

## Multilateral Aid Review: Assessment of the International Labour Organisation (ILO)

Summary	
Organisation: <b>International Labour Organisation</b>	Date: February 2011
Description of Organisation	
<p>The ILO is a UN specialised agency responsible for drawing up and overseeing international labour standards. It is 'tripartite' in that it brings together representatives of governments, employers and workers to shape its policies and programmes. Its flagship “Decent Work” agenda covers employment opportunities and rights at work, social protection and strengthened social dialogue. The ILO established the Global Jobs Pact, a component of the G20's response to the financial crisis. In 2008/09 it mounted a global campaign on maternity protection. Its Better Work Programme helps private enterprises comply with core labour standards.</p> <p>The ILO's Governing Body composes 28 government members, 14 employer members and 14 worker members. The UK currently holds a permanent government seat.</p> <p>The ILO has two main sources of income. The primary source is assessed contributions to its regular budget, 60% of which counts as ODA. The regular budget for the 2010-2011 biennium is \$726.7m. The regular budget has increasingly been supplemented by extra-budgetary support, estimated at \$425m for 2010-11. Donor contributions to the ILO Regular Budget Supplementary Account (RBSA) are a substantial component of this extra-budgetary support. The RBSA supports the ILO's development work and is classified as 100% ODA.</p> <p>The Department for Work and Pensions is the Whitehall lead on the ILO and pays the UK assessed contribution, approximately £16 million each year. From 2006-2009 DFID contributed £19.85 million to the ILO in extra-budgetary support through a Partnership Framework Agreement (PFA). The PFA focussed on four main strands of the ILO's work:</p> <ul style="list-style-type: none"> <li>• Its contribution to the wider UN reform agenda.</li> <li>• Decentralisation of the Decent Work Country Programmes and their integration in to the one-UN framework.</li> <li>• Progress on results based management (RBM).</li> <li>• Support to African Cooperatives.</li> </ul> <p>Of the total DFID contribution of £19.85 million over 2006-2009, £6 million was paid into the RBSA, making the UK the largest donor to the RBSA.</p> <p>The PFA expired in March 2010; the final payment was made in October 2009. No successor agreement is planned. There have been few examples in recent years of the ILO receiving funding from DFID country offices.</p>	

<b>Contribution to UK Development Objectives</b>	<b>Score (1-4)</b>
<p><b>1a. Critical Role in Meeting International Objectives</b></p> <ul style="list-style-type: none"> <li>+ The ILO has a leadership role on labour issues and decent work (established MDG indicator 1b).</li> <li>- The impact of the ILO's work on MDG 1 is unclear.</li> <li>- There is no clear evidence that the scale of ILO operations is sufficient to leverage significant impact on the MDGs or on global economic growth.</li> <li>- The ILO needs to restructure and improve its internal processes to enable it to deliver more effectively on the ground.</li> <li>= Both country mission evidence and desk-based evidence confirm the ILO's low criticality and limited effectiveness in meeting the MDGs.</li> </ul>	<b>Weak (2)</b>
<p><b>1b. Critical Role in Meeting UK Aid Objectives</b></p> <ul style="list-style-type: none"> <li>+ The ILO's research and analytical capacity and its advocacy on employment with decent work resulted in the integration of employment issues within MDG 1.</li> <li>+ The ILO contributes to some aspects of social protection in terms of its norms and standards work as well as working through dedicated programmes and activities.</li> <li>- The ILO lacks a technical and delivery capability to match its policy advocacy successes.</li> <li>= The ILO's contribution to UK aid objectives is limited by its narrow remit, lack of criticality and delivery constraints.</li> </ul>	<b>Weak (2)</b>
<p><b>2. Attention to Cross-cutting Issues:</b></p> <p><b>2a. Fragile Contexts</b></p> <ul style="list-style-type: none"> <li>+ The ILO worked with UNDP to develop a UN policy on post conflict employment creation.</li> <li>- We could find no evidence of the ILO using this policy or monitoring its implementation across the UN.</li> <li>- Evidence from Sierra Leone paints a very negative picture of the ILO's ability to play a leadership role on employment issues in fragile states.</li> <li>- We could find no evidence to demonstrate that the ILO regularly monitors its performance in fragile states.</li> <li>= Although there are limited instances where the ILO has played a role in conflict and post-conflict situations its track record is patchy and it is not putting policy in to practice on a consistent basis.</li> </ul> <p><b>2b. Gender Equality</b></p> <ul style="list-style-type: none"> <li>+ The ILO has a dedicated team of 20 gender specialists and a 130-strong network of gender focal points.</li> </ul>	<p style="text-align: center;"><b>Weak (2)</b></p> <p style="text-align: center;"><b>Satisfactory (3)</b></p>

<ul style="list-style-type: none"> <li>+ There is a large team in place to help focus on gender issues. Gender equality is at the heart of the Decent Work Agenda.</li> <li>+ The gender equality action plan was being implemented in 2010. Gender is mainstreamed through the Decent Work Country Programmes and is evaluated by GENDER Department.</li> <li>+ The ILO promotes gender equality through social dialogue. Gender audits are shared with UN partners to encourage replication.</li> <li>- More work is needed to ensure the good gender structure delivers to its full potential and can demonstrate successes.</li> <li>= There is good work on gender equality, but the ILO could do more to deliver and demonstrate gender results.</li> </ul> <p><b>2c. Climate Change and Environmental Sustainability</b></p>	<p><b>Not scored</b></p>
<p><b>3. Focus on Poor Countries</b></p> <ul style="list-style-type: none"> <li>- Scores for the UN specialised agencies (UNIDO, UNESCO, WHO and ILO) with the exception of FAO are obtained by using a breakdown by country for all specialised agency expenditure. As a group they spend 43% of their resources in the countries in the top quartile of an index that scores developing countries based on their poverty need and effectiveness (the strength of the country's institutions). This is low compared with most of the other multilaterals assessed by this index.</li> <li>- In addition, ILO spend significant resources in middle income countries with low absolute poverty numbers including upper middle income countries.</li> </ul>	<p><b>Weak (2)</b></p>
<p><b>4. Contribution to Results</b></p> <ul style="list-style-type: none"> <li>+ New Outcome Based Work plans should improve results and impact.</li> <li>- There is mixed progress on delivery at the country level.</li> <li>- There is mixed evidence of the significance of the ILO's contribution to development, humanitarian results or poverty reduction.</li> <li>- RBM is just beginning to embed itself in the culture and practices of the organisation. This has not yet affected delivery on the ground.</li> <li>= The ILO's contribution to development objectives is limited by weaknesses in delivery. Measures are in place that could deliver improvements over time.</li> </ul>	<p><b>Weak (2)</b></p>

<b>Organisational Strengths</b>	<b>Score (1-4)</b>
<p><b>5. Strategic and Performance Management</b></p> <ul style="list-style-type: none"> <li>+ There is a clear mandate and adequate line of sight to strategy and implementation plans.</li> <li>+ An evaluation unit and systems are in place to enable evaluations to inform programme and budgets.</li> <li>- ILO leadership is not effective at prioritisation.</li> <li>- Despite some progress towards merit-based appointments, ILO recruitment decisions are perceived as being influenced by external lobbying on occasion.</li> <li>- The roll-out of the Integrated Resource Information System (IRIS) has been slow. As a result problems persist in monitoring projects and reporting on results.</li> <li>- The ILO has an inefficient governing body.</li> <li>- Although an improved results framework is in place, there is still the need to include outputs to ensure a full results chain is visible.</li> <li>= The ILO's strategic and performance management is improving from a relatively low baseline but the recent steps forward have not yet delivered a strong performance management system.</li> </ul>	<b>Weak (2)</b>
<p><b>6. Financial Resources Management</b></p> <ul style="list-style-type: none"> <li>+ The ILO can make predictable long term commitments and has adequate policies and processes for financial accountability.</li> <li>+ Aid flows from the regular budget are reviewed regularly to ensure delivery rates are met.</li> <li>- While evaluation evidence clearly identifies areas of weak performance, this is not systematically acted upon.</li> <li>- There is no clear and transparent internal mechanism for the overall allocation of funding.</li> <li>- The ILO's governing body does not adequately follow up on evaluation findings in order to redirect funding to better performing areas.</li> <li>= The ILO's overall effectiveness is significantly diminished by a failure to ensure steps to improve value for money are pursued with adequate vigour.</li> </ul>	<b>Weak (2)</b>
<p><b>7. Cost and Value Consciousness</b></p> <ul style="list-style-type: none"> <li>- There is clear evidence at the country-level that cost-efficiency is not taken seriously and that consideration for value for money as set out in procurement principles is not always adhered to.</li> <li>- No evidence was found of procurement savings targets.</li> <li>- The ILO's outdated field structure impedes effective delivery on the ground in the least developed countries.</li> <li>- 62% of ILO evaluations have failed to address cost</li> </ul>	<b>Unsatisfactory (1)</b>

<p>effectiveness issues.</p> <ul style="list-style-type: none"> <li>- The ILO's governing body only occasionally challenges management on value for money issues.</li> <li>- Limited progress has been made in realising efficiency savings in administration budgets though there have been some encouraging signs eg on savings on travel budgets.</li> <li>= Cost control in the ILO is weak and while there is evidence of limited central efficiency saving efforts, is no evidence was found that adequate cost control is being applied at the project and country level.</li> </ul>	
<p><b>8. Partnership Behaviour</b></p> <ul style="list-style-type: none"> <li>+ There are some good examples of the ILO working with partners eg social partners or international financial institutions.</li> <li>+ There is some good evidence of the ILO helping governments to develop their own country systems.</li> <li>+ The priorities of the Decent Work Country Programmes are derived from countries' national development plans.</li> <li>- Beneficiary voice is not adequately incorporated into policy making or programme design.</li> <li>- The focus on Trade Union members can serve to exclude those working in the informal sector.</li> <li>= The ILO's tripartite structure and programme approach support good partnership behaviour overall.</li> </ul>	<b>Satisfactory (3)</b>
<p><b>9. Transparency and Accountability</b></p> <ul style="list-style-type: none"> <li>+ A clear disclosure policy is in place.</li> <li>+ There is good representation of member states within the ILO's governance structure.</li> <li>+ General information on the ILO's purpose, vision and activities is widely available.</li> <li>- Specific information on results and expenditure is limited. The establishment of a donor dashboard (project database) is a step forward - but it offers limited information, is not yet fully functional, and is not in the public domain.</li> <li>- The ILO does not systematically encourage or pursue transparency and accountability in delivery partners and recipients.</li> <li>= There is evidence of some good practice in transparency and accountability but the ILO's external project database is inadequate and there is insufficient data in the public domain on expenditure and results.</li> </ul>	<b>Weak (2)</b>
<b>Likelihood of Positive Change</b>	<b>Score (1-4)</b>
<p><b>10. Likelihood of Positive Change</b></p> <ul style="list-style-type: none"> <li>+ Improvements in results based management should be</li> </ul>	<b>Uncertain (2)</b>

achieved through the introduction of Outcome Based Work plans.

- Tripartite structure can impede progress in important areas of reform.
- = The scale of reform implies that the governing body would need to act more decisively than it has in the past for there to be substantive positive change.