



Governing Body

320th Session, Geneva, 13–27 March 2014

GB.320/PFA/3

Programme, Financial and Administrative Section
Programme, Financial and Administrative Segment

PFA

Date: 19 February 2014

Original: English

THIRD ITEM ON THE AGENDA

Strategic Policy Framework

Purpose of the document

The Governing Body is invited to decide whether a new strategic plan for a transitional period of two years in 2016–17 pending alignment with a four-year cycle as of 2018 should be submitted at its November 2014 session and included in the Programme and Budget proposals for 2016–17 (see draft decision in paragraph 19).

Relevant strategic objective: All four strategic objectives and governance, support and management.

Policy implications: The guidance of the Governing Body will inform the preparation of a new strategic plan.

Legal implications: None.

Financial implications: None.

Decision action required: Subject to the guidance of the Governing Body.

Follow-up action required: The Office will be required to take action based on the Governing Body's guidance.

Author unit: Strategic Programming and Management Department (PROGRAM).

Related documents: GB.319/PFA/2; GB.306/PFA/12/2; GB.306/PFA/ICTS/1; GB.306/PFA/12/3; GB.306/TC/1; GB.310/PFA/4/1(Rev.).

Introduction

1. Following a preliminary discussion of steps towards a new strategic plan in October 2013,¹ the Governing Body adopted the following outcome at its 319th Session:

The Governing Body wished to give further consideration to the question of a new Strategic Policy Framework at its 320th Session (March 2014) on the basis of a paper from the Office that would provide additional information on the implications of shifting to a four-year strategic plan and alignment with the UN recommended cycle.²

2. This document provides additional information on the main issues that need to be addressed for the preparation of a new strategic plan.

A four-year cycle

3. The United Nations (UN) General Assembly has mandated funds and programmes and encouraged specialized agencies to adopt the quadrennial comprehensive policy review (QCPR) planning and reporting cycle. Eleven out of 19 UN entities have aligned their strategic plans with the QCPR.³ Currently this cycle is for 2014–17, followed by 2018–21. Given that the current Strategic Policy Framework ends in 2015, the ILO would be in a position to align itself with the four-year cycle in 2018.

Transitional arrangements

4. In order to align itself with the next QCPR cycle, the ILO would have to adopt transitional arrangements for 2016–17. This would imply basing the Programme and Budget for 2016–17 on a new transitional strategic framework, specifically for those two years. In 2017 the ILO would then adopt a new strategic plan for the four-year period 2018–21. Preparations for this would have to start in 2016.
5. Defining a strategic plan requires determining the key results an institution sets out to achieve over a planning period, defining the strategies that would yield those results, and mobilizing all available resources towards their realization, together with robust performance indicators allowing for the objective assessment of performance.

Lessons from the current Strategic Policy Framework

6. Under the Strategic Policy Framework 2010–15 the ILO defined decent work for all working women and men as the overall goal, broken down into four strategic objectives of employment, social protection, social dialogue and rights at work, and further divided into

¹ GB.319/PFA/2.

² GB.319/PV/Draft, para. 606.

³ These include, inter alia, the United Nations Children's Fund (UNICEF), the World Food Programme (WFP), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP) and the United Nations Population Fund (UNFPA).

19 outcomes with related indicators and measurement criteria and targets. Experience has provided the following lessons:

- the value of a unified strategic framework as a common management instrument applied throughout the ILO;
- outcomes stated as broad objectives can raise measurement difficulties;
- the more outcomes, the greater the coordination problems arising during implementation and reporting, creating a risk of fragmentation;
- with a relatively large number of recorded results, questions arise as to the best method of aggregating country results in order to better grasp overall progress;
- the ability to achieve depth and scale of results is dependent on a combination of a solid analytical basis, tested partnerships with national, regional and global institutions, and a robust implementation strategy; and
- in the light of the Programme and Budget for 2014–15, which, inter alia, includes a focus on eight areas of critical importance (ACIs), the Governing Body expressed strong support for a smaller number of areas of key results focused on highly topical issues. This approach should be applied to any new strategic plan.

Determining a revised set of outcomes

7. A number of policy orientations and drivers can guide the identification of a set of outcomes for the future planning period, including:
 - ILO fundamentals, from Constitutional objectives of social justice to the 1998 Declaration on Fundamental Principles and Rights at Work, the 2008 Declaration on Social Justice for a Fair Globalization and the body of international labour standards;
 - recent International Labour Conference decisions and conclusions, including on youth employment, social protection floors, and recurrent item discussions;
 - the Director-General's seven centenary initiatives shared in June 2013;
 - regional and country priorities as identified in Regional Meetings and in recent Decent Work Country Programmes (DWCP);
 - key world of work challenges from the application of international labour standards to employment quality and quantity, sustainable enterprises, skills and labour markets, technology, informality and many more;
 - global and regional agenda-setting orientations, such as the UN post-2015 development agenda, and regional agendas, which have highlighted the role of employment and social protection policies in reducing poverty;
 - ILO capacity to carry out major programmes of cooperation with constituents, including the mobilization of resources, in significant partnerships with national, regional and global institutions;
 - ILO capacity to deliver high-quality analysis of current and future trends in the world of work to inform global, regional and country policy debates.

Options for defining a strategic framework

8. Option one: building a transitional strategic plan around the eight ACIs identified for 2014–15 by expressing these as outcomes. The ACIs are drawn from the list of outcomes of the Strategic Policy Framework 2010–15 yet they introduce new and more integrated methods of work that could have a significant impact. An additional two years to draw lessons from this approach could be well justified.
9. Option two: as above, but on the basis of amendments to the current list of ACIs should the Governing Body decide to revisit this list or adjust the topics of one or several of the ACIs in the light of additional considerations.
10. Option three: preparing a new set of outcomes with a related performance measurement framework.
11. The first option is the least onerous in terms of additional investments required whereas the third option would require a significant effort. The second option would fall somewhere in between. All three options would require the elaboration of a new performance measurement framework.

Measurement of ILO performance

12. The ILO has made progress on its results-based management approach, which is now well ingrained in its programming and reporting culture. Notwithstanding this progress, there are areas for further improvement. Four such areas are identified below:
 - Tracking overall progress. Global institutions tend to track overall progress through one or two indicators, such as extreme poverty for the UN and the World Bank, infant mortality for the United Nations Children’s Fund (UNICEF) or hunger for the Food and Agriculture Organization of the United Nations (FAO). The ILO’s overall goal remains the promotion of decent work opportunities for all women and men. In this regard, identifying a small number of indicators to track overall progress continues to be a challenge. These indicators should relate to the depth, quality and nature of the results achieved. Some progress has been achieved through recent work on decent work indicators.
 - The ILO currently measures the number of results achieved in countries through the indicators under each outcome. This yields two numbers: the number of outcomes for which the target results have been achieved; and the total number of results. Measuring the results of ILO work at the country level through indicators is in accordance with UN standards. However, the aggregation of these results (for instance 85 or 115 per cent of targets achieved, or over 800 country results achieved) does not say much about the depth, quality and nature of the results achieved. This can pose difficulties when interpreting overall ILO performance.
 - A number of products and services delivered by the ILO (global and regional products and services) are not measured even though ILO resources are assigned to them. For instance the Programme Implementation Report 2012–13 identifies a list of “most significant outputs” for each outcome. A full account of all resource use would seem desirable.

- Each outcome should be accompanied by one to three indicators with a statement of risks, assumptions and a baseline. Indicators should measure the extent to which, in qualitative and quantitative terms, ILO-delivered outputs, alone or in partnership with other institutions, have contributed to the achievement of an expected outcome.

Strategic plan and reforms to ILO field operations

13. The new strategic plan will need to take full account of the changes that are likely to be introduced as a result of the review of field operations now under way in the context of the reform process. In particular, the strategic plan should clarify responsibilities for delivering national results, or delivering global and regional products and services, so as to ensure coherence.
14. Likewise, it is desirable to clarify the role of DWCPs as the ILO's programming instrument in countries, and the responsibility for delivering country programme outcomes.

Governance, support and management strategies

15. Two governance, support and management (GSM) outcomes on the use of resources and on governance are tracked in the Strategic Policy Framework 2010–15, supported by the achievements of five results-based management strategies on human resources,⁴ information technology,⁵ knowledge,⁶ technical cooperation⁷ and evaluation.⁸ It may be appropriate to revisit these outcomes and strategies in the light of what has been achieved, the lessons that can be drawn and the Director-General's reform plans. Particular attention should be given to the efficient functioning of the ILO's support services.

Next steps

16. Based on the previous guidance provided by the Governing Body and the considerations outlined above, a strategic plan skeleton could be prepared by June 2014 and be the subject of informal consultations during the International Labour Conference. In parallel, initial preparatory work on the Programme and Budget proposals for 2016–17 would be started.
17. A preview of the Programme and Budget proposals for 2016–17 and of a new transitional strategic plan would be submitted to the Governing Body in November 2014.
18. The Director-General's Programme and Budget proposals for 2016–17 would incorporate the transitional strategic plan and be presented to the Governing Body at its March 2015 session.

⁴ GB.306/PFA/12/2.

⁵ GB.306/PFA/ICTS/1.

⁶ GB.306/PFA/12/3.

⁷ GB.306/TC/1.

⁸ GB.310/PFA/4/1(Rev.).

Draft decision**19. The Governing Body requests the Director-General to:**

- (a) present a draft transitional strategic plan for the period 2016–17 to the 322nd Session of the Governing Body (November 2014) for its consideration; and*
- (b) to include the transitional strategic plan for 2016–17 in the Director-General's Programme and Budget proposals for 2016–17.*