



SECOND ITEM ON THE AGENDA

Annual Evaluation Report 2005*Contents*

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I. Introduction

- 1. Evaluation policy.** Evaluation has been undertaken in the ILO for many years. However, prior to 2005, responsibilities for the oversight of evaluation were not consolidated and standard processes were not applied. For this reason, the evaluation function has recently been strengthened as part of the ILO's overall movement towards results-based management. In March 2005, the Director-General created the new central Evaluation Unit (EVAL). In November 2005, the Governing Body approved a new policy and strategic framework for evaluation at the ILO.¹ Evaluation in the ILO is now managed in accordance with the normative frameworks established by the United Nations Evaluation Group (UNEG), the Development Assistance Committee (DAC) of the OECD and the ILO's internal management practices.
- 2. The ILO Evaluation Unit (EVAL).** The aim of the Evaluation Unit is to support the ILO's continuing effort to increase accountability, transparency and organizational learning through systematic independent evaluation and self-evaluation. Transparency and accountability are fundamental to good governance and are a corporate objective of the ILO. In this respect, the role of evaluation is to inform the Governing Body, ILO constituents and donors about: (i) the effectiveness of ILO programmes (accountability); and (ii) to identify programme achievements and necessary improvements (learning).
- 3. Annual Evaluation Report.** The new evaluation policy requires EVAL to submit an Annual Evaluation Report to the Programme, Financial and Administrative Committee (PFAC) to provide an overview of evaluation activities and evaluation performance within the ILO, covering all types and levels of evaluations. The reporting period of the present Annual Evaluation Report is from March 2005 (the date of the creation of EVAL) to June 2006.² The reason for this extended time scope is to provide the Governing Body with up to date information for discussion, given that the Annual Evaluation Reports are submitted to the PFAC in November each year. Accordingly, it is proposed that future Annual Evaluation Reports should cover a period of 12 months from July to June each year.
- 4.** This first Annual Evaluation Report provides an overview of evaluations of various types that were conducted in 2005, with particular emphasis on independent evaluations, their findings and the lessons learned. The report features the recommendations and follow-up to major strategy evaluations, as well as a quality appraisal of independent technical cooperation project evaluations. In addition, it describes the current implementation of the evaluation policy, including work in progress. Finally, it provides a preview of the major independent evaluations proposed for 2007.
- 5. The ILO's evaluation agenda** is ambitious. Its progressive implementation takes place in accordance with the available resources. As financial and staff resources for evaluation have so far been limited, the evaluation function has not yet reached its full potential. Nevertheless, the Office has been able to make substantial progress in a range of key areas.

¹ GB.294/PFA/8/4.

² For independent technical cooperation project evaluations, the reporting period is January to December 2005.

II. Implementation of the new evaluation policy

6. In accordance with international evaluation norms and standards, the ILO's evaluation policy framework is aimed at improving and strengthening the practice of independent evaluations in the ILO. It also establishes principles for systematic self-evaluation of programme performance. Together, independent evaluations and self-evaluations are intended to provide comprehensive coverage of all ILO activities in support of the 2006-09 Strategic Policy Framework.³ The progress made in implementing the new evaluation policy from its adoption in November 2005 until June 2006 is described in the following paragraphs.
7. **Harmonized policies and practices.** EVAL has placed guidance on its Intranet site on quality standards for evaluation processes and products that are to be applied consistently across the various types of evaluations. These are in line with United Nations System Evaluation Norms and Standards, as well as good evaluation practices recommended by the OECD/DAC.
8. **Independent process established.** With a view to ensuring the independence and credibility of the evaluation process, the Office has established a network of evaluation focal persons and has clarified responsibilities and accountability for the management of the various types of evaluations. Through the formal designation of evaluation focal persons for each sector and region and the separation of the evaluation management function from that of project management, the various components of the evaluation process, which include developing terms of references, selecting evaluators, circulating draft reports and monitoring follow-up, have been systematically separated from line management responsibilities.
9. **Managing and using the knowledge generated by evaluation.** Management is now asked to respond formally to the findings and recommendations of all independent evaluations. In order to track proper implementation, EVAL has designed an internal monitoring database for all project evaluations completed in 2005 and scheduled for the following years. This database will be expanded by the end of 2006 so that evaluation terms of reference and reports, as well as action plans for follow-up, are stored and can be searched. For maximum transparency, the database will be accessible on the Internet.
10. **Web site and information dissemination.** With a view to facilitating information dissemination and knowledge sharing, the ILO has had an Intranet page and a public web page on evaluation since the beginning of 2006. Both the Intranet and the public pages contain full text reports of major evaluations and abstracts of all other independent evaluations, as well as links to evaluation resources. In addition, the Intranet page contains presentations and guidance papers on evaluation.
11. **Evaluation Advisory Committee.** The Office has created an internal Evaluation Advisory Committee to oversee and promote institutional follow-up to the findings and recommendations of independent evaluations.⁴ The Committee will also function as a forum for internal dialogue on the implementation of the ILO evaluation policy and strategy. In particular, it will ensure that evaluations are credible and conducted in an impartial and independent manner.

³ GB.291/PFA/9.

⁴ The Evaluation Advisory Committee was established in September 2006.

- 12. Developing outreach and networking.** The Office actively participates in the United Nations Evaluation Group and collaborates with other evaluation networks and associations. In 2005, the groundwork was laid for the launching of country-level evaluation activities, beginning in 2006, which involve national constituents and are aligned with the United Nations Development Assistance Framework (UNDAF) assessment process.
- 13. Involvement of constituents in evaluation planning and reporting.** At the national level, the Office has established policies and practices for the systematic involvement of constituents and partners in: (i) the planning of reviews and evaluations of projects and country programmes; (ii) commenting on draft and final evaluation reports; and (iii) deciding on follow-up.⁵ Through the network of evaluation focal persons in the regions and sectors, the Office also supports the development of evaluation capacity of national constituents.
- 14. Internal reviews.** During the course of 2005 and 2006, the Office has developed the methodology and carried out preparatory work for internal reviews of ILO strategies and programmes. Internal reviews will identify opportunities for improvement by building on strengths and addressing issues that may be hampering organizational effectiveness. Their key purpose is to learn and improve operational performance and accountability, thereby facilitating the process of change. The ILO will undertake internal reviews within sectors and regions, as well as internal support operations.
- 15. Self-evaluations.** Similarly, the Office has developed tools and guidance for self-evaluations, which are a self-learning tool in support of continual improvement, the building of team approaches, the taking of corrective action where needed and the sharing of good practice and lessons learned more widely in the Office. The ILO will conduct regular self-evaluations in support of performance reporting at three different levels: (i) by ILO offices at the country programme level (coordinated by the regional offices); (ii) by strategy and programme managers (coordinated by the Bureau of Programme and Management – PROGRAM) at the level of the programme and budget; and (iii) by project management at the project level (coordinated by the Development Cooperation Programme – CODEV). The Office has updated guidance for project self-evaluation in line with the principles of managing for development results and the Paris Declaration on Aid Effectiveness.⁶ In addition, the Office has developed schedules and templates for biennial reviews of country programmes and strategies.
- 16. Evaluation budget.** The Office committed regular budget resources, PSI and resources from the 2000-01 budget surplus to finance the core functions and activities of EVAL in 2005. During the reporting period, EVAL was composed of a director and two evaluation officers, of whom one was financed from extra-budgetary sources. The non-staff funds for 2005 totalled US\$200,000, which were mostly used for hiring external evaluation experts for high-level independent evaluations. In addition, in conformity with international good practice, the Office established the binding rule that all technical cooperation projects with budgets over US\$500,000 must reserve 2 per cent of their total project funds for independent evaluations.

⁵ In line with the Tripartite Consultation (Activities of the International Labour Organisation) Recommendation, 1976 (No. 152).

⁶ The Paris Declaration was adopted in March 2005 by several countries and development organizations. It sets the agenda for far-reaching and monitorable actions to reform ways of delivering and managing aid. The aim is to create greater coherence of development efforts and improve the effectiveness of aid at the national level.

III. Independent evaluations

17. The principal characteristic of independent evaluations is that they are led and conducted by external evaluators who have no previous links with the project or programme that is being evaluated. Four different types of independent evaluations are currently conducted in the context of the ILO: (i) strategy and policy evaluations; (ii) country programme evaluations; (iii) thematic evaluations; and (iv) project evaluations (mandatory for projects with a budget over US\$500,000).

III.1. Independent strategy evaluations

18. Each biennium, EVAL conducts at least two independent evaluations of major strategies or policies established in the programme and budget⁷ to assess their effectiveness, efficiency, impact and continued strategic relevance. Several selection criteria are applied for this type of evaluation: (i) as a rule, a strategy needs an independent evaluation every eight years; (ii) the senior management/Director-General assume that a strategy evaluation is needed; (iii) changes in the strategy are needed; (iv) the Governing Body, donors or United Nations partners have requested an evaluation of the strategy.
19. In 2005, EVAL conducted two independent strategy evaluations, one of the InFocus Programme on Social Dialogue, Labour Law and Labour Administration (IFP/DIALOGUE) and the second of the InFocus Programme on Socio-Economic Security (IFP/SES), which were submitted to the PFAC at the November 2005 session of the Governing Body. In addition, the Office submitted an external review of the ILO's implementation of strategic budgeting within a results-based management framework, which had been requested by the Governing Body. The Office commissioned the United Nations Joint Inspection Unit (JIU) to carry out the evaluation. The recommendations and follow-up to the three evaluations are summarized below.

Follow-up to the independent evaluation of the InFocus Programme on Social Dialogue, Labour Law and Labour Administration (IFP/DIALOGUE)⁸

20. The aim of the evaluation was to provide insight into the effectiveness, efficiency and continued relevance of IFP/DIALOGUE's strategies, programme approach and interventions in promoting tripartism and social dialogue, strengthening mechanisms and institutions of social dialogue, and assisting member States to improve their labour law and labour administration.
21. The evaluation concluded that the programme has filled an important strategic niche and that it has been generally effective in supporting ILO's constituents in improving their labour law, labour administration and mechanisms of social dialogue. The main recommendations of the evaluation were that DIALOGUE⁹ should: (i) intensify collaboration with other international organizations and development agencies to mainstream social dialogue and persuade them to use ILO approaches in labour-related activities; (ii) reinforce its work related to globalization, including corporate social responsibility, and create an entry point for multinational enterprises (MNEs) seeking

⁷ Strategies link to outcomes in the programme and budget.

⁸ GB.294/PFA/8/1.

⁹ In 2004, IFP/DIALOGUE was renamed simply DIALOGUE.

advice on issues related to industrial relations; and (iii) reanimate its research activities on industrial relations and comparative labour law; and (iv) that the Office should better integrate activities related to labour inspection and labour administration.

22. In response to these recommendations, the management of DIALOGUE reports that the following action has been taken.
23. In relation to the first recommendation, during the biennium 2006-07 DIALOGUE is targeting work on several subregions, particularly with respect to legislative harmonization, in a manner which engages not only the relevant governments and social partners, but also regional institutions and, in some cases, interested donors. In addition, several international development banks have shown an interest in working with DIALOGUE and other ILO units with a view to integrating social dialogue approaches to improving working conditions and performance at enterprise level in a manner that is consistent with the relevant international labour standards. This collaboration has the potential to attract additional financial assistance for public sector initiatives, particularly in such areas as labour inspection and labour law reform.
24. With regard to the second recommendation, DIALOGUE is represented on the Coordinating Group for the InFocus Initiative on Corporate Social Responsibility (IFI/CSR) and will continue to play a prominent role in that forum. Consideration is still being given to the issue of providing an entry point for MNEs which are seeking advice on industrial relations and social dialogue issues. One related development should be noted: DIALOGUE is collaborating with Sectors II and III to develop and implement a global extra-budgetary programme focusing on sound labour-management relations and good working conditions and respect for workers' rights as means of raising productivity and creating decent work in global supply chains. This programme has emerged from a series of successful initiatives and tools developed by ILO technical cooperation projects and regular programme work, and due to interest from international development banks.
25. With reference to the third recommendation, DIALOGUE has initiated several applied comparative research studies during the present biennium. These address the following areas: changing industrial relations trends, with particular reference to the role of collective bargaining; trends and issues in labour relations in the public service; the representation of women in social dialogue institutions; termination of employment; the employment relationship; and the future of labour law in a comparative perspective. In coordination with the Research and Publications Committee, steps are being taken to improve coordination between DIALOGUE, the International Institute for Labour Studies and other ILO units engaged in research on industrial relations and related issues.
26. On the subject of the fourth recommendation, no further decisions have been taken since the evaluation was undertaken with respect to re-establishing an integrated approach to labour administration and labour inspection. However, an internal working group was created by the Director-General to ensure that a maximum of services to constituents will be provided in relation to labour inspection as part of labour administration.

Follow-up to the independent evaluation of the InFocus Programme on Socio-Economic Security (IFP/SES)¹⁰

27. The aim of the evaluation was to examine the performance of IFP/SES between 1999 and 2005, for which purpose the evaluation assessed three basic areas: (i) the conceptual work of IFP/SES; (ii) the conversion of that conceptual work into practical policy

¹⁰ GB.294/PFA/8/2.

recommendations; and (iii) the implementation and implementability of those policy recommendations.

- 28.** The evaluation recommended that the ILO should work through its tripartite base to build consensus on policies and messages linked to socio-economic insecurity with a view to improving: (i) the integration of the programme's research work into other ILO programmes; and (ii) the transition of its research into social protection policies that are coherent and politically feasible.
- 29.** Following the discussion of the IFP/SES programme evaluation in the PFAC in November 2005, a number of decisions were taken to give effect to the evaluation recommendations.
- 30.** IFP/SES was a time-bound programme which came to an end in December 2005. Due to a substantial reduction of extra-budgetary funding for the programme, the work programme of the former IFP/SES has been refocused. The core of its work – the global database on social security – will be continued within the Social Security Department (SEC/SOC), with greater emphasis on building a new global inquiry into the performance and expenditure of national social security systems. The alignment of activities with the routine statistical work of SEC/SOC will create synergies. The database will underpin policy analyses and developments in the context of decent work country programmes (DWCPs) and will accordingly be more closely adapted to the Office's new approach to technical advisory services.
- 31.** The Director-General has established a working group on statistics, which is currently developing a proposal for the reorganization of the ILO's statistical work with a view to achieving greater efficiency and coherence. Efficiency gains will be reflected in the Programme and Budget proposals for 2008-09.
- 32.** The Office is actively seeking extra-budgetary resources for research and policy development on basic universal social benefit systems in the context of national DWCPs and poverty reduction strategies. Once available, these resources will be shared and managed jointly by SEC/SOC and field programmes.
- 33.** In line with the overall refocusing of statistical and research work on social security, the related activities in SEC/SOC will concentrate on the development of a social security index. This will form a part of the examination of possible decent work indicators that are being developed by the Policy Integration Department. In addition, preliminary steps towards inter-agency collaboration on a social security index have been taken involving the new OECD office in Asia and the Asian Development Bank.
- 34.** The integration of the core IFP/SES activities into SEC/SOC will ensure the technical supervision and guidance of the remaining IFP/SES activities. The auditing of the performance and the effective utilization of resources in support of these activities will therefore be carried out in the context of regular ILO procedures. External advisory committees will no longer be necessary.
- 35.** It is the policy of the Social Protection Sector (Sector III) that all research results in the field of socio-economic security, in the same way as all other ILO research, are made public in order to ascertain that the national and international research community and national policy-makers benefit from the knowledge generated. Access to data and information, including the lessons learned, will be facilitated by a new web portal that is being developed by SEC/SOC.
- 36.** In the context of the preparation of the Programme and Budget for 2008-09, the Office has developed a general strategy note "Knowledge development, sharing, research and

communications”. This note, inter alia, calls for specific new mechanisms for the dissemination of ILO research work. One mechanism that will be an ideal vehicle for the dissemination of the results of research and other exploratory activities will be a new web research portal. In addition, the strategy note envisages a role for the Department of Communication (DCOMM) in ensuring that the lessons learned and consequential policy conclusions are broadly shared within the ILO constituency and the wider public.

Follow-up to the external review of the ILO’s implementation of strategic budgeting within a results-based management framework¹¹

37. The purpose of the review was to improve the integration of strategic budgeting within the ILO. The United Nations Joint Inspection Unit (JIU), commissioned by the Office to undertake the evaluation, recommended improving the results-based approach in the following areas: (i) programme planning and budgeting; (ii) human resources development; (iii) information and communications technology; (iv) evaluation and oversight; (v) knowledge management; and (vi) field structure and external resource mobilization.
38. Following the Governing Body’s discussion of the external review, it was agreed that the Office’s plans for its follow-up would be submitted in March 2006. This was done in a document entitled “Framework for future work on results-based management”.¹² This document identifies nine specific priorities for strengthening results-based management (RBM) in the ILO, to be described in the preview of the Programme and Budget proposals for 2008-09. The preview is available as a separate document at the present session of the Governing Body.¹³ In addition to the preparation of this document, a formal process has been established to improve the programme and budget proposals from an RBM perspective. The initiatives taken in this respect include:
- the promotion of RBM concepts through workshops and cross-Office discussion organized prior to the submission of the initial draft Programme and Budget proposals;
 - hands-on assistance to all ILO units in reviewing and improving the formulation of proposals to achieve more credible measurement of actual performance: this includes alignment of the proposals with regional/subregional priorities and country outcomes, as defined in the DWCPs;
 - the setting up of a group of outcome coordinators and a peer working group on indicators (the latter with representatives from the regions) to facilitate and coordinate the drafting of outcomes, indicators and targets in a transparent and participatory manner;
 - the initiation of a structured process of reviewing programme proposals to suggest modifications for technical programmes and the Management and Administration Service sector (MAS): this mechanism has also helped to ensure the relevance of proposed outcomes, indicators and strategies to regional and subregional priorities;

¹¹ GB.294/PFA/8/3.

¹² GB.295/PFA/4.

¹³ GB.297/PFA/1.

- an updated version of the IRIS Strategic Management Programme and Budget submodule, accessible to all, was used across the Office to prepare the programme and budget proposals and includes facilities to link regional, subregional and country targets to programme and budget targets.

III.2. Independent thematic evaluations

- 39.** Independent thematic evaluations assess specific themes, processes and approaches in the ILO's technical work. They provide a tool for the ILO's technical programmes to explore in depth the effectiveness and impact of major means of action and interventions. Responsibility for thematic evaluations lies with the technical sectors.
- 40.** Although no independent thematic evaluations, in the strict sense of the term, were carried out in 2005, two independent technical reviews were undertaken jointly by the ILO and its respective funding partners. The first was of the ILO-Netherlands Partnership Programme and the second of the DFID-ILO Framework Agreement, including the innovative technical cooperation resource allocation mechanism (TC-RAM) established by the ILO with a view to prioritizing specific projects.¹⁴
- 41. Joint technical review of the ILO-Netherlands Partnership Programme (INPP).** The independent review assessed: (i) the cost-effectiveness of the cooperation and implementation-related issues; (ii) the contribution of the INPP to the strengthening of strategic programming and budgeting; and (iii) the benefit to the ILO of the INPP through its innovations and spin-offs from its initiatives. The independent review concluded that the INPP contributes positively to the sustainable attainment of ILO strategies, MDGs and poverty reduction, but still has room for improvement.
- 42.** The review made several recommendations to improve the cost-effectiveness of the joint programme. These include a better systematization of tools and approaches to enhance coherence between projects in different countries; a greater thematic and geographic concentration of the programme and an explicit link with DWCPs; and the possibility of allocating resources directly for the planning and preparation of country proposals. The review further recommended an extension of the time frame for the implementation of the programme cycle from two to four years to ensure greater sustainability and impact, with the possibility of reorienting the programme through a mid-term evaluation exercise. Finally, the proposal was made that a reserve fund could be created for new activities identified during the implementation period.
- 43.** These recommendations were used as a basis for the redesign of the new Netherlands-ILO Cooperation Programme, which was signed in May 2006 for a four-year period. The new Programme focuses on the implementation of a limited number of DWCPs over a period approximately corresponding to the time frame of the Strategic Policy Framework (SPF).
- 44. Evaluation of the DFID-ILO Partnership Framework Arrangement.** The independent evaluation assessed the extent to which the partnership has succeeded and whether it has served as a vehicle for learning between the two organizations. It concluded that the Framework Agreement has: (i) introduced and tested an improved method for allocating extra-budgetary resources; and (ii) demonstrated in practice that decent work can be an effective entry point for poverty reduction and that both objectives can be pursued together.

¹⁴ The two partnership agreements reviewed covered a two-year period. The evaluations were conducted by a team of external evaluators and were managed jointly by CODEV and the respective funding partner.

45. The evaluation recommended various measures to continue to: (i) strengthen results-based management in the ILO, focusing on DWCPs; (ii) strengthen the ILO's contribution to national poverty reduction strategies and ensure the necessary connection with DWCP planning; (iii) provide funds in a way that encourages innovation, greater thematic integration and the full ownership and participation of the social partners; and (iv) strengthen the DFID-ILO partnership through more systematic technical exchanges and dialogue on substantive issues. The report also makes a number of concrete suggestions on how to operationalize these recommendations.
46. The conclusions of the evaluation report were used as an input for the negotiation of the new DFID-ILO Partnership Framework Agreement (PFA). However, the philosophy of the new Agreement is substantially different from the old PFA. The recommendations of the evaluation report therefore needed to be adjusted to the new context of collaboration between the two institutions.

III.3. Independent evaluations of technical cooperation projects

Overview of independent project evaluations completed in 2005

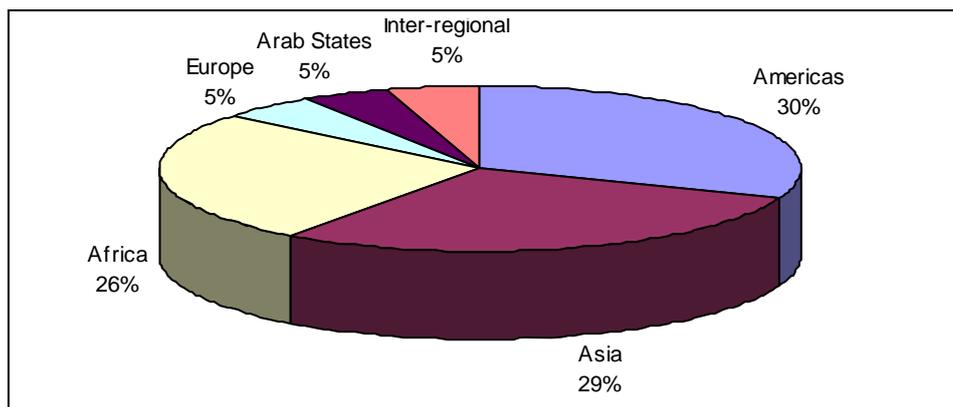
47. According to the new evaluation policy, every technical cooperation project with a budget of over US\$500,000 has to conduct at least one independent evaluation during its lifetime. A project evaluation helps the management to identify what works and what does not work so that the right decisions can be taken to lead the project to success. In addition, an evaluation ensures greater transparency, participation and accountability for partners and reinforces national ownership. An evaluation tells the donor whether it made a good investment in achieving the jointly agreed outcomes and objectives. Finally, a good project evaluation gives the Governing Body an account of the work delivered and the results achieved in the implementation of the ILO's strategic objectives.¹⁵
48. In 2005, the ILO conducted 65 independent project evaluations, of which 55 per cent were final evaluations and 45 per cent interim evaluations.¹⁶ Most of the evaluations were of projects located in Americas (30 per cent), closely followed by Asia (29 per cent) and Africa (26 per cent). Evaluations of projects located in the Arab States and Europe, together with interregional projects, accounted for 15 per cent of all the evaluations conducted in 2005.¹⁷

¹⁵ Abstracts of major independent evaluations of projects are available on the ILO's public evaluation web site: <http://www.ilo.org/evaluation>.

¹⁶ EVAL has developed a database to systematically track technical cooperation project evaluations for 2006 and beyond. For the independent technical cooperation project evaluations conducted in 2005, it had to rely on information provided by the regions and technical departments.

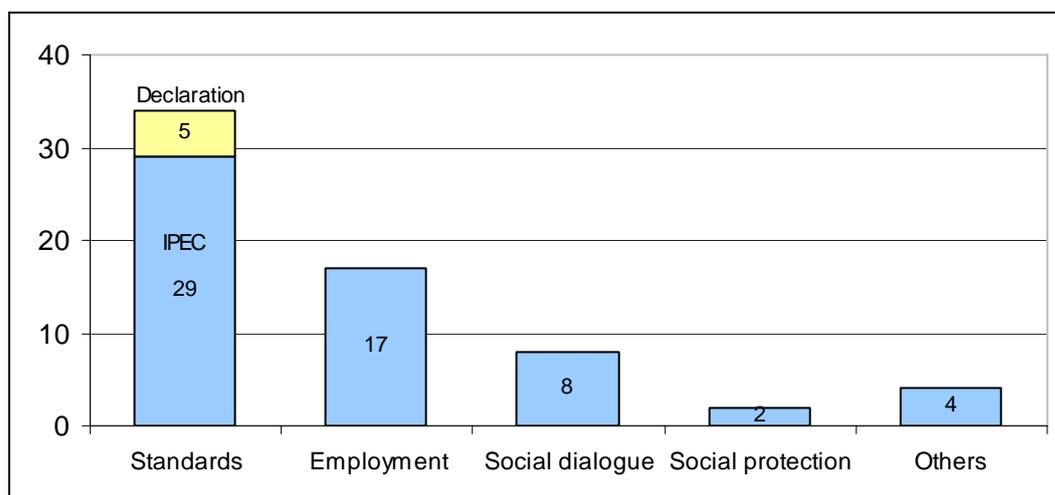
¹⁷ The main reason for the comparatively small number of independent project evaluation reports in the Europe and Arab States regions is that most projects in these regions are below US\$500,000 and thus do not require independent evaluations.

Figure 1. Independent project evaluations by region, 2005



49. With regard to thematic areas, most of the evaluation reports covered child labour projects (45 per cent), followed by projects in the field of employment (26 per cent).¹⁸

Figure 2. Independent project evaluations by technical area, 2005



Quality appraisal of independent project evaluation reports 2005

50. In order to improve the quality of future ILO evaluation reports, EVAL conducted a quality appraisal exercise with a sample of 16 (25 per cent) of the 65 independent project evaluations finalized in 2005.¹⁹ The objectives of the exercise were to: (i) identify strengths, gaps and patterns in current project evaluation practice for future guidance; (ii) discover good practices and showcase examples; (iii) refine the evaluation appraisal methodology; and (iv) establish a baseline and reference for continued quality monitoring and future reporting.

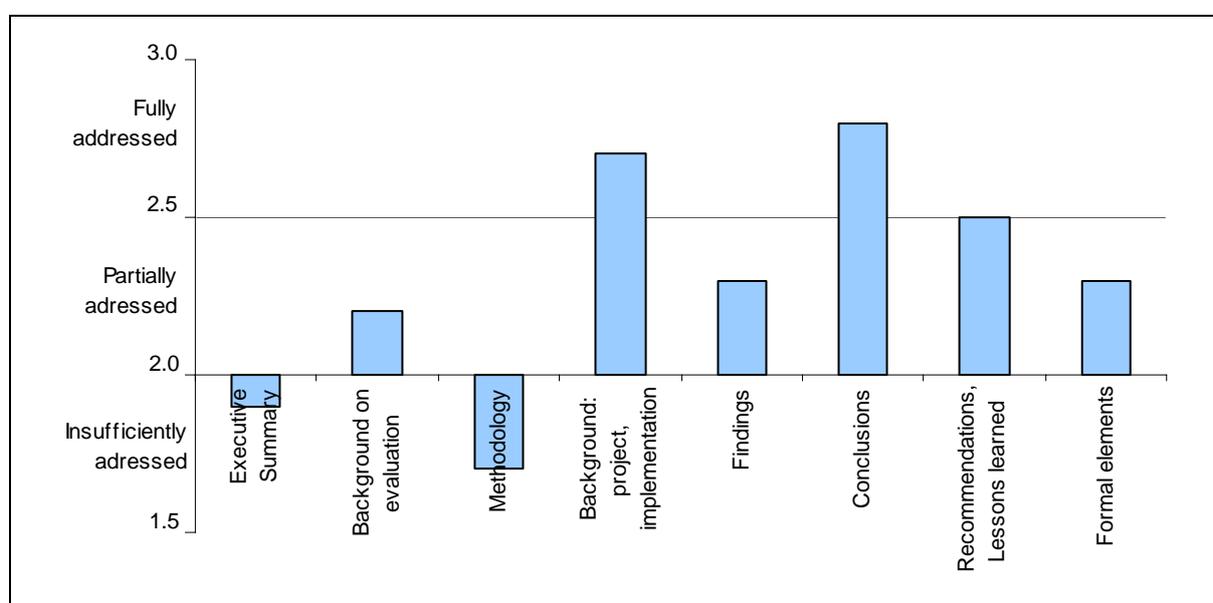
¹⁸ The complete list of independent technical cooperation project evaluations can be found in the long version of this Annual Evaluation Report, which is posted on EVAL's public web site: <http://www.ilo.org/evaluation>.

¹⁹ Qualitative maximum variation sample considering the various types of evaluation of technical areas, regions and donors.

51. The methodology involved a checklist of 55 quality criteria relating to content and formal elements, which were grouped into eight main categories:²⁰ (i) executive summary; (ii) purpose, objectives, scope and clients of the evaluation; (iii) background of project and review of implementation; (iv) description and justification of the methodology; (v) findings; (vi) conclusion; (vii) recommendations and lessons learned; and (viii) annexes and presentation elements. EVAL rated the reports according to whether they had addressed these quality criteria fully, partially or not at all.

52. The overall quality of the evaluation reports appraised was fair, but EVAL observed considerable variation in quality between them. Whereas some reports rated highly for nearly all criteria (addressing the most important issues, providing balanced and in-depth analysis and meaningful recommendations), others were less rigorous and informative, omitting important aspects of analysis or being vague in their findings and recommendations. Despite some weaknesses, all but one of the reviewed reports were of acceptable quality. The summary score of the rating exercise is presented in figure 3 below. The following paragraphs describe the findings for the various criteria in greater detail.

Figure 3. Summary rating score of project evaluation reports by category, 2005



53. Executive summary. To provide a rapid overview, all evaluation reports should contain an executive summary that briefly features all the key elements of the report, with special emphasis on its conclusions and recommendations. Even though all but two reports had an executive summary, their quality was not always excellent. Only two executive summaries provided a description of the methodology, and one-third of the summaries did not explicitly address the purpose, scope and clients of the evaluation.

54. Background of the evaluation and description of the methodology. Each report should briefly explain the purpose, objectives, clients and scope of the evaluation. It is also very important to provide a brief description of the methodology applied in the evaluation and the sources of information, including possible biases and limitations. The rating showed that there is considerable room for improvement in this area: (i) about half of the

²⁰ These were developed from recommended good practice of the OECD/DAC Evaluation Quality Criteria, approved by the OECD/DAC Network on Development Evaluation in March 2006. The complete checklist can be found in the long version of this report.

evaluation reports did not state the purpose, scope or objectives of the evaluation; (ii) many did not include a methodology section, or did not explain the methodology in a satisfactory manner; (iii) few reports addressed methodological limitations or indicated possible biases; (iv) only seven reports explicitly indicated the evaluation questions that guided the analysis; (v) of the six evaluation reports that used sampling or case studies, only one explained the selection method; and (vi) none of them explicitly referred to ethical safeguards.²¹

- 55. Background of the project and review of its implementation.** It is important for evaluation reports to provide a brief account of the project, its objectives and strategy, as well as a brief review of its implementation. The evaluations generally did this in a satisfactory manner. However, only ten of the 16 reports adequately described the role played by constituents and stakeholders in project design and strategy, as well as during implementation.
- 56. Findings and conclusions.** The findings are a core part of an evaluation. The evaluator should present and analyse the evidence, including negative and positive aspects, and internal and external factors. The conclusions should follow from this analysis, providing well-argued judgements of the performance of the project. The rating exercise revealed that the findings and conclusions were generally of adequate to good quality. However, the quality of the analysis varied. Evaluation reports can be improved by: (i) making a clear distinction between the activities carried out and the results of those activities; (ii) addressing the criterion of impact (that is, long-term development changes); (iii) addressing the criterion of sustainability, including the exit strategy for the project and issues of national ownership; (iv) including an assessment of the project's cost-effectiveness; (v) addressing the project's performance in relation to the ILO's cross-cutting concerns (gender equality, poverty, the application of standards, the promotion of social dialogue and tripartism).
- 57. Recommendations and lessons learned.** These are another core ingredient of evaluation reports. Supported by the conclusions, they should recommend concrete actions related to the project. A report should also contain any lessons learned, which consist of more generalized insight about approaches beyond the immediate project. All the evaluation reports, except for one, included recommendations, and most identified the lessons learned. However, the distinction between the two was not always clear, which makes it rather difficult to extract the lessons learned from the evaluation. Four reports explicitly highlighted good practices, but just one offered substantive reasons as to what makes these practices good.
- 58. Annexes.** Most, but not all of the evaluation reports, contained annexes containing the terms of reference, the list of persons interviewed and documents referenced and, where applicable, the data collection instruments (questionnaire, etc.). None of the reports mentioned the cost of evaluation.
- 59. Presentation and formal elements.** The presentation, structure and formatting of the evaluation reports, including title page, table of contents, etc., were generally adequate. However, one-third of the reports did not mention the project code, the type of evaluation or the name of the evaluator on the title page. A uniform structure of reports and of the format of the title page would improve clarity and readability.

²¹ Guidance on ethical safeguards has only recently been developed.

III.4. Work in progress: Independent evaluations in 2006

60. The table below gives an overview of all the independent evaluations that will have been carried out by the end of 2006.

Table 1. Type, topic and timing of independent evaluations carried out in 2006

| Evaluation type | Topic of evaluation | Timing | Dissemination |
|--|---|----------------|--|
| Strategy | Independent evaluation of ILO strategy for employment-intensive investment | Apr.-Sep. 2006 | Summary submitted to PFAC Nov. 2006 Full report public (Internet) |
| Country programme | Independent evaluation of ILO country programme of support to the Philippines | Apr.-Sep. 2006 | Summary submitted to PFAC Nov. 2006 Full report public (Internet) |
| Project (independent evaluations for projects above US\$500,000) | Approximately 65-70 independent project evaluations will be carried out: EVAL is currently monitoring the project portfolio and appraising evaluation processes and reports | Jan.-Dec. 2006 | Full reports to donors, partners, national constituents, other stakeholders Abstracts public (Internet) |

IV. Observations and lessons learned from ILO evaluation practices

61. In 2005 and 2006, the major task of EVAL has been to improve evaluation capacity within the Office. This section outlines some of the major observations and lessons learned by EVAL with regard to current ILO evaluation practices.
62. The ILO has addressed shortcomings that have been observed in its evaluation practices by: (i) providing written guidance on evaluation principles and processes; (ii) setting up and training a network of evaluation focal persons and evaluation managers; (iii) building up a database of qualified evaluation consultants; and (iv) developing an IT-supported monitoring system for project evaluations.

Evaluation capacities

63. There is currently a wide divergence in processes and practices for evaluations in the Office. However, in certain areas of the Office there is a strong capacity to support high-quality evaluations, of which more effective use can be made to strengthen capacity throughout the Office.
64. The appraisal of evaluation reports has revealed two key factors to improve the quality of evaluations: (i) the quality of evaluator(s); and (ii) good management of the evaluation process, including clear guidance for the evaluator on international good practices and the ILO's expectations concerning the process, methodology and product of the evaluation.
65. Many project evaluations are conducted by teams of both international and national consultants. In the view of the stakeholders involved, this has proved to be a successful combination. While international consultants bring evaluation experience, with appropriate content and format for reports, national consultants contribute local expertise.

Level of resources and timeliness of evaluations

66. In the past, a number of technical cooperation projects did not plan for evaluation in their project documents or budget, or reserved too few funds for independent evaluations. As a result, some projects for which, according to ILO rules, an independent evaluation should have been carried out, were not properly evaluated. New policies and processes now stipulate that for any project with a budget of over US\$500,000, an amount of 2 per cent of the project budget has to be reserved for independent evaluations.
67. Project evaluations should be scheduled in such a way that their findings contribute to important management decisions, for example concerning the funding of a second phase or the planning of a phase-out strategy. In some cases, evaluations have been planned in an untimely manner, either too early when the project has not yet reached the full implementation stage, or too late, when important decisions have already been taken.
68. In many cases, the period between the production of the draft report for project evaluations (usually at the end of the evaluation mission) and the official submission of the final report to the donor has been rather long. Even though donors are usually involved in commenting on early versions of the report, this delay should be avoided if evaluations are to remain relevant.

Demonstrating results

69. Despite some concentrations of strong capacity, the Office does not consistently have well-developed monitoring and review plans, indicators and targets, on the basis of which evaluators can conduct their evaluations.
70. In addition, many programmes and interventions would benefit from better defined baseline assessments and monitoring methodologies which offer more substantive feedback on the performance of specific technical interventions and approaches.
71. There has been a tendency to consider project evaluations as being “just for the donor”, rather than as a management tool for learning and improving. Whereas some parts of the Office take great care to disseminate evaluation reports widely and ensure that they are accessible, others have no system for the management of evaluation findings and lessons learned, which limits the extent to which they are systematically fed back into the design of new projects.

Partnerships

72. Many project evaluations do not link project results to the wider ILO country perspective. Contributions to the MDGs and national PRSPs are not yet regular evaluation criteria.
73. While many project evaluations include stakeholder workshops during the course of the evaluation, in certain cases it appears that national constituents and partners have been involved in evaluations more as informants than as stakeholders. Nevertheless, there seems to be growing awareness of the benefits of the meaningful participation of partners in evaluations. The DWCP planning and review processes have also facilitated the more regular and active involvement of national constituents and partners in evaluation activities.

74. There is also growing appreciation of the importance of building up the monitoring and evaluation capacities of national constituents and partners so that they can have greater ownership of review processes.

V. Proposed evaluations for 2007

75. This chapter presents the proposed agenda for major independent evaluations in 2007. The agenda responds to all the requirements of the new evaluation policy and strategy framework in terms of the number and timing of evaluations by type of activity.²²
76. In the past, a tentative list of evaluations was included in the preview of the programme and budget proposals. Since the adoption of the new evaluation policy, the discussion of the Annual Evaluation Report offers a pertinent framework for considering together past, recent and future major evaluation activities.

Selection of evaluation topics

77. A transparent two-stage selection process is applied for the determination of topics for major independent evaluations.²³ In the first stage, a list is compiled of the principal evaluable ILO strategies (programme and budget outcomes), country programmes or major themes. (Evaluability criteria are, for example, that the strategy or programme has been implemented for a minimum of two years and has not been evaluated recently.) In the second stage, the final candidates for evaluation are chosen from the list, taking into account the strategic value of their evaluation for the ILO. The choice is also guided by discussions and requests by the various Governing Body committees, special concerns of senior management and other strategic considerations.
78. Finally, the selection is validated by the internal evaluation advisory committee. This process complies with the requirements of transparency and objectivity in the selection process.

Priority independent evaluations in 2007

79. As indicated in table 2 below, four major independent evaluations will be conducted in 2007. These do not include the 60-70 independent project evaluations that will also be carried out, as well as internal or self-evaluations of country programmes, thematic areas and projects. In accordance with the evaluation policy, strategy and country programme evaluations will be managed by EVAL. The thematic evaluation of the Global Employment Agenda (GEA) will be managed by the Employment Sector and facilitated by EVAL. This evaluation programme fully responds to the requirements of the new evaluation policy in terms of the Office's minimum evaluation agenda.

²² GB.294/PFA/8/4, table 1.

²³ Major independent evaluations include strategy/policy evaluations, country programme evaluations and high-level thematic evaluations, the results of which are presented to the Governing Body.

Table 2. Type, topic and timing of major independent evaluations planned for 2007

| Evaluation type | Topic of evaluation | Timing | Dissemination |
|-------------------|--|-------------------------|---|
| Strategy | Independent evaluation of ILO strategy for improving the impact of standards | Jan.-Jul. 2007 | Summary submitted to PFAC Nov. 2007 Full report public (Internet) |
| Country programme | Independent evaluation of ILO country programme of support to Ukraine | Sep. 2006- Feb. 2007 | Summary submitted to PFAC Nov. 2007 Full report public (Internet) |
| Country programme | Independent evaluation of ILO country programme of support to Argentina | Mar.-Aug. 2007 | Summary submitted to PFAC Nov. 2007 Full report public (Internet) |
| Thematic | Independent evaluation of ILO Global Employment Agenda (GEA) in the context of DWCPs | Oct. 2006-Mar. 2007 | Summary submitted to ESP Committee Nov. 2007 Full report public (Internet) |

- 80. Evaluation of the ILO's strategy for improving the impact of standards.** The proposed evaluation will assess the ILO's strategy for "improving the impact of standards" (outcome 1b.1), which is linked to operational objective 1b on normative action in the programme and budget. It will review the strategy's relevance and strategic fit within the ILO's strategic framework, its contribution to national and global development goals, and the Office's performance in supporting this strategy effectively and efficiently. It will focus on the ILO's contribution to raising awareness and knowledge of ILO standards and improving capacities to support implementation. The terms of reference setting out the evaluation's focus, scope and approach are being prepared in consultation with key stakeholders in the Office, constituents and external experts.
- 81. Evaluation of ILO's country support programmes in Argentina and Ukraine.** In accordance with the evaluation policy, the Office has to conduct two country programme evaluations a year. After piloting country programme evaluations in 2006, with the evaluation of the Philippines country programme, the Office plans to evaluate the country support programmes in Argentina and Ukraine. The selection of the country programmes was undertaken in close consultation with the ILO's regional offices.
- 82.** Ukraine is one of the most significant technical cooperation portfolios in the Europe and Central Asia region²⁴ and is the largest country in the South-East Europe subregion. Ukraine is also an interesting case in view of the economic and social transformation process it is going through, so that the evaluation can examine how successful the ILO has been in adapting its support to these changing circumstances.
- 83.** Argentina is the first country in the Latin American and Caribbean region to adopt a fully fledged DWCP. The national DWCP for 2004-07 has been in place for a sufficiently long period to assess its contribution to the achievement of national decent work objectives. The timing of the evaluation is also useful in guiding the development of the next DWCP.
- 84.** Country programme evaluations assess the extent to which the ILO's work in the respective countries are aligned with each other and with the ILO's strategic priorities, national development priorities and the priorities of constituents. The evaluations will further assess how effective the ILO's support to the two countries has been in helping them achieve their decent work objectives. Special emphasis will also be placed on national-level partnerships and how the country programmes fit into the broader United Nations Development Assistance Framework (UNDAF).

²⁴ Eight active projects in 2006-07, totalling approximately US\$2 million.

85. Evaluation of the GEA in the context of the DWCPs. This independent thematic evaluation was requested by the Committee on Employment and Social Policy (ESP) at the Governing Body's 295th Session (March 2006).²⁵ The evaluation will assess the extent to which ILO's country work on employment draws on the GEA. It will focus on the following two questions: (i) the impact or added value of the Office's work, both at headquarters and in the field, in the formulation and implementation of national employment strategies; and (ii) the contribution of the GEA and its operational framework to national employment policies. The evaluation report will be submitted to the ESP in November 2007.

VI. Conclusion

Main achievements

- 86.** In 2005, the ILO strengthened its evaluation function by: (i) creating the new central Evaluation Unit in March 2005; and (ii) the PFAC's adoption of a new evaluation policy and strategic framework, which is aligned with current international good practices in the field of evaluation.
- 87.** Within the limits of its available resources and the functions entrusted to it by the Director-General, EVAL has been managing a continuous process of change for the strengthening of evaluation practices in the Office. In line with the new evaluation policy, the ILO has strengthened evaluation procedures and capacities with a view to: (i) enhancing the credibility, impartiality and integrity of independent evaluations; and (ii) improving monitoring and self-evaluation. Box 1 below summarizes the main achievements.

| Box 1 Strengthening evaluation in the ILO – Main achievements |
|---|
| <p>Several indicators attest to the fact that the evaluation function has been consistently strengthened in the ILO:</p> <ul style="list-style-type: none"> (i) creation of the new central Evaluation Unit; (ii) adoption of a new evaluation policy and strategic framework which is aligned with current international good practices; (iii) creation of Office-wide standards for the practice of evaluation; (iv) strengthened policies, procedures and practices for independent evaluations; (v) enhanced organizational capacity to conduct and follow up independent evaluations; (vi) development of guidance on methodologies, policies and procedures for monitoring and evaluation, including self-evaluation; (vii) public and internal web sites enabling wider dissemination and easy access to guidance materials and abstracts of evaluation reports; (viii) establishment of a network of evaluation focal persons in the sectors and regions to support evaluation; (ix) development of a database to monitor and track project evaluations. |

- 88.** In 2005, the Office managed two independent strategy evaluations and commissioned and supported one external review. In addition, 65 independent project evaluations were carried out.

²⁵ GB.295/ESP/1/3: "Suggested modalities for evaluation of the GEA in the context of decent work country programmes".

Priority areas for action

89. In order to further improve accountability, transparency and organizational learning in the ILO, the Office needs to continue to strengthen evaluation. The priority areas for improvement in the coming year are summarized below:

- the continued harmonization of evaluation policies and practices across ILO units – action will focus on monitoring the quality of evaluations and applying clear rules and guidance on roles and responsibilities for evaluation, including follow-up;
- the delivery of training and the expansion of guidance for the planning of monitoring and evaluation, including on the design of baseline assessments – this will be supplemented by a desk review of current practices in these two areas so that the targeting of support can be improved;
- use of the results of the quality appraisal of project evaluations as a baseline to improve appraisal tools, thereby enhancing the quality of independent project evaluations;
- building of the monitoring and evaluation capacity of constituents, with the assistance of the evaluation focal persons in the regions;
- improved monitoring of the schedule for project evaluations, with a view to ensuring better adherence to the schedule and closing the gap between evaluations that are planned and those actually carried out;
- the further development of the current database of evaluation information into a web-based searchable database, that include terms of reference, abstracts of evaluation reports, lessons learned and action plans for the follow-up of all types of evaluations, which will enhance transparency and facilitate knowledge sharing;
- the continued strengthening of practices to ensure the proper use of evaluation findings and recommendations and proper management follow-up, including for project evaluations – this will facilitate knowledge management and systematic learning from evaluations so that the insights generated feed back into the programming and planning cycle;
- more rigorous collaboration in joint evaluation activities within the United Nations and national development networks and ensuring that partners play a more active role in evaluations and that greater attention is given to feedback from partners.

90. At the beginning of 2007, the ILO's evaluation strategy will be strengthened through the availability of extra-budgetary funding, which will mainly be used for DWCP evaluations and self-evaluations, as well as for expanding capacities for the management of evaluations and the sharing of the knowledge obtained from them.

* * *

91. In conclusion, it is hoped that the Annual Evaluation Report, of which this is the first, will serve to broaden dialogue between the Office and the Governing Body on matters relating to evaluation. The report is also intended as an instrument for presenting the ILO's progress in evaluation practices to its peers and partners within and outside the United Nations system.

92. The Committee may wish to take note of the present report and endorse its conclusion that the Office has strengthened its evaluation function and is progressing satisfactorily with the implementation of the new evaluation policy and strategy.

Geneva, 28 September 2006.

Point for decision: Paragraph 92.

Appendix 1

Statistical overview of independent project evaluations, 2005

(for projects with budgets over US\$500,000)

Table 1. Independent project evaluations by technical area, 2005

| | Technical area | Number | Percentage |
|-------------------|---|-----------|--------------|
| Standards | International Programme on the Elimination of Child Labour | 29 | 44.6 |
| | Programme for the Promotion of the Declaration | 5 | 7.7 |
| | Standards total | 34 | 52.3 |
| Employment | Employment strategy | 2 | 3.1 |
| | Employment-intensive investment | 3 | 4.6 |
| | Employment policy and advisory services | 2 | 3.1 |
| | Cooperatives | 2 | 3.1 |
| | Crisis response | 2 | 3.1 |
| | Boosting employment through small enterprise development | 4 | 6.2 |
| | Management and corporate citizenship | 1 | 1.5 |
| | Skills development | 1 | 1.5 |
| | Employment total | 17 | 26.2 |
| Social dialogue | Social dialogue, labour law and labour administration and sectoral activities | 8 | 12.3 |
| | Social dialogue total | 8 | 12.3 |
| Social protection | International migration | 1 | 1.5 |
| | Safety and health at work and the environment | 1 | 1.5 |
| | Social protection total | 2 | 3.1 |
| Others | Gender | 2 | 3.1 |
| | Integration | 2 | 3.1 |
| | Others total | 4 | 6.2 |
| | ILO total | 65 | 100.0 |

Table 2. Independent project evaluations by region, 2005

| Region | Number | Percentage |
|---------------------|-----------|--------------|
| Americas | 20 | 30.8 |
| Asia | 19 | 29.2 |
| Africa | 17 | 26.2 |
| Europe | 3 | 4.6 |
| Arab States | 3 | 4.6 |
| Interregional | 3 | 4.6 |
| Global total | 65 | 100.0 |

Appendix 2

Quality appraisal of independent project evaluation reports, 2005

Of the 65 independent project evaluations completed in 2005, a sample of 16 evaluation reports was rated. The criteria for the qualitative maximum variation sample were: timing of the evaluation (interim or final), as well as regions, technical area and project donors. EVAL endeavoured to obtain a good cross section of all project reports which, even if not representative, at least offers a fair reflection of all the reports prepared.

Table 1. Legend for quality appraisal exercise

| Score | Extent to which quality criteria in category were addressed |
|---------|---|
| 1.0-1.5 | Not addressed |
| 1.6-2.0 | Insufficiently addressed |
| 2.1-2.5 | Partially addressed |
| 2.6-3.0 | Fully addressed |

Table 2. Overview of average scores per category of quality appraisal of 16 independent project evaluation reports, 2005

| Rating categories | Average score | Results |
|---|--------------------|--------------------------|
| A Executive summary | 1.9 | Insufficiently addressed |
| B Background on evaluation | 2.2 | Partially addressed |
| C Description of methodology | 1.7 | Insufficiently addressed |
| D Background on project, review of implementation | 2.7 | Fully addressed |
| E Findings | 2.3 | Partially addressed |
| F Conclusions | 2.8 | Fully addressed |
| G Recommendations, lessons learned | 2.5 | Partially addressed |
| H Presentation and formal elements | 2.3 | Partially addressed |
| Rating categories | Properly addressed | Not properly addressed |
| I Title page | 79% | 21% |
| J Annexes and references | 53% | 47% |