



EIGHTH ITEM ON THE AGENDA

ILO Evaluation strategy

1. In Volume 3 of the Programme and Budget for 2000-01 the principles for future evaluation of ILO programmes and activities were described (paragraphs 161-164). In March 2000 the Director-General undertook to return to the question with proposed practices for evaluation and a plan for evaluations to be submitted to the Committee in 2002-05.
2. Volume 3 made the following points:
 - (a) evaluation must be integrated into the strategic budgeting process and systematized;
 - (b) evaluation is important as a means of feeding information about performance levels back into decisions on programmes and their funding;
 - (c) more programme evaluations are necessary;
 - (d) self-evaluation is necessary to learning and improved performance and would be continued in the ILO;
 - (e) independent evaluation is important when a new perspective on a programme is necessary or to improve transparency;
 - (f) in decisions to discontinue programmes independent evaluations are only one factor in the decision;
 - (g) internally the Director-General intends to develop a decentralized evaluation capacity, i.e. trained staff in each of the sectors and regions;
 - (i) an evaluation plan will be presented to the Governing Body each biennium, as will the results of major evaluations;
 - (j) the intention is to arrive at a cycle of evaluations that would cover all programmes within a prescribed time frame;
 - (k) management audits, a form of evaluation, will be done for support units;
 - (l) present arrangements will remain for the evaluation of technical cooperation (all projects with a value of over \$250,000 will be subject to an independent evaluation at

least once in the project's life cycle, to an annual self-evaluation and to an evaluation before starting a new phase);

- (m) the coordination of evaluation plans, technical guidance, training and participation in major evaluations will be undertaken by the Bureau of Programming and Management.
3. Following the Governing Body's session of March 2000, the Office undertook a survey of evaluation policies and practices in other international organizations. Questionnaires were sent to eleven UN system organizations and the World Bank. Eight organizations replied. The purpose was to learn from the experience and practice of others in formulating ILO practices. The following is a brief summary of these replies.
- (a) The responsibilities of central evaluation units are virtually the same as in the ILO. In three cases they include oversight responsibilities.
 - (b) All of the respondents confirmed that their evaluation strategies were an integral part of their agency's strategic plans or management systems. Three stressed the relevance of evaluation in updating policies, particularly by collecting information on evaluation results and feeding it back into policy and strategy formulation.
 - (c) All respondents prepare evaluation plans – some for one year, others for two years. UNDP has both a biennial plan and, for field offices, a three-year plan.
 - (d) Rules for evaluations of technical cooperation projects are similar to those of the ILO in all eight agencies. However, the threshold values for independent evaluations tend to be higher than the ILO's \$250,000.
 - (e) In none of the eight agencies does its governing body actually conduct evaluations. Six of the eight respondents submit evaluation plans to their governing bodies, two for approval and four for information. All agencies submit the results of major evaluations to their governing bodies.
 - (f) Apart from technical cooperation projects, no agency has rules requiring that all programmes be independently evaluated according to a prescribed cycle.
4. ILO evaluation practices are broadly in line with those of other international organizations, except for the presentation of an evaluation plan to the Governing Body.
5. Further development is needed on two issues: the linkage between strategic budgeting and evaluation; and the use of independent evaluators. The first issue, described above by the terms "evaluation must be integrated into strategic budgeting and systematized", is a matter of ensuring that programme managers integrate information from evaluations into their decision-making and use such information in reporting on their programme's results. This is a matter of internal procedures and – importantly – of training. The Bureau of Programming and Management will be organizing training programmes in strategic budgeting, performance management, evaluation and oversight for officials in headquarters and in the regions. It will also adjust its structure and distribution of responsibilities so as to achieve a greater integration of strategic budgeting and evaluation in its working methods.
6. On the issue of responsibility for conducting evaluations, it is clear that independent evaluation is a more credible form of evaluation than self-evaluation or evaluation performed by staff of the Office outside the programmes concerned. Independent evaluation is not, however, a guarantee of quality, and it is expensive. An independent

evaluation of a medium-sized programme will cost on average \$75,000, and probably a similar amount on staff time to service the evaluator. The Director-General intends to make greater use of independent evaluations by outsiders so as to build up a pool of good quality external evaluators over a period of two to three years. However, it would be prohibitively expensive to have all evaluation done by outsiders. The decision on when to employ an outsider is best taken on a case-by-case basis. Good evaluation work has been done by qualified staff of the Office, including almost all of the evaluation reports in recent years submitted to various Governing Body committees.

7. For 2002-05 the Director-General proposes that nine evaluations be prepared. Each of the eight InFocus programmes would be evaluated, as would the strategic budgeting system. These innovations were introduced in the current biennium, and it would be timely to assess their progress and achievements and to make recommendations for the future. The evaluations would be undertaken on the basis of a standard methodology. The specific evaluations for each biennium will be announced in the programme and budget proposals with a brief explanation of the scope of each evaluation. They would naturally be submitted to the Committee for consideration.

Geneva, 19 October 2000.