) and transparency. It has diversified its partnerships and funding sources to scale up its interventions and increase impact. By strengthening its evaluation function, the ILO has also solidified its ability to design policies and interventions that are anchored in evidence of what works.

The ILO has made many significant improvements since 2017 in all areas of the MOPAN framework. Its strong coherent strategic framework aligned with the Centenary Declaration acts as a beacon going forward.

A strong partner that brings social dialogue into the UN and beyond

The international labour standards, its technical expertise in the world of work, its experience in social dialogue and tripartism, and its convening power are strong assets that the ILO brings to the UN development system (UNDS). In complement to its standard-setting role, the ILO increasingly mobilises these comparative advantages to achieve impact on the ground through development co-operation. Starting from a commitment to diversify partnerships and funding sources, over the past five years the ILO has established stronger synergies with a range of development partners beyond its tripartite constituents, including UN agencies, international financial institutions (IFIs), the private sector, parliamentarians, faith-based organisations, non-governmental organisations (NGOs) and civil society. The ILO's flagship programmes, such as the multi-donor Better Work Programme, are clear examples of this, as they are built on broad-based partnerships, backed by multi-donor trust funds and implemented in conjunction with IFIs. Through these programmes, the organisation puts key normative goals into practice, builds them up at scale, and thereby enhances their impact. The need for multi-sectoral responses to the COVID-19 crisis has further intensified the ILO's relationships with development partners.

A self-critical organisation with strong evaluation and results-based management

While the quality and use of evaluations had been noted as a major weakness in the last MOPAN assessment of the ILO (2015-16), the organisation has since made considerable progress in this area. The assessment lauds the ILO for its independent, robust and quality-focused evaluation function that is equipped with clear policies and mechanisms. The organisation has established Regional Evaluation Officers and Evaluation Focal Points in regions and departments to assist with oversight of quality control for decentralised evaluations, and is currently investing to increase monitoring and evaluation capacity at the field level, along with RBM capacity. The ILO clearly integrates lessons from evaluations into corporate strategies, and has solidified the evidence-based character of its policies and interventions; although, it could progress further by doing so systematically.

Despite these positive developments, the assessment also notes a number of areas where ILO can consider making improvements.

A need to invest in cross-cutting issues, notably environment and climate change

The ILO is mainstreaming cross-cutting drivers such as gender equality, human rights, social dialogue and tripartism more consistently in its work than a few years ago under its current strategic plan (2018-21), and anchors its programmes and projects better in the 2030 Agenda. As vulnerabilities in the world of work grow due to the COVID-19 pandemic and the impacts of climate change, the ILO will need to ensure that it further strengthens its work in these areas, despite the fact that it has not defined any cross-cutting drivers in its new strategic plan (2022-25). Addressing environmental sustainability and climate change will require particular resolve and effort as the ILO has not defined dedicated outcomes for this area in either of its strategic plans. Translating the ILO's commitment to prioritising environmental sustainability and "green recovery" into its interventions, mainstreaming it in programmes and projects, and producing tangible results will become ever more pressing.

Intervention design requires improvements

Some weaknesses remain in programme and project design, and management practices. Interventions could be built on more consistent down-stream partner capacity analysis to deliver more sustainable results. Programmes and projects would also benefit from stronger risk management and from the more rigorous monitoring of implementing partners to allow the organisation to quickly address underperforming areas identified during project implementation. Reducing lengthy recruitment periods for staff and time-consuming due diligence processes for companies in projects and programmes would allow the ILO to get its interventions off the ground more quickly.

Bringing innovation into ILO projects

The ILO's efforts in innovation is a work in progress, with management encouraging innovation across the organisation. Having originated partly from the need to become more cost-efficient, innovating business practices has been a

central concern for many years. Expanding innovation to its services and interventions is the next “frontier” for the ILO. It will require more systemic approaches and sophisticated processes that are inclusive of stakeholders across the ILO’s innovation ecosystem.

The ongoing challenge to ensure appropriate field capacity

Ensuring appropriate capacity in the field has been a long-standing challenge for the ILO. This assessment confirms that a widespread perception persists that many country offices still lack adequate staffing. Partners surveyed for this assessment pointed out that staffing was often not sufficient to deliver key programmes, and that this affects project outcomes. Evaluations point to missed opportunities for social dialogue in countries where the ILO does not have an office, and found that weaknesses in implementing the organisation’s mandate were notable in non-resident countries, and ultimately hindered its results. Delivering sustainable results will require strengthened capacity at the field level in terms of technical expertise. The ILO’s capacity and value-added at the country level will become increasingly important in light of the UNDS reform as a means to introduce social dialogue at the country level into the UN system. To address field capacity issues under budgetary pressure, the ILO has decentralised posts and invested in sharing expertise between headquarters, regions and country offices. It also assigned technical specialists from headquarters (HQ) to field offices and non-resident countries through remote solutions during the COVID-19 pandemic. In the current budgetary environment, it will be important to build on these options, and other innovative solutions, and allow greater flexibility in decision making for country offices, where possible.

Dealing with resource constraints

This issue must be seen against the backdrop of the zero-growth policy for the regular budget that the members of the Governing Body have pursued since the early 2000s. Members significantly curtailed a proposal for targeted investments made by the ILO in 2019, aimed at maintaining vital operational capacities and keeping the ILO fit for purpose. With a stagnant regular budget, and further efficiency gains becoming marginal after many years of comprehensive business process reforms, new investments are contingent on either additional voluntary resources or on the discontinuation of certain elements funded by the regular budget.

However, the capacity constraints, consistently noted by the organisation’s staff and echoed by the ILO’s partners surveyed by MOPAN, remain a major constraint and risk for the ILO that it will have to manage, particularly in light of the UNDS reform.

The need for accountability systems and a solid approach to protection from sexual exploitation and abuse

The MOPAN assessment raises two issues that relate to the ILO’s increasing involvement with disadvantaged and vulnerable groups, which is a direct result of rising vulnerabilities and inequalities over recent years. In particular, the assessment finds that the ILO needs better and more comprehensive systems to prevent and respond to sexual exploitation and abuse (SEA). In addition to its new directive and action plan, the ILO requires clear high-level championship in the organisation, dedicated capacity at HQ and in the field, and a victim/survivor-centred approach. The ILO also lacks clear and robust standards and procedures for accountability to end beneficiaries, an area that is gaining importance as staff interaction with vulnerable workers and refugees increases.

Looking ahead

The ILO has made many significant improvements since 2017 in all areas of the MOPAN framework. Its strong coherent strategic framework aligned with the Centenary Declaration acts as a beacon going forward. With its technical expertise, its track record in giving tripartite partners a platform to be heard and strive for consensus, a commitment to RBM, high-quality evaluations, transparency, and a strong audit record, it is well placed to remain a trusted partner. There is great potential in the programmes that combine many of the ILO’s strengths and mobilise increasingly diverse partnerships. Such programmes amplify the impact of the ILO’s norms by helping to translate them into practice.

High expectations and strong demand for the ILO's work

Looking forward, aside from filling some performance gaps, the ILO will be challenged to live up to its partners' high expectations. In a context of increased vulnerabilities and inequalities linked to the pandemic and the climate crisis, partners expect the organisation to be a key player in addressing the socio-economic aspects of the UN COVID response, and do more for a just transition. Growing informality, rising migration, increasing fragility of the rural economy, and the booming platform and gig economy will continue to shape the world of work. The ILO will be expected to be at the forefront of shaping policy around such new developments to ensure that digitalisation and other technical innovations shaping the future of work are used to promote a human-centred and green recovery. The ILO's partners welcome its work in fragile contexts and along the humanitarian-development nexus to diminish vulnerabilities and provide opportunities, and perceive the ILO as a welcome collaborator in such environments.

The ILO has some important assets to draw on in response to this demand. Its normative role, social dialogue skills and experience in tripartism will be essential in its response to the challenges facing different segments of the economy and society.

Being resourceful in the face of financial constraints

Financial pressures remain a constraint for the ILO. The assessment witnessed that the ILO is striving to implement its work under the high pressure of scarce resources. The zero real-growth policy for the regular budget is likely to stay in place, as members will continue to face financial constraints and struggle with the impact of the pandemic. To meet partners' expectations under these circumstances, achieve its mandate under resource constraints, and address challenges and bottlenecks in the absence of strategic key investments will not be easy for the ILO, particularly given that it has worked hard to maximise efficiency gains for several years already. It will require sustained innovation, prudent prioritisation within the regular budget, and effective resource mobilisation.

There are avenues for addressing the ILO's resource challenges through its partnerships. The organisation can capitalise on experiences gained from its financially self-sustaining multi-donor programmes. It can proactively identify synergies with development partners, leverage resources with other UN agencies, and build stronger ties with partners beyond its traditional ones. Deepening its collaboration with IFIs has particular potential, as their policies and analytical and support programmes, with a global reach and impact and backed by significant resources, bear a strong potential to leverage normative work, while allowing the IFIs to draw on the ILO's assets and add a new quality to their work.



Strengths and areas for improvement

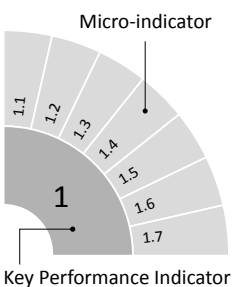
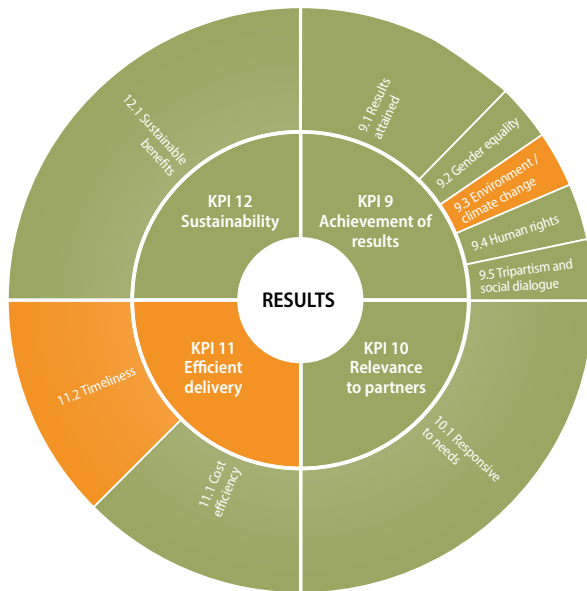
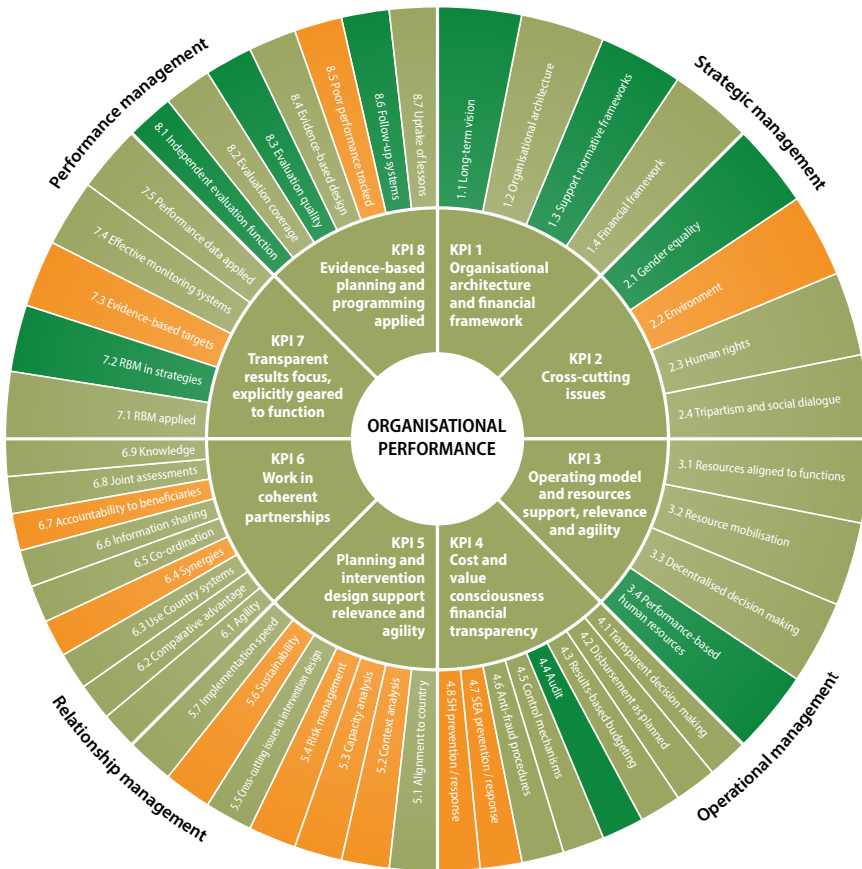
Main strengths

- The ILO has a robust strategic framework guided by the Centenary Declaration for the Future of Work that provides a clear long-term vision and a roadmap for the organisation.
- The ILO's technical expertise in the world of work, experience in social dialogue and tripartism, and its convening power are strong assets which it brings to the UNDS.
- The organisation has proven its organisational agility and capability to understand and address the needs of beneficiaries through its response to the COVID-19 pandemic.
- The ILO remains committed to cross-cutting issues of human rights, gender equality, and social dialogue and tripartism, and has integrated them better into its interventions.
- With a commitment to diversify partnerships and funding sources, the ILO is increasing its collaboration with NGOs, the private sector and other partners beyond its tripartite constituents.
- The ILO's independent and quality-focused evaluation function has solidified the evidence-based character of its policies and interventions.
- Through its flagship programmes, the ILO puts normative goals into practice and enhances their impact, thereby complementing its normative role.

Main areas for improvement

- The ILO has yet to prioritise the "green recovery" or serving the world of work by addressing the climate crisis.
- The organisation could increase its impact through large-scale interventions with multi-donor participation and attain more sustainable results.
- The ILO needs to improve intervention design and monitoring practices through consistent use of baselines and theory of change, take more timely action on underperformance, and streamline business processes that directly affect its projects and programmes.
- Strengthening field capacity with technical expertise remains a challenge, but the ILO can achieve this by building on remote solutions developed during the COVID-19 pandemic.
- Accelerating actions to establish a fully-fledged system to prevent and respond to SEA is essential in the context of increasing interventions targeting disadvantaged and vulnerable groups.
- The ILO lacks clear and robust standards and procedures for accountability to end beneficiaries, an area that is gaining in importance with increased staff interaction with vulnerable workers.
- The ILO has focused on developing an innovation culture and investing in innovation across the organisation, but would benefit from a more systemic approach in this regard.

PERFORMANCE RATING SUMMARY FOR ILO



How to read these charts

- **Highly satisfactory** (3.51-4.00)
- **Satisfactory** (2.51-3.50)
- **Unsatisfactory** (1.51-2.50)
- **Highly unsatisfactory** (0-1.50)
- **No evidence / Not assessed**

MISSION AND MANDATE:

Founded in 1919, the ILO focuses on advancing social justice and promoting decent work. The Decent Work Agenda (2008), which translates this mandate into action, has four strategic objectives: employment, social protection, social dialogue and tripartism, and fundamental principles and rights at work. The organisation's normative function is its core activity, and is closely related with its programme of international development co-operation that aims to help countries put international labour standards into practice.

GOVERNANCE:

The ILO's tripartite structure includes government, employer and worker representatives. Its International Labour Conference sets international labour standards and the broad policies of the organisation. The Governing Body is the ILO's executive organ. It supervises the ILO's policy and budget, sets the agenda of the International Labour Conference, and elects the Director-General. The International Labour Office, led by the Director-General, acts as a permanent secretariat to the ILO and implements the policies set by the Governing Body.

STRUCTURE:

Of ILO's 3 200 staff, about one-third work at the headquarters in Geneva, with the remaining two-thirds distributed across 89 countries. The highest number of staff are based in Asia-Pacific and Africa, in line with the volume of operations.

FINANCE:

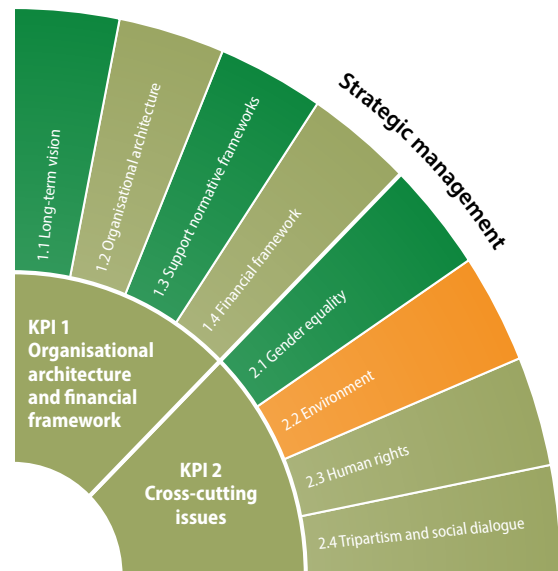
The ILO's funding for the last biennium (2018-19) amounted to USD 1.6 billion, of which 49% originated from assessed contributions from its members and constituted the ILO's regular budget. The remaining 51% consisted of voluntary contributions, which are largely non-core. Voluntary contributions include the non earmarked Regular Budget Supplementary Account (2%), which the ILO allocates flexibly to strategic areas and emerging priorities, such as COVID-19 and the refugee response.

Key findings by performance area

STRATEGIC MANAGEMENT OF THE ILO

The ILO has a clear strategic framework supported by a long-term vision emanating from the Centenary Declaration for the Future of Work. The organisation complements this framework with an integrated budget system and an operational model that has proved flexible and agile in responding to COVID-19. However, the need to increase synergies within and between projects and programmes is evident, despite gradual improvements in internal co-ordination following internal reform since 2012.

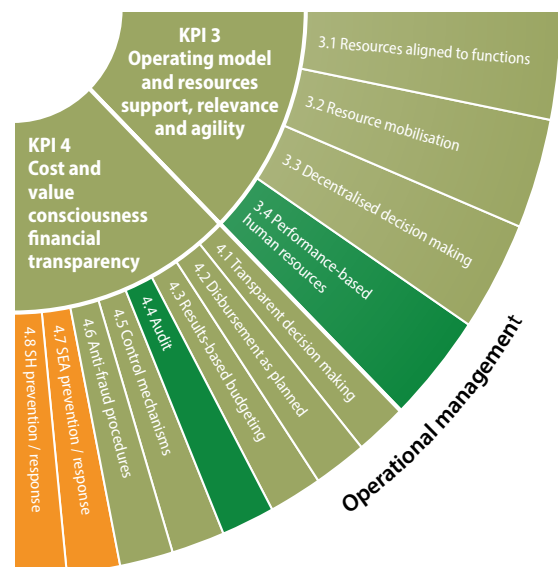
The zero-growth budget upheld by the ILO's Governing Body requires any changes in funding priorities to be accommodated within the existing budget range through cost-savings and efficiency measures. These trade-offs have negatively affected the ILO's performance at the field level and hamper the efficiency of key processes due to insufficient human resources, as evidenced in documents and underlined by many partners.



Since 2017, the ILO has made progress in mainstreaming the cross-cutting issues of gender equality, human rights, and tripartism and social dialogue into programmes and projects. It has also integrated the Sustainable Development Goals (SDGs) in a cross-cutting manner into strategies and interventions. Although its focus on environmental sustainability has increased, the ILO has not yet effectively mainstreamed this cross-cutting issue into programmes and projects, and, unlike the cross-cutting issues cited above, has no dedicated outcome in its results framework for environmental sustainability and climate change. Instead, this issue is subsumed within a wider outcome addressing “economic, social and environmental transitions”. The concept of cross-cutting drivers is missing in the ILO's next strategic plan (2022-25), making it unclear whether their visibility and anchoring role will remain the same.

OPERATIONAL MANAGEMENT OF THE ILO

The ILO's organisational systems, processes and structures ensure that it deploys its resources in line with medium-term goals and a long-term vision, and prioritises them to deliver on the strategic plan. Since 2018, the organisation has prioritised the decentralisation of decision making and staff capacity and the sharing of expertise between headquarters, regions and country offices. This “cross-pollination” has been instrumental in fostering closer links between headquarters and the field. However, despite this approach, the ILO continues to face technical expertise constraints in country offices. A perception also remains that communication inefficiencies between regional and country offices complicate decision making at the country level, and that some country offices are over-reliant on the decisions of regional offices, which slows down implementation in some regions.



The ILO promotes innovation across the organisation. Its original focus on improving its internal business practices, inherited from an internal business process review and reform process that commenced in 2012, has helped to save costs and improve efficiency gains. As a next step, the ILO has moved towards innovating its services and products by exploring the use of new technologies in its programmes. The ILO’s appetite for innovation has gained new momentum with the Centenary Declaration, which calls for more innovation for Decent Work. However, a systematic approach and governance for innovation have yet to be established.

The ILO allocates its resources in a manner that is transparent and consistent with organisational priorities. The organisation’s COVID-19 response illustrated the flexibility of its resource allocation mechanism. However, risks need to be managed effectively to avoid potential misuse of funds at the project level. The ILO has reinforced internal and external control mechanisms to comply with international standards and to support the organisation’s financial management and transparency. Policies for fraud and corruption need to be strengthened, however, and clearer guidance for staff would be beneficial, notably to allow for more diligent monitoring of implementing partners at the project level. Several interviewees indicated that risks of fraud and misuse in this area tend to go undetected and unreported.

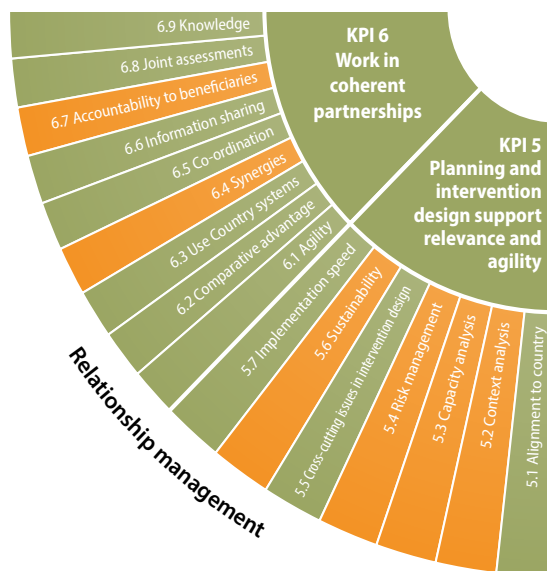
MOPAN also tracks sexual misconduct as part of risk management. The ILO developed a policy to address sexual harassment (SH) 17 years ago, but the organisation’s policy to prevent sexual exploitation and abuse (SEA) only came into effect in 2020. Establishing comprehensive systems to address SEA and SH is still a work in progress. The ILO’s growing involvement with disadvantaged and vulnerable populations at the field level makes it all the more urgent to accelerate efforts to put in place a solid framework to address SEA.

RELATIONSHIP MANAGEMENT OF THE ILO

The ILO focuses increasingly on leveraging partnerships with a broad range of organisations. It views the collaborative advantage of partnerships as an important delivery modality given its tripartite structure. Another organisational strength is knowledge of labour issues, a strategic asset that it employed during the COVID-19 crisis to share knowledge products. The ILO has also been an active partner in the UN development system, engaging in a range of joint planning, programming and evaluation exercises. Its response to the COVID-19 pandemic highlighted the organisation’s ability to identify, prioritise and address the needs of the most vulnerable in partnership with other organisations.

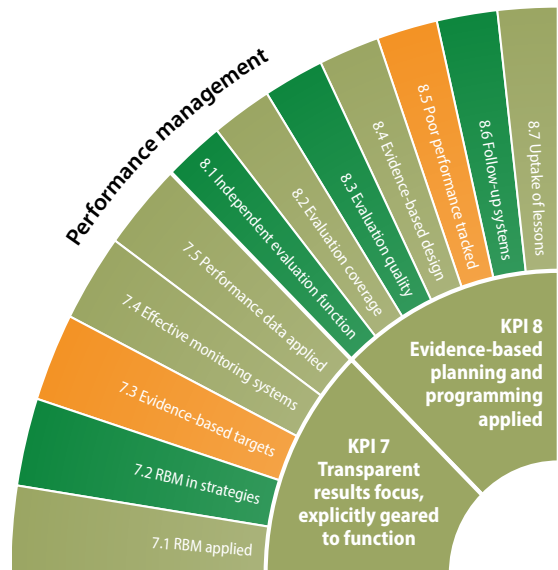
Since the last MOPAN assessment, the ILO has further aligned its strategies with those of national and regional bodies, although progress has been uneven in the Decent Work Country Programmes. Furthermore, several aspects of intervention design practices, such as context and capacity analyses, risk management, and sustainability considerations, require improvement.

The ILO shares information transparently with tripartite constituents, donors and partners. The organisation’s accountability mechanism towards its tripartite constituents is explicit, given their role in the ILO governance structure, but it has yet to develop standards or procedures for accountability to end beneficiaries.



PERFORMANCE MANAGEMENT OF THE ILO

Since 2017, the ILO has improved its RBM focus. The organisation has a strong corporate commitment to a results culture, and prioritises an RBM approach in policy dialogue, planning and implementation. It also has a robust and quality-focused evaluation function with the necessary policies and mechanisms in place, while evaluation skills and culture are being strengthened across the organisation. However, there remains ample room to improve the integration of RBM across the organisation. Projects and programmes are not yet systematically underpinned by a theory of change. Furthermore, the use of baselines in programme and project formulation is not yet mandatory for all interventions, which limits the ability to set results targets on a sound evidence base. Finally, monitoring and reporting practices need to be strengthened to address underperforming projects and programmes.



RESULTS MANAGEMENT OF THE ILO

Evaluations have shown that the ILO is successful in meeting its normative goals related to employment opportunities, social protection floors, social dialogue, tripartism and fundamental rights at work. The ratification of conventions has resulted in new legislation for human rights in the world of work, and the ILO’s social protection interventions have led to policy reforms, as evidenced in evaluation reports. The organisation has also achieved better results on gender equality since 2018, and its work increasingly produces developmental and humanitarian results that benefit vulnerable populations. Its work has been shown to strengthen social dialogue and tripartism, although further improvements are still possible in this area.



However, results in poverty reduction have been evaluated as weak, and those in environmental sustainability as insufficient (according to the ILO Programme Implementation 2018-19 report, “61% of Decent Work results make no contribution to environmental sustainability”). Furthermore, the report High-level evaluations of strategies and Decent Work Country Programmes 2019 states that “[I]ittle to no attention is paid to a just transition to environmental sustainability”,

while a recommendation of the report High-level evaluations of strategies and Decent Work Country Programmes 2020 notes that “[t]he Green Jobs Programme requires ... work to mainstream environmental sustainability across policy outcomes, programmes and projects”.

The assessment also found that the organisation’s relevance is built on a demand-driven approach to addressing the needs of countries and constituents. It further concluded that the ILO is efficient and uses synergies, innovation and active collaboration with partners to make the most of its resources in the context of a zero-real-growth budget. Further efficiency can be gained at the project level by expediting recruitment processes.

To ensure that benefits continue after interventions are completed, the ILO uses several tools, particularly capacity building and knowledge management strategies. Evaluations indicate that the organisation is successful in using these tools and that they contribute to sustainable outcomes, such as policy changes in member states, thereby creating an enabling environment for development.

About this assessment

This was the third MOPAN assessment of the ILO; the second was conducted in the 2015-16 Assessment Cycle and published in 2017, and the first was conducted in 2006. The current assessment was championed by Denmark and Sweden on behalf of MOPAN. It covers the period mid-2017 to early 2021, although evidence from outside this range may have been used. It relies on three lines of evidence: a document review, interviews with staff at headquarters level and country/regional level, and an online partner survey.¹ The assessment covers the International Labour Office (the permanent secretariat of the International Labour Organization), its headquarters, and regional and country presence.

3.1 Methodology applied in this assessment

The MOPAN 3.1 methodology employed in this assessment uses a framework of 12 key performance indicators (KPIs) and associated micro-indicators (MIs). It comprises standards that characterise an effective multilateral organisation. As part of MOPAN's efforts to ensure its assessments remain relevant to stakeholders and aligned to international best practice, the MOPAN methodology is always evolving.

The 3.1 methodology used in the 2020 Assessment Cycle includes updated indicators on the prevention of sexual exploitation and abuse and sexual harassment, updated language to reflect the 2030 Agenda, and a higher threshold for performance ratings (note that the underlying scores and approach to scoring are unaffected). It also applies greater flexibility in adapting the framework, selecting countries to sample and use of the partner survey. More details are available in MOPAN's 3.1 methodology manual.²

About MOPAN

The Multilateral Organisation Performance Assessment Network (MOPAN) is a network of 21 members and observers³ that share a common interest in assessing the effectiveness of the major multilateral organisations they fund, including UN agencies, international financial institutions and global funds.

The Network generates, collects, analyses and presents relevant and credible information on the organisational and development effectiveness of the organisations it assesses. This knowledge base contributes to organisational learning among the organisations, their direct clients and partners, and other stakeholders. Network members and other stakeholders use the reports for their own accountability needs and as a source of input for strategic decision making.

1 The online survey was conducted among a sample of ILO partners from 16 countries: Bangladesh, Colombia, Costa Rica, Egypt, Ethiopia, Haiti, Iraq, Jordan, Moldova, Myanmar, Qatar, South Africa, Tunisia, Turkey, Ukraine and Viet Nam, as well as globally.

2 Available at www.mopanonline.org.

3 Australia, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States are MOPAN's members; the European Union and Qatar are observers.