



International
Labour
Organization



▶ Development Cooperation

Internal Governance
Manual





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Abbreviations

| | | | |
|-----------------|--|---------------------|---|
| AA | Administrative Agent | DCOMM | Department of Communication |
| ACT/EMP | Bureau for Employers' Activities | DCFPR | Development Cooperation Final Progress Report |
| ACTRAV | Bureau for Workers' Activities | DCSU | Development Cooperation Support Unit |
| ADB | Asian Development Bank | DEFP | Departmental Evaluation Focal Point |
| AECID | Spanish Agency for International Development Cooperation | DFID | UK Department for International Development |
| AGFUND | Arab Gulf Fund for United Nations Development | DIM | Direct Implementation Modality |
| AOS | Administrative and Operational Services (UNDP) | DO | Designated Official |
| AWP | Annual Work Plan | DSA | Daily Subsistence Allowance |
| BMS | Budget Management System | DWA | Decent Work Agenda |
| BMS/TC | Budget Management System/Technical Cooperation | DWCP | Decent Work Country Programme |
| BPS | Budget Preparation System | DWT | Decent Work Team |
| BRR | Budget Revision Request | DWT/CO | Decent Work Technical Support Team and Country Office |
| BUD/DC | Budget/Development Cooperation Unit | ECOSOC | Economic and Social Council |
| BUDFIN | Budget and Finance Branch | EMCP | Evaluation Manager Certification Programme |
| CABINET | Director-General's Office | EU | European Union |
| CCA | Common Country Assessment | EVAL | Evaluation Office |
| CCA/UNCF | Common Country Assessment/United Nations Sustainable Development Cooperation Framework | ILO SECURITY | ILO Security |
| CO | Country Office | FMS | Financial Management System |
| CPO | Country Programme Outcome | FT | Fixed-term |
| CTA | Chief Technical Adviser | GB | Governing Body |
| DAC | OECD Development Assistance Committee | GED | Gender, Equality and Diversity Branch |
| DDG/FOP | Field Operations and Partnerships | GP | Global Product |
| DAO | Delivering As One | GS | General Service |
| DC | Development Cooperation | GVT | Government |
| | | HLF | High Level Forum |

| | | | |
|-------------------|---|--------------------|--|
| HQ | Headquarters | MDGs | Millennium Development Goals |
| HR | Human Resources | MOU | Memorandum of Understanding |
| HR/OPS | Staff Operations Branch | M&E | Monitoring and Evaluation |
| HRD | Human Resources Department | MTE | Mid-Term Evaluation |
| HRD-HQ | Headquarters Human Resources Department | MTR | Midterm Review |
| HRD/Talent | HRD Talent Management Unit | NGO | Non-governmental Organization |
| ICSC | International Civil Service Commission | NO | National Professional Officer |
| IFI | International Financial Institutions | NORMES | International Labour Standards Department |
| IGDS | Internal Governance Documents System | NPC | National Project Coordinator |
| ILC | International Labour Conference | OBW | Outcome-based Workplan |
| ILO | International Labour Organization / International Labour Office | OCT | Outcome Coordinating Team |
| ILS | International Labour Standards | ODA | Official Development Assistance |
| INTSERV | Internal Services and Administration Department | OGA | Oracle Grants Accounting |
| IP | Implementation Plan | OECD | Organisation for Economic Co-operation and Development |
| IRIS | Integrated Resource Information System | OECD/DAC | OECD Development Assistance Committee |
| IRIS/SM | Integrated Resource Information System/ Strategic Management | OFC | Office Financial Clearances |
| IT | Information Technology | OSH | Occupational Safety and Health |
| ITCILO | International Training Centre of the ILO | PARDEV | Partnerships and Field Support Department |
| JD | Job Description | PARDEV/DCSU | PARDEV Development Cooperation Support Unit |
| JP | Joint Programme | P&B | Programme and Budget |
| JPO | Junior Professional Officer | PCI | Provision for Cost Increase |
| JPR | Jobs for Peace and Resilience | PCN | Project Concept Note |
| JUR | Office of the Legal Adviser | PMF | Performance Management Framework |
| LCA | Local Contracting Authorization | PPP | Public and Private Partnerships |
| LPA | Local Purchase Authorization | PROCUREMENT | Procurement Bureau |
| LPS | Local Payroll System | PRODOC | Project Document |
| | | PRODOC/PCN | Project Document/Project Concept Note |

| | | | |
|----------------|---|-----------------|--|
| PROGRAM | Strategic Programming and Management | SSTC | South–South and Triangular Cooperation |
| PRS | Poverty Reduction Strategy | ST | Short-term |
| PRSP | Poverty Reduction Strategy Paper | SWOT | Strengths, Weaknesses, Opportunities and Threats |
| PSC | Programme Support Cost | TOR | Terms of Reference |
| PSI | Programme Support Income | TREASURY | Treasury and Accounts Branch |
| QCPR | Quadrennial Comprehensive Policy Review | TRES/OPS | Treasury Operations Section UN United Nations |
| RB | Regular Budget of the ILO | UNCF | United Nations Sustainable Development Cooperation Framework |
| RBB | Results-based Budget | UNCT | United Nations Country Team |
| RBM | Results-based Management | UNDP | United Nations Development Programme |
| RBSA | Regular Budget Supplementary Account | UNDSS | United Nations Department of Security and Safety |
| RBTC | Regular Budget for Technical Cooperation | UNEG | United Nations Evaluation Group |
| RC | Resident Coordinator (same as UNRC) | UNFPA | United Nations Population Fund |
| RCS | Resident Coordinator System | UNHCR | United Nations High Commissioner for Refugees |
| REO | Regional Evaluation Officer | UNICEF | United Nations Children’s Fund |
| RM | Responsibility Matrix | UNLP | United Nations Laissez-Passer |
| RO | Regional Office | UNRC | United Nations Resident Coordinator |
| RO | Regional Office | UNS | United Nations Systems |
| RSM | Residential Security Measures | UNDG | United Nations Development Group |
| SDG | Sustainable Development Goals | UNSDG | United Nations Sustainable Development Group |
| SECTOR | Sectoral Policies Department | VFM | Value for Money |
| SMART | Specific, Measurable, Available, Relevant, Time-bound | WBS | Work Breakdown Structure |
| SM/IP | Strategic Management/Implementation Planning | XBDC | Extra-budgetary Development Cooperation |
| SPF | Strategic Policy Framework | | |
| SRA | Security Risk Assessment | | |
| SRMR | Security Risk Management Recommendations | | |
| SRM | Security Risk Management | | |
| SST | Special Short-term | | |

Development Cooperation Internal Governance Manual



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About the Manual

This chapter clarifies the purpose and set-up of the manual

Development cooperation is an important means for the ILO and its constituents to achieve decent work outcomes. Development cooperation can be funded from the regular budget, as well as through voluntary contributions from development partners. Voluntary contributions complement ILO's own resources and represented 48 per cent of the overall budget available to the Organization during 2018–19. Voluntary contributions are allocated to ILO country and global outcomes and are usually managed through development cooperation projects. On average the ILO has about 600 active projects in more than 100 countries, implemented with the support of over 120 development partners.

This Manual provides an overview of the policies, rules, procedures, and tools needed for the Office to manage its development cooperation projects. It is part of the ILO series of internal governance manuals and replaces the ILO Technical Cooperation Manual – Version 1 (2010).

The manual is intended for all ILO staff, in both the field and at Headquarters, who are involved in development cooperation projects.

Since 2010 partnership and funding modalities, the management practices of development projects and development cooperation policies have changed. The current version reflects these changes, including the ILO field operations & structure and technical cooperation review of 2013 as well as the review implementation plan. In addition, it builds upon the ILO Development Cooperation Strategy 2020–25, and policy guidance provided by the governing body and the International Labour Conference.

The manual is organized along the different phases of the ILO project cycle and comprises seven chapters:

Chapter one specifies the purpose and structure of the Manual.

Chapter two positions ILO's development cooperation strategy and programme in the global context and provides an in-house perspective.

Chapter three briefly describes the stages of the project cycle in the ILO, highlighting key documents required and their main function, together with the interrelationship of each stage.

Chapter four specifies how to design a project in three steps, by: analysing the project context; formulating the project strategy; and highlighting the steps to follow for project approval.

Chapter five introduces the appraisal and approval phases.

Chapter six provides an overview of project implementation tools and methods, and points to procedural aspects of project implementation.

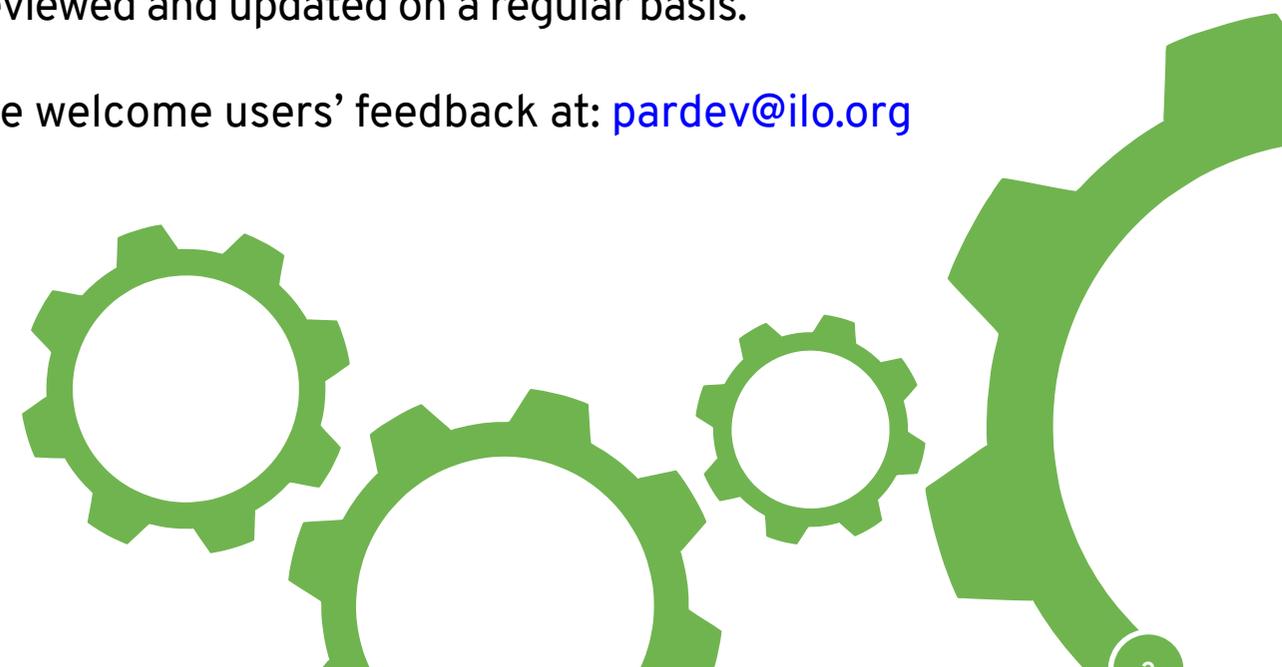
Chapter seven explains the ILO's evaluation policy, strategy and management, and indicates how evaluation results can be used for organizational learning.

The last four chapters guide users to the rules, processes, methodology and tools required in each of the phases of the ILO project cycle, as well as describing roles and good management practices.

Each chapter includes references to ILO policy documents, other internal governance manuals, Internal Governance Documents System (IGDS) and Minutes. Links to tools, templates and guides are provided that can also be found on the [PARDEV intranet page](#).

The Manual is the result of a collective effort under PARDEV coordination and authorship, with substantial inputs from Budget / Development Cooperation Unit (BUD/DC), Evaluation Office (EVAL), Human Resources Department (HRD), Internal Services and Administration (INTSERV), International Training Centre of the ILO (ITCILO) and Strategic Programming and Management (PROGRAM), and having benefited from peer reviews by colleagues in the field and at Headquarters. The content of this Manual will be reviewed and updated on a regular basis.

We welcome users' feedback at: pardev@ilo.org







Development Cooperation at the ILO

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This chapter positions the ILO's Development Cooperation Strategy and Programme in the strategic and global context

2.1 Global trends in the development cooperation context

We can identify three developments driving change in international development cooperation. Though the 2030 Agenda and the UN reform are not new, they have changed the international development cooperation landscape and consequently have important implications for the ILO's development cooperation strategy, especially within the context of pursuing a human-centred recovery from the COVID-19 pandemic.

Driver 1: Delivering the 2030 Agenda

The 2030 Agenda for Sustainable Development (2030 Agenda) is rights-based and focused on leaving no one behind. It incorporates decent work as a global aspiration and a universal goal, applicable to all member States, regardless of their economic, social or political status. The ILO must therefore offer development cooperation relevant to all country settings and tailored to constituents' demands and needs in order to maximize its impact.

The universality of the Decent Work Agenda also means that the ILO can rely on the support and partnership of a wide range of organizations – multilateral, regional, national, enterprises, and civil society. Consequently, the Organization must work to bring to bear its tripartite structure and reach out to others promoting decent work, while relying on its body of international labour standards¹. With the COVID-19 pandemic slowing progress in sustainable development, the global challenge to achieve the SDGs within this decade calls for accelerated action to build forward better². The ILO's 2019 Centenary Declaration for the Future of Work³ and the 2021 Global Call to Action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient⁴, frame the decent work contributions to the achievement of the SDGs.

¹ [International Labour Conference, 107th Session, Report IV, Towards 2030: Effective development cooperation in support of the Sustainable Development Goals, 2018.](#)

² [United Nations, "Sustainable Development Goals" in *Decade of Action*, and United Nations, "COVID response," in *UN Response to Covid-19*.](#)

³ [The ILO's 2019 Centenary Declaration for the Future of Work](#)

⁴ [Global call to action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient](#)

Financing for development is another major area of change. It has become clear that official development assistance (ODA) alone will not suffice to meet all the needs entailed by the Sustainable Development Agenda. New financing flows and mechanisms are needed for our common goals. ILO development cooperation can support constituents, development partners, and others in leveraging domestic, international, public and private resources for decent work outcomes in countries. Policy coherence is key in this respect⁵.

Box 1: Effective development cooperation

The ILO applies the Effective Development Cooperation principles as promoted by the Global Partnership for Effective Development Co-operation (GPEDC)⁶ in which the ILO participates through the UN Sustainable Development Group. The four effectiveness principles – which are at the core of the ILO Development Cooperation strategy – built upon earlier broad-reaching debates on aid effectiveness, and can be summarized as follows: 1. Country Ownership; 2. Focus on Results; 3. Inclusive Partnerships; and 4. Transparency and Mutual Accountability.

⁵ [International Labour Conference, 107th Session, Report IV.](#)

⁶ The Global Partnership for Effective Development Cooperation is a forum to drive implementation of the effectiveness and financing principles. Coordinated by the United Nations Development Programme (UNDP) and the OECD, the partnership includes developing and resource partner countries, civil society, business, and other development stakeholders.

Driver 2: UN reform

UN reform is transforming both country-level engagement within the UN development system, and the partnerships and funding of the work of the entities of the UN Sustainable Development Group (UNSDG). The implementation of Common Country Assessments and the UN Sustainable Development Cooperation Frameworks increases UN engagement with a wide range of stakeholders and partners.

Under the strengthened resident coordinator system, the resident coordinator now has general oversight of UN country-level work, as well as of UN engagement with the government, and development and funding partners. Resident coordinators are expected to engage in dialogue with employers' and workers' organizations when assessing development challenges and setting priorities for UN partnerships. Common Country Assessments should reflect the decent work situation, and the UN Cooperation Frameworks derived from those assessments should be based on national priorities⁷.

Driver 3: The COVID-19 pandemic

From a development cooperation perspective, the COVID-19 pandemic has had significant implications.

⁷ [GB.340/POL/6](#). Section III.4 Implications for ILO development cooperation.

Not only has the pandemic increased the urgency of having a common vision for delivering the SDGs, but also it has highlighted the greater need for adequate financing and the capacities to achieve the Goals, along with the appropriate policy approaches. The COVID-19 pandemic required the swift repurposing of ILO development cooperation programmes and projects for emerging and different needs, in consultation with constituents and funding partners.

In addition to addressing the demand for new types of services, the ILO also introduced changes in the way the Organization delivers its services. More and better use of digital tools, such as virtual missions, and new ways of collaboration with implementing partners and service providers have facilitated the continued provision of support, including through South-South, Triangular partnership and exchange modalities in collaboration with the ILO's International Training Centre (ITCILO). Yet, digital means are not a panacea. Equally, in light of adaptive management, another lesson learned concerns the need for having an adequate capacity in place, especially at the country level to ensure monitoring, delivery and risk mitigation.

Under such conditions, the ILO will have to operate on several fronts simultaneously: forging partnerships that advance policy objectives and coherence; engaging with IFIs to influence policy and financing decisions in support of decent work objectives; and securing funding for ILO programmes, projects and other activities from traditional and new funding partners. In a competitive and uncertain

environment, it is all the more critical for the ILO to be able to demonstrate that it can provide relevant and timely services that deliver impact and value for money⁸.

Box 2: Funding sources for ILO's work

Regular Budget (RB): The assessed contributions from the [ILO's 187 member States](#) are provided by virtue of their membership, with the exact amount per State set every two years by the International Labour Conference.

Regular Budget Supplementary Account (RBSA): Unearmarked voluntary contributions by a set of developing partners in support of Programme and Budget (P&B) outcomes, Country Programme Outcomes (CPOs) and global products.

XBDC: Contributions by funding partners to the ILO's global and country results frameworks that can be more or less earmarked. These include contributions to specific projects and programmes with a determined timeline and predefined geographic, or contributions to a thematic focus, P&B outcome or Decent Work Country Programme (DWCP).

Programme Support Income (PSI) is generated by charging programme support costs to voluntary contributions in accordance with agreements with resource partners. It is allocated by the Director-General to support the effective delivery of development cooperation projects and programmes. The level of PSI depends on the level of extra-budgetary expenditure.

⁸ [GB.340/POL/6](#).

2.2 Implementing the ILO Development Cooperation Strategy 2020–25

ILO development cooperation is a key means of action to carry forward the Organization's ambition of a human-centred recovery from the COVID-19 pandemic. Framed by the objectives of the ILO Centenary Declaration for the Future of Work and the ILO Strategic Plan, ILO development cooperation contributes to the achievement of its policy outcomes and relevant Sustainable Development Goals as defined in the ILO Programme and Budget. The ILO Development Cooperation Strategy 2020–25 and its accompanying implementation plan set out how the ILO can enhance the effectiveness of its development cooperation services to the tripartite constituents in its Member States⁹.

(i) Services to constituents

- Integrate development cooperation more effectively into the programme and budget
- Centre services on organizational and institutional capacity development by implementing the ILO-wide strategy for institutional capacity development¹⁰
- Provide data and evidence-based services and examples of what works

⁹ [GB.341/POL/4. Section III.3 The COVID-19 Pandemic](#)

¹⁰ [International Labour Office, 335th Session of the ILO Governing Body ILO-wide strategy for institutional capacity development. GB.335/INS/9.](#)

- Develop and offer services to constituents on the financing for decent work
- Promote South–South cooperation and South–South and triangular cooperation

(ii) Partnerships for policy coherence

- Support national priority-setting on decent work
- Facilitate policy coherence among development partners
- Leverage financing through policy coherence
- Multi-stakeholder partnerships for policy coherence
- Engaging with the private sector for policy coherence

(iii) Partnerships for funding

- Mobilize adequate resources for the ILO's programme of work
- Encourage unearmarked contributions
- Align earmarked contributions to ILO outcomes
- Expand funding partners and sources

(iv) Efficiency, decent work results and transparency

- Continue to improve results-based management
- Improve service provision at the country level
- Learn from past experience
- Meet accountability standard

Development cooperation can be funded through the Regular Budget (RB), Regular Budget for Technical Cooperation (RBTC) funds, Extra-budgetary Development Cooperation (XBDC) resources and the Regular Budget Supplementary Account (RBSA), as appropriate. This Manual refers to activities undertaken with XBDC resources on diverse subject areas and taking into account results-based management is common to all ILO work.

Currently the ILO conducts about 580 development cooperation projects in more than 100 countries, with the support of more than 120 development partners providing voluntary financial contributions to complement the ILO's own resources from its regular budget. Overall, voluntary contributions provided by the ILO's funding partners represented 42 per cent of funds available to the ILO over the period of 2019–20.

2.3 ILO's policy framework

At the global level the ILO's medium-term planning instrument is the [Strategic Plan](#). It is the expression of the strategic orientation of the Organization, what it aims to achieve and how. It provides a framework from within which biennial programme and budget documents are defined and progress is assessed.¹¹

¹¹ <https://intranet.ilo.org/en-us/program/Pages/strategic-plan.aspx>

The Programme and Budget establishes both a programme of work and a budget based on the priorities identified in the Strategic Plan. It specifies the strategies the ILO will implement in the biennium to achieve results and the capacities and resources necessary to do so, and authorizes the relevant regular budget expenditure. The Programme and Budget is adopted every two years by the International Labour Conference. See also Chapter 4, section 4.1.1.

Most ILO indicators refer to the number of member States in which a policy is applied or a capacity is developed or strengthened. To become measurable, these indicators require a statement of how much policy change or capacity development must take place before a member State can be counted towards the achievement of a given target. Each indicator is accompanied by a measurement statement that specifies the qualitative criteria that have to be met in order for a result to be counted as a reportable change. The expected results under each outcome focus on changes to be achieved in member States, with significant ILO contribution, in the following three areas:

- policies, strategies and regulatory or legal frameworks;
- capacity and institutional development for service delivery;
- knowledge, analytical capacity, statistics and information dissemination.

For more information, please refer to the [Programming Internal Governance Manual](#).

DWCPs are the ILO governance and programmatic documents that set priorities at the country level.¹² They are organized around a limited number of results-based outcomes that express the best possible intersection between country characteristics and policies, constituents' priorities, and the ILO's mandate and capacity. Country-level DWCP outcomes generally imply changes in skills/ functioning, behaviour/practices, conditions, status, and policies. These priorities then help establish Country Programme Outcomes.¹³

The above strategic and programmatic documents also contribute to, and align with, the broader results frameworks, such as national development plans, **UNCFs** and the SDGs.

2.4 Partnerships

The ILO collaborates, in addition to its tripartite constituencies, with a variety of partners to deliver its mandate: UN Agencies, national development agencies, the European Commission, multilateral organizations,

¹² See: <https://intranet.ilo.org/en-us/program/Pages/strategic-plan.aspx>.

¹³ For more information on CPOs, please refer to Chapter 4 – Project Design, section 4.1.1.1 – Analysis of the Policy and Programmatic Context.

international financial institutions, private sector institutions and foundations, universities, research and knowledge centres, and civil society organizations, e.g., organizations of persons with disabilities. Partners have different and complementary skills and resources that operate at different levels. They can, for example, influence policy, build capacity or provide expertise.

ILO's XBTC projects and programmes are situated at the intersection of three parameters:

- The needs expressed by the ILO's tripartite constituents through **DWCPs** or similar documents, taking into account their absorptive capacity;
- The mandate, expertise and field presence of the ILO;
- The thematic and geographic priorities of a funding partner.

Where these three overlap, a potential for partnerships for development cooperation exists.

2.4.1 Development partner typology

Domestic development funding

An increasing number of ILO member States commit resources from their own public budgets to partner with

the ILO. The ILO has labelled such cooperation “[Direct Trust Funds](#),” with an ILO member State entrusting the Office with financial resources to deliver technical assistance. Funding channelled through Direct Trust Funds to the ILO can come from different sources, such as national public resources, proceeds of grants or loans provided by International Finance Institutions, as well as through bilateral grants (direct budget support). Typically, this targets national policy priorities as agreed in Decent Work Country Programmes, with the ILO and the counterpart governmental agency agreeing on a specific project with clear deliverables and a budget.

The “like-minded group”

The “like-minded group” is a self-defined group of ILO resource partners, most of which are engaged with the ILO through multi-annual partnerships funded at the central level, contributing to [RBSA](#) and/or outcome-based funding. The group currently consists of Belgium, Denmark, Finland, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway and Sweden. These resource partners seek to work together to improve [Development Effectiveness](#) in their dealings with the ILO. The like-minded resource partners seek to engage with the ILO in a dialogue on institutional-level changes and improvements in the ILO’s overall governance. In return, they agree to rely on the existing ILO frameworks for the allocation of resources and the measurement of the ILO’s overall results.

Other (OECD/DAC) resource partners

These provide funding through a wide range of modalities, and include: the US Government (U.S. Department of Labor, U.S. Department of State, U.S. Agency for International Development); the European Commission; France (Ministry of Labour, French Development Agency, Ministry of Foreign Affairs); Korea (Ministry of Employment and Labour, Korean Overseas International Cooperation Agency); Japan (Ministry of Welfare, Health and Labour, Ministry of Foreign Affairs and Japanese International Cooperation Agency); Luxembourg; Spain (Spanish Agency for International Development Cooperation (AECID) and Ministry of Labour); Canada (Department of Foreign Affairs and Employment and Social Development Canada); Switzerland (Swiss Development Cooperation, State Secretariat for Economic Affairs and the canton of Geneva); and Australia.

Many of these partners have engaged with the ILO at the central levels, where PARDEV typically maintains regular contacts, as well as through local offices and embassies, where financial allocations are decentralized.

The UN system

The ILO is actively involved in the [UN Development Group](#) at the global level, in regional United Nations Development Group (UNDG) teams and in UN country teams (UNCTs), with the aim of mainstreaming the Decent Work Agenda in UN assistance programmes and enhancing the impact of the ILO Development Cooperation programme.

Since the introduction of “Delivering as One” in 2006, the UN system has become a major funding source for the ILO DC programme, through UN inter-agency collaborative arrangements and UN pooled funded mechanisms. In the most recent years, almost all those funds have been mobilized in the field, under UN joint programming frameworks (**UNCF**, ONE programme, Strategic UN – Government Plan) in line with the system-wide coherence reform and “Delivering as One” approach. Joint programming at country level with the other members of the United Nations Country Team (UNCT) and under the coordination of the UN Resident Coordinator has become crucial. Joint programming is the overall process through which the UN at the country level uses a harmonized approach to work with governments and other partners to prepare, support implementation, and monitor and evaluate cooperation programmes.

Pooled financing mechanisms called UNDG multi-donor trust funds, mostly administered by the **Multi Partner Trust Fund Office** located in UNDP, support the above-mentioned UN joint programming outcomes and cover broad humanitarian, transition, development, human rights promotion, and climate programmes.

Emerging partners and South–South and Triangular Cooperation

South–South and triangular cooperation is a partnership among equals that involves a learning process or exchange of expertise derived from initiatives for development that have been implemented in southern

countries, and which have proven effective.¹⁴ ILO’s **South–South and Triangular Cooperation Strategy** was endorsed by the GB in 2012; how to put the strategy into practice in development cooperation is explained in the **How-to Guide on SSTC and Decent Work**.

South–South and triangular cooperation initiatives can be held in the form of study tours, knowledge sharing platforms, etc., with the purpose of exchanging resources and technology or facilitating the transfer of knowledge and experience for developing skills and capabilities. It can be held between two or more countries from the South, and implemented at regional, subregional and interregional levels. “Triangular cooperation” is defined as South-South Cooperation supported by a Northern partner.¹⁵ Knowledge sharing is central to South–South and triangular cooperation. See the **good practices compilation** on SSTC for governments, workers, employers and civil society.

The **framework of operational guidelines** on UN support to South–South and triangular cooperation recognized, in 2012, the growth in relevance of South–South Cooperation in the last decade. Drawing on the Nairobi outcome document, this framework presents a cohesive definition of South–South Cooperation as a response to the calls for an operational definition that can be shared within the United Nations system.

¹⁴ Countries from the global south: Latin America, Africa and developing countries in Asia, including the Middle East.

¹⁵ GB.313/POL/7, p. 2

South–South Cooperation is a process whereby two or more developing countries pursue their individual and/or shared national capacity development objectives through exchanges of knowledge, skills, resources and technical know-how, and through regional and interregional collective actions, including partnerships involving Governments, regional organizations, civil society, academia and the private sector, for their individual and/or mutual benefit within and across regions.

The [Development Cooperation Strategy](#) emphasizes the need for the ILO to continue its efforts to mobilize extra-budgetary funding, including through diversification and innovation in its partnerships with continued emphasis on South–South and triangular modalities. The ILO is under South–South or triangular arrangements with partners such as Brazil and China.

International Financial Institutions

The ILO implements projects through funding (direct and indirect) mobilized from a number of regional development banks. For instance, the African Development Bank currently funds four projects in Cameroon, Mauritania, Sudan and Zimbabwe. Indeed, collaboration with this development partner has been made easy with the signature in mid-2017 of the Fiduciary Principles Agreement¹⁶ between the African

¹⁶ A standard template of a tripartite and implementation agreement annexed to the FPA was negotiated and agreed to by both institutions. This will facilitate future collaboration between both institutions as it eliminates the requirement to negotiate stand-alone project agreements.

Development Bank, the African Development Fund and the ILO. The Islamic Development Bank currently funds a project in Egypt and Tunisia, as well as another project in Morocco. Policy- level and operational engagement is on-going with the European Bank for Reconstruction and Development and the European Investment Bank. The Inter-American Development Bank and the Caribbean Development Bank represent unexplored potential.

Thematic Funds

There is a wide range of funds that provide funding, often for specific themes. Some of these are administered by large agencies such as the World Bank, pooling funds from different resource partners; some are purpose-built organizations that make available grant funding (e.g., Arab Gulf Fund for United Nations Development (AGFUND), Global Fund for Aids, Tuberculosis and Malaria). Such funds are often aimed at organizations and the Governments of developing countries; however, the ILO may be eligible to also apply or become accredited for some of these funding windows. PARDEV assists in the application processes for a number of these funds and facilities.

The private sector, foundations and non-state actors

The [2009 Office Procedure](#) defines a PPP as a voluntary and collaborative relationship between the ILO and one or more partners, including private and non-state actors, for the purpose of carrying out cooperative

activities of mutual interest.¹⁷ The ILO has been partnering with PPPs for development cooperation for more than a decade. Between 2008 and 2015, the ILO had 136 partnerships with the **private sector** (56%), 41 with **foundations** (16.9%), 32 with **academia** (13.2%), 23 with **other non-state actors** (9.5%), and 11 with **social partners** (4.5%), making a total of 243 partnerships. PPPs for development cooperation can be carried out with or without financial transactions, and are guided by the Director-General's Announcement ([IGDS No. 81](#)) and the Office Procedure ([IGDS No. 83](#)).

As a tripartite organization, the ILO integrates workers' and employers' organizations into its structure. In addition, it also cooperates with international [non-governmental organizations](#) (NGOs). When seeking engagement with INGOs, there are two type of partnerships that could be established. In the eventuality that the ILO is in the lead (meaning receiving the funds and managing them), the INGO would then be considered the implementing partner; in this case, [PROCUREMENT](#) should be consulted for guidance and clearance. On the contrary, if the INGO is chosen as the lead in the partnership (thus receiving the funds and managing them), then the agreement would take the form of a PPP; in this case, please consult [PARDEV](#) as a PPP procedure should be followed.

¹⁷ PPPs can take different forms, such as the exchange or pooling of knowledge and information, publication and research projects, campaigning or advocacy, meetings or other events, capacity building and training, the temporary placement of personnel, and other types of resources.

2.4.2 Funding modalities

Increasingly resource partners engage with the ILO through multi-annual partnership programmes. A number of different funding modalities are used in such partnerships. Each partnership has its own specificities, with the exact modalities of cooperation adjusted to the individual resource partners policies and needs.

Project-based partnership

Project-based partnership is a common funding modality, used by many of the ILO resource partners. This can concern either ad hoc funding for specific stand-alone projects, or a series of projects as part of a larger ILO/resource partners partnership. The selection of themes and countries should be based on the congruence between the ILO constituents' priorities, expressed in the DWCPs, and the resource partners' development policy goals. Funds are allocated to concrete projects and may cover one particular issue prioritized in one DWCP, a particular thematic area prioritized by several countries, or a set of different themes within one or several countries.

- *Legal agreement:* Annual or multi-annual, with an underlying project/programme;
- *Funding:* Fixed contribution, with predefined instalments;
- *Approval process:* Prior to implementation, the ILO submits to the resource partner - for approval - the

appraised project proposal, which is based on the objectives of the partnership.

- *Reporting:* technical and financial reports prepared at the project or programme level.

Light thematic earmarking at the global level (outcome-based funding)

This modality is a hybrid between fully un-earmarked and earmarked projects. While the link to the resource partners' priority themes is maintained, decisions regarding detailed allocations across target countries are left to the ILO. This is done through an internal consultative process, based on the areas and countries prioritized for the biennium. The advantage of this modality is that it offers specific outcome level reporting to the resource partners, at the same time allowing the tracing of the broader context and the overall progress of the ILO in the selected thematic areas, through the Programme and Budget process and the ILO's biennial Programme Implementation Reports.¹⁸ Resource partners providing this type of funding include Ireland, Norway and Sweden.

- *Legal agreement:* Multi-annual agreement, light earmarking of funds at the level of selected Decent Work Outcomes;

- *Funding:* Fixed contribution, with predefined instalments;
- *Approval process:* For each biennium, the ILO undertakes internal consultation and programming processes, and informs the resource partners of the countries selected through submission of an inception report;
- *Reporting:* Consolidated outcome-level technical and financial reports prepared at the project level.

Regular Budget Supplementary Account (**RBSA**)

RBSA is a funding modality and an innovative mechanism for the ILO's resource partners to provide fully un-earmarked voluntary contributions. Contributions from different resource partners are pooled into one account and are strategically allocated by the ILO. RBSA is reserved for support to programmes in countries eligible for Official Development Assistance (ODA) and is a pivotal element of the ILO's integrated resource framework. RBSA is covered by all the means of oversight and governance of the regular budget in terms of implementation and reporting (more on the [ILO RBSA website](#)).

Flexible support to DWCPs

This modality offers the greatest focus on country-level action. Funding is provided to a selection of DWCP Outcomes with the ILO allocating resources to the

¹⁸ See Chapter 4 – The Programme Implementation Report, of the [Programming Internal Governance Manual](#)

other priorities at country level, or funding is provided to the DWCP without further earmarking. This approach enables strategic management of country-level resources and helps leverage additional funding. Resources are managed by the responsible country offices, with the objective of supporting their contribution to the overall results framework of the ILO.

Calls for proposals

Under this modality, the ILO is competing for funds with other applicants, in response to specific terms of reference provided under a call for proposals. Typically, specific formats are prescribed for applications and specific financial and administrative parameters need to be used. Funding partners typically issuing call for proposals include: the [European Union](#), which publishes such calls on an ongoing basis. Different agencies of the U.S. Government also issue calls for proposals (see www.grants.gov). Other resource partners, such as the UK Department for International Development (DFID) or the Asian Development Bank, may also on occasion issue calls for proposals that can be of interest to the ILO.

UN inter-agency collaboration and UN Joint programmes

Joint Programmes (JPs) – A joint programme is a set of activities contained in a joint work-plan and related common budgetary framework, involving two to five UN organizations and (sub)national governmental partners, intended to achieve results aligned with national

priorities as reflected in the **UNCF**/One Programme or an equivalent programming instrument or development framework. The work-plan and budgetary framework form part of a Joint Programme Document, which details roles and responsibilities of the partners in coordinating and managing the joint activities.

JPs are implemented by several agencies, financed by several development partners or one major resource partner, and administered by a designated agency, known as the Administrative Agency (AA). UNDP administers most JPs; the ILO is the AA for a few initiatives with like-minded resource partners.

There are three fund management modalities for JPs: i) parallel; ii) pooled; and iii) pass-through. The option adopted depends on the extent of joint resource mobilization, and the roles and responsibilities of each participating agency, although the modalities can also be combined.

The decision to select one or a combination of fund management modalities for a JP is based on a number of factors, such as the identified resource mobilization strategy, the number of participating agencies, whether there is consolidation of resources under a pooled fund, and the relevance of the collaborative modality to the achievement of an effective, efficient and timely implementation, as well as the best way to reduce transaction costs for national partners, resource partners and the UN System.

ILO's development cooperation procedures regarding budgets, project cycle management and appraisal also apply to JPs.¹⁹ When adopting the pass-through mechanism, participating agencies have pre-agreed to seven per cent (7%) support costs as per Article 8, Section II of the UNDP AA MOU with Participating Agencies standard template, in view of the reduced transaction costs). Built for each financial allocation, a reduced waiver will need to be authorized by the ILO Treasurer through BUDFIN. The Administrative Agent (AA) charges a 1 per cent (1%) fee for administering the funds.

Inter-agency programmes/projects

- i. When collaborating with UNDP, the **Direct Implementation Modality** (DIM) (Direct Execution by UNDP), Nationally Implemented Modality (NIM) as well as the UNDG simple inter-agency collaboration modality can be used when part of a joint programme setting and depending on the source of UNDP funds and nature of the collaboration. It is important to clarify from the start with UNDP local offices which modality is retained-between NIM-DIM and the inter-agency collaborative and funding arrangement. Under the budget sustaining UNDP's annual work plan (AWP),

the NIM and DIM modality have been a standard since the 1980s. It uses the ATLAS software system, without cash transfers to the agency that delivers specific services and some of the programme outputs to support the UNDP- Government (GVT) programme.

The AWP is well known to associated agencies as setting the budget available for the assistance of the UNDP Office to countries at regional and country levels. When UNDP associates a UN agency or GVT or Non- governmental Organization (NGO) with implementation of a programme, with specific services to be provided, the AWP is complemented by a Direct Implementation Modality agreement or a National Implementation Modality agreement.

UNDP Administrative and Operational Services (AOS) reimburse the ILO, or other external agencies as implementing agents, for the costs associated with the procurement and delivery of inputs for UNDP-financed programmes and projects. The current rate is a flat-rate reimbursement of 10 per cent (10%) of the project expenditure. As a specialized agency of the UN, the ILO is eligible to receive AOS for the implementation services that it provides to country, regional or interregional programme activities supported by UNDP.

- ii. Other UN organizations, such as United Nations Children's Fund (UNICEF), United Nations High Commissioner for Refugees (UNHCR), and United Nations Population Fund (UNFPA), have specific internal rules for the release of funds and reporting

¹⁹ ILO development cooperation procedures: Office Procedures on Technical cooperation budgets, [IGDS No. 118](#); on [Technical cooperation programmes and projects: project cycle management IGDS No. 154](#), and on [Appraisal mechanism for technical cooperation programme and project proposals, IGDS No. 155](#).

requirements. However, the ILO together with most of the Funds, Programmes and specialized agencies, has retained a simplified funding transfer arrangement agreed within the UNDG consultative process.

goes far beyond money. One important dimension of this is to both build and then maintain a good reputation in the delivering of results. One negative experience in a project in Country X may have a knock-on effect on the ILO's engagement with a partner in other countries, or even globally.

2.5 Resource Mobilization: a joint effort

Resource mobilization for ILO programmes is a joint responsibility of all ILO colleagues. To be successful, technical units, Field Offices and PARDEV have to work hand in hand. Local and central resource mobilization efforts must complement each other. On the side of our development partners, decisions on funding allocations involve both field representation and Headquarters (HQ) departments.

With an ODA structure undergoing significant changes, successful resources mobilisation will require a combination of close engagement of the Office with resources partners, and the ILO constituents as well as stronger engagement with the multilateral system to assure a more strategic and coherent mobilisation of ODA flows.

Efforts to mobilize resources should be seen as part of a wider strategy of engagement with development partners. Resource partners (donors) are looking to contribute to objectives and organizations that meet their own criteria and priorities, but also increasingly the focus is on wider “development partnerships” that

To engage in resource mobilization, a field office or technical unit should:

- **have an overall plan coordinated with other relevant units**, especially PARDEV, based on up-to-date, common and readily available background information on the development partners' thematic and geographic priorities and ongoing ILO engagement with them (available through PARDEV).
- **focus on nurturing contacts in the long run**. It is essential that resource partners perceive the ILO as a well-coordinated and consistent organization, with a clear focus and priorities.
- **assess the current status of ILO's relations** before reaching out to a development partner. PARDEV facilitates and coordinates relations between the ILO and “resource partners”, and can advise on rules and procedures, templates to be used, etc. PARDEV will further help prepare and clear legal and financial agreements.

The detailed mechanisms for funding and procedures vary across ILO's partners; assigned desk officers will be able to provide you specific guidance when preparing a submission for a proposal. See the [PARDEV Who does what website](#).

The following are basic principles that contribute to success:

1. A good, aligned, and relevant DWCP is the essential starting point for all efforts.

A good DWCP is aligned with what any potential resource partners will see as essential: national development plans, UN frameworks, relevant global commitments, etc. Resource mobilization must be based on realistic assessments of funding requirements for obtaining the agreed DWCP outcomes. Extra-budgetary resources must be solicited on the basis of existing resource gaps and after taking into account available contributions from regular budget sources (**RB**, RBTC, **RBSA**, and **PSI**).

It is important to act as “One ILO” in this respect. Field office staff, development cooperation staff and specialists on mission from Decent Work Teams (DWT), Headquarters and ITCILO should all support the same priorities for local resource mobilization, as set out in the DWCP.

2. Know what kind of development assistance and funding is available

Field Offices and units should continually identify funding opportunities and map resource partners with a particular interest in, or focus on, DWCP priorities. Every ILO staff member is a potential resource *mobilizer* and should thus have the necessary information at their disposal to market ILO and related country priorities when opportunities arise to interact with a potential resource partners.

Such gathering of resource partners intelligence includes compiling particular country-specific resource partners profiles (policies, thematic preferences, geographical focus areas and funding cycles). This should cover local embassies, European Union Delegations, World Bank or regional banks’ resident missions etc. In addition, non-state actors such as foundations and private-sector development partners represent possible sources of funding that should be explored. Moreover, UN funds (e.g., One UN Funds) and similar multi-donor trust funds are administering an increasing share of development assistance at country level.

Each field office should have a designated focal person for resource mobilization, who would have a particular role in mapping the resource partners landscape in a country and would be able to advise the office Director on strategic approaches.

Based on an analysis of the resources required to achieve the desired outcomes of the DWCP, and an outline map of the existing resource partners community, Field Offices should design a strategic approach for attracting the necessary extra-budgetary resources. The strategy should seek to match resource partners priorities with DWCP outcomes, and suggest measures to engage with the resource partners community accordingly. The strategy should also outline responsibilities for resource mobilization and consider the role of constituents in this respect.

3. Engage constituents in resource mobilization efforts

Just as a DWCP is developed in partnership between ILO and its constituents, so the effort to mobilize resources for the implementation of DWCP outcomes and outputs must be carried out in an equally close venture of shared responsibility. Such a consolidated approach may further strengthen the tripartite partnership in which the DWCP is developed, and inspire deeper ownership among DWCP partners for its outcomes.

Tripartite DWCP steering/implementation committees should be considered fora for addressing resource mobilization and for developing broad strategies and plans for attracting resource partners interest, as well as the allocation of national budgets (especially in middle-income countries) to DWCP outcomes. Hence, building the resource mobilization capacity of constituents at the national level should be considered.

4. Ensure good quality of project proposals

Project proposals must adhere to internal ILO requirements with regards to contents and presentation. All full proposals, before being formally submitted to a resource partners, must be appraised by technical experts, the regional office and PARDEV. (See Chapter 5 – Appraisal and Approval).

Field Offices and technical units should make a realistic assessment of their capacity to deliver on mobilized resources, in order to prevent under-delivery, which may affect future funding opportunities. This is a core principle of sound, results-based management.

5. Build on the ILO's comparative advantage and pursue ILO's mandate and Decent Work Agenda

It is important that ILO staff members have thorough knowledge of the respective DWCP, and of any past or ongoing development cooperation projects in the country, to discuss with potential resource partners. It is helpful to share with the resource partners past evaluation reports and information on specific products, tools and methodologies that may be relevant to any proposed new project.

Resource partners will also want to know how a proposed project relates to a country's development needs and priorities, including MDGs **UNCFs** and other country programming exercises.

The ILO should also demonstrate thorough knowledge of the priorities and issues facing the constituents in the country, as well as an understanding of how tripartism could enhance development efforts through the proposed project.

Box 3: Disability inclusion in DC programmes:

Development partners increasingly make the inclusion of persons with disabilities an integral part of DC programmes and projects, in line with the SDGs which aim to “Leave No One Behind” and which include persons with disabilities also in the areas of decent work and social protection. Some partners, however, might not bring up disability inclusion as a topic early on during initial discussions, so ILO colleagues are encouraged to highlight the comparative advantage and technical expertise the ILO has in the area of disability inclusion. Raising disability inclusion early on can positively reflect on the ILO and can have an added value for the negotiations on the funding of any DC programme or project. The UN Disability Inclusion Strategy has a specific indicator on programmes and projects against which the ILO reports annually. This will ultimately inform the development of, and report on, progress towards implementation of the [ILO Policy and Strategy on Disability Inclusion](#).

Importantly, the ILO’s DC programme, carried out with regular budget RBSA and extra-budgetary funds, should be presented as an integrated and coherent whole in support of agreed DWCP outcomes. The ILO does not “sell” services, but instead seeks funding for the execution of its constitutional mandate, and for the benefit of its constituents. Potential funding partners should share the ILO’s principles and goals, as well as its commitment to working with the tripartite constituents. At the very least, the funding partners’ local priorities and policies should coincide with and overlap with those of the ILO. In those cases in which the ILO does decide to respond to competitive bidding or similar contexts, this should be done because the possible work to be carried out is in line with the DWCP priorities agreed upon.

6. Communicate on results and human impact

Field Offices should seize opportunities to interact and meet with funding partner audiences by proactively engaging with local funding partner representatives through courtesy visits. Consideration should also be given to mapping any funding partner-hosted meetings and events in the country with a view to capitalizing on such events as communication, advocacy and resource mobilization platforms. Likewise, Field Offices should consider communication campaigns, strategies and special events in support of funding mobilization. It is important to include the donors’ logo and acknowledge their contribution in any public and outreach document produced by the project.

Communication tools should be developed on the base of evidence-based results and human impact assessment that highlight the ILO’s comparative advantage and approaches to specific development challenges.

Project site visits could be organized with potential funding partners to review the situation and problems to be addressed. Likewise, public relations materials that are short and straightforward should be readily available for distribution to potential funding partners.

Once funding has been received, it is important to maintain a close and honest relationship with funding partners by submitting timely reports, sharing information, promoting joint ownership and enhancing funding partners’ visibility.

7. Diversify

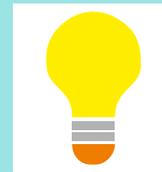
The ILO strives to have numerous and diverse funding partnerships, so as not to be dependent on a limited number of sources. ILO staff should explore and capitalize on new funding modalities. In addition to traditional government resource partner, non-state actors such as foundations and private-sector development partners represent possible sources of funding that should be explored. Moreover, UN funds (e.g., One UN Funds) and similar multi-donor trust funds are administering an increasing share of development assistance at country level.

The ILO should strive to have a diverse source of funding, so as not to be dependent on a limited number of resource partner. New and “emerging” resource partner, and the potential for South–South and triangular cooperation should be included in the resource mobilization efforts.

8. Build relations with the UN, especially the Resident Coordinator

In countries where the ILO is a non-resident agency, it is essential to foster close relations with the wider UN system and the Resident Coordinator (RC), in order to ensure ILO priorities are included in joint programming exercises.²⁰

²⁰ Often the RC is also the Designated Official for Security and chairs



TIPS – Resource mobilization at work

The following tips for resource mobilization in practice are based on the experiences of ILO colleagues in their relations with development partners.

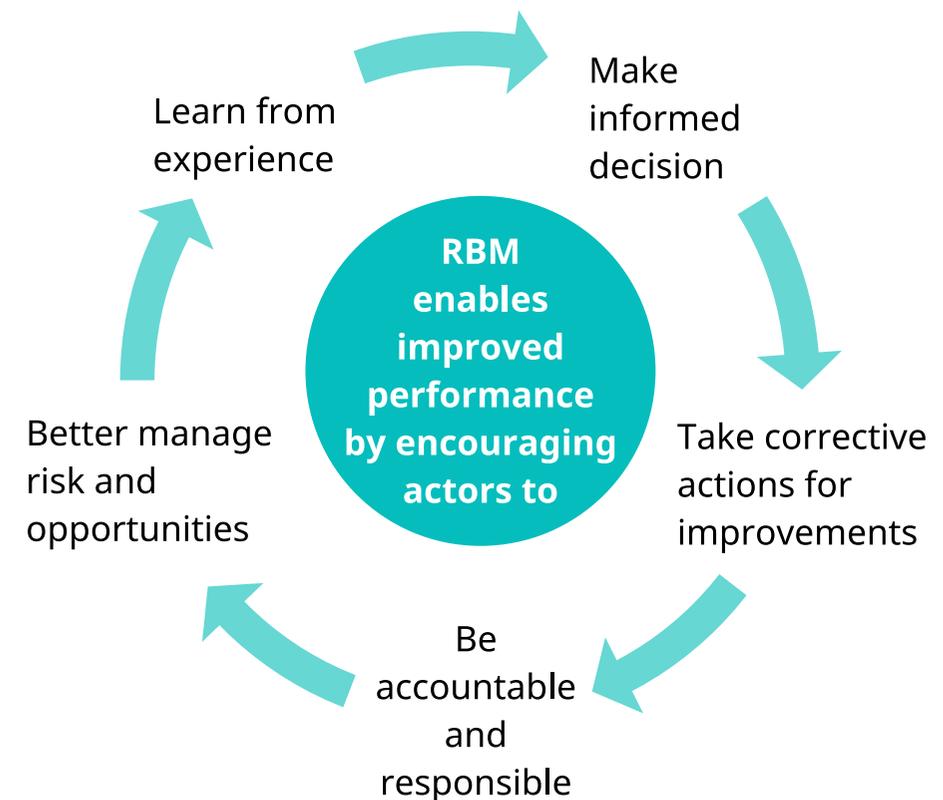
1. **Engage with development partners:** Invite UN and other agencies to ILO premises to present their programmes; invite partners to ILO events and get invited for theirs. Participate in technical forums in relevant areas for the promotion of the Decent Work Agenda.
2. **Establish mutual trust;** Build the relationship over time, be patient, and avoid being focused on money only.
3. **Work as a team (field office, project staff and Headquarters):** Share information early on, assign communication responsibilities, and allocate resources to it.
4. **Be proactive in programming:** For instance, be present when **UNCFs** or other frameworks are being designed or revised; volunteer to write up a concept note to take forward consultations with partners; seek leadership in the process.
5. **Propose phased funding:** An inception phase allows for thorough consultation with constituents and partners, and good quality proposals for the next phase.
6. **Leverage project core funding in-house (e.g., RBSA, RBTC, synergies with projects),²⁸ as well as externally,** by bringing other development partners on board, and by prioritizing a programme rather than a project approach.
7. **Communicate on results and human impact:** It is recommended to develop short and straight to the point public relations materials showcasing key results and ILO’s added value for distribution to potential resource partner.

2.6 Results-based Management (RBM)

RBM is a management strategy by which all actors, contributing directly or indirectly to achieving a set of results, ensure that their processes, products and services contribute to the achievement of desired results (outputs, outcomes and higher-level goals or impact). The actors in turn use information and evidence on actual results to inform decision making on the design, resourcing and delivery of programmes and activities as well as for **Accountability** and reporting.²¹

For the ILO, RBM means that all results achieved should contribute to the overarching results framework, integrating decent work commitments and our tripartite approach into more comprehensive strategies that engage the UN system and other partners.²²

RBM encourages effectiveness, by focusing on clearly achievable results and efficiency, through the best use of available resources.²³ In development partners' reviews of the ILO, RBM is an important assessment criterion.



RBM is applicable to all ILO work and is put into action through the ILO's:

- **Programming cycle**, supported by the [ILO's Strategic Plan](#), the biennial Programme and Budget, Decent Work Country Programmes and Country Programme Outcomes. This is further explained in section 2.3 and Chapter 4, section 4.1;
- **Work planning and performance monitoring**, including outcome-based work-plans, unit work-plans and individual performance appraisals.

²¹ The UNDG RBM Handbook (2011).

²² Applying Results-based Management in the ILO, Guidebook, Version 2, June 2011.

²³ Ibid.

RBM applies to all phases and steps of the project cycle, including design, project management (planning, budgeting, monitoring) and evaluation. Through their linkage to CPOs and P&B outcome indicators, projects contribute to ILO's programming framework. See also Chapter 4, section 4.1. This is reflected in the [Integrated Resource Information System \(IRIS\)](#).

The [appraisal mechanism](#) ensures that project proposals meet technical and design standards, apply RBM principles, and contribute to achieving P&B and DWCP outcomes.

Table 1: Development effectiveness principles and ILO means

| Development effectiveness principles | | | | | |
|--------------------------------------|--|---|--|---|---|
| | Country ownership / Alignment | Harmonization | <i>Results</i> | Inclusive Partnerships | Mutual Accountability & Transparency |
| ILO means | <ul style="list-style-type: none"> Decent Work Country Programmes Involvement of constituents in the development cooperation project management cycle, project governance, and as recipients Project activities strengthen social dialogue mechanisms | <ul style="list-style-type: none"> Strategic Policy Framework supports SDGs implementation. United Nations Development Assistance Framework Joint Programmes Multi-donor funds | <ul style="list-style-type: none"> Results-based management framework | <ul style="list-style-type: none"> Social partners' participation in Public-Private Partnerships (PPP) Multi-stakeholder partnerships | <ul style="list-style-type: none"> Adherence to the International Aid Transparency Initiative public development cooperation dashboard Reporting to OECD-DAC <ul style="list-style-type: none"> Partners' and constituents' participation in evaluations, Public information On humanitarian related interventions, reporting is required also to OCHA Financial Tracking Service (FTS) Reporting to UN Office for South-South cooperation for South-South and Triangular Partnerships. |

2.7 Value for money

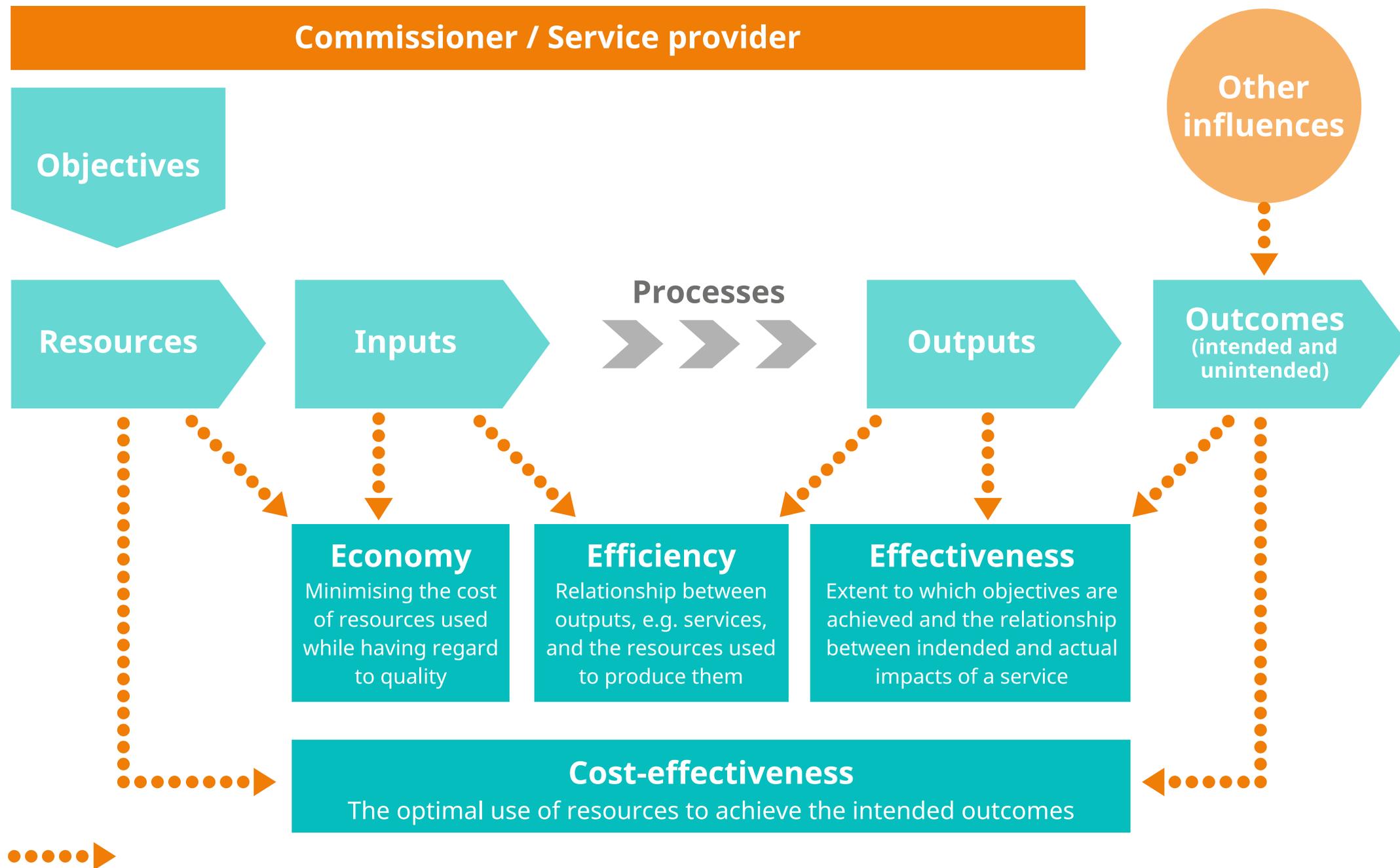
Another feature of the ILO's development cooperation is to provide quality value for money to its development cooperation programme. Value for Money (VFM) is not simply to economize on expenses, but to answer a "why" question: "why has this particular decision been

taken?" It is important to be able to demonstrate that VFM considerations have informed decision-making already from the project design phase. Although this usually entails a strong level of subjectivity, decisions should nevertheless be informed, justified, and documented in reports and other transactional documents.

Table 2: Value for Money is about:

| Element | Meaning | Principles |
|-------------------------|--|--|
| Effectiveness: | <ul style="list-style-type: none"> doing the 'right' things | <ul style="list-style-type: none"> Performance / risk management Results focus Experimentation and innovation |
| Efficiency: | <ul style="list-style-type: none"> doing things the 'right' way | <ul style="list-style-type: none"> Evidenced base decision-making Proportionality On time on budget Productive management and operational arrangements |
| Economy: | <ul style="list-style-type: none"> doing things with the 'right' inputs (i.e. avoiding waste) | <ul style="list-style-type: none"> Cost consciousness Encouraged competition |
| Ethics / equity: | <ul style="list-style-type: none"> doing things fairly and openly | <ul style="list-style-type: none"> Accountability and transparency Conscious of distributional impacts |

VFM is an integral part of management – it is an on-going process that involves finding the most appropriate trade-off between spending / saving costs and increasing / decreasing benefits.



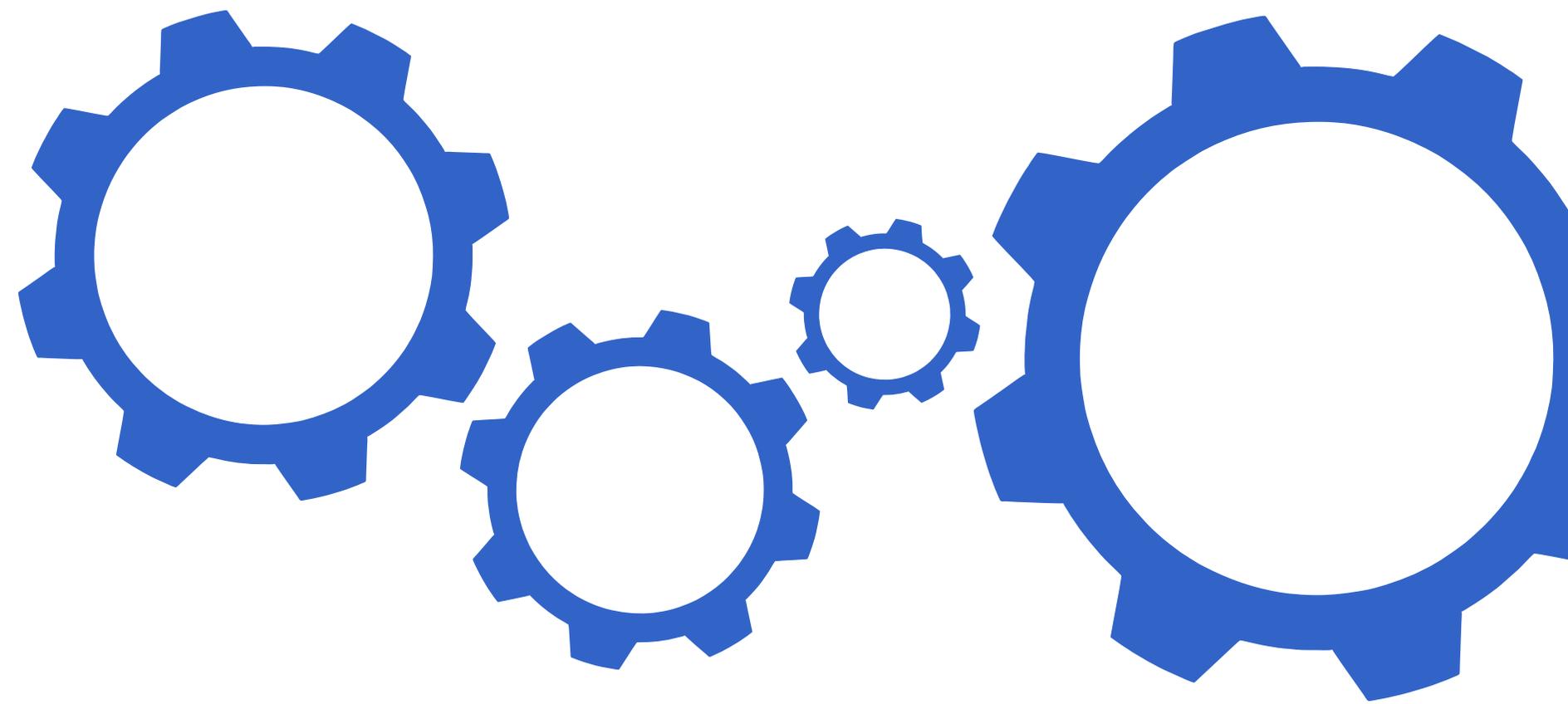




Project Cycle at a Glance

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This chapter provides an overview of the ILO's project cycle, concentrating on its five phases: Design, Appraisal, Approval, Implementation, Reporting and Evaluation

A **project** is the main instrument used in the planning of development cooperation activities. It comprises interrelated and coordinated activities designed to achieve clearly defined results, ranging from policy change to practical direct action, and contributes to solving a specific problem within a given budget and timeframe. A project ensures clarity in:

- **Objectives or project outcomes:** What will the project achieve?
- **Strategy:** How will it achieve these results?
- **Stakeholders and beneficiaries:** “With who and for whom?”
- **Outputs and activities:** What will the project deliver (products and services)?

- **Institutional framework:** Who are the implementation partners, how are they involved in the project governance (e.g., steering committees)?
- **Management arrangements:** Who does what within the ILO?
- **Time and resources.**

A **programme** is a coherent, time-bound framework of action, with which to achieve precise global results. It may include several projects whose specific objectives are linked to the achievement of higher-level common objectives/outcomes; it may apply a multidisciplinary approach and comprise separate sets of activities grouped under different components; it may reach across sectors and/or geographical areas.

submitting a proposal to the funding partner, and for subsequently receiving voluntary funding for the work proposed.

2. The **Agreement** module allows PARDEV to manage with BUD/DC and JUR the clearance and review of agreements to receive voluntary funding from partners. It also provides a **repository for signed agreements**.



TIPS

Good practice for project cycle management requires that:

- ▶ The importance of each phase of the project cycle is recognized.
- ▶ The interdependence of each and every phase is appreciated.
- ▶ Procedures to be followed in each phase are stated, responsibility is assigned, and the necessary documentation is produced.
- ▶ Sufficient time is set aside for the design, appraisal, and approval processes, which can take several months, not least because of the consultation and participation needed to achieve consensus between the partners, as well as time for reflection and discussion during each of the stages.

3. The **Reporting**¹ module provides a central repository for funding partner reporting, including financial statements. It allows Field Offices, Technical Units and PARDEV to set-up reporting schedules for projects, manage compliance with reporting requirements and upload reports that have been submitted to funding partners.

Design

Design² is the first phase of the ILO's project cycle. It includes the initial identification of a problem or project idea, the analysis and formulation of the project, and the preparation of a tentative implementation plan. It results in the preparation of a Project Concept Note or Project Document (**PCN/PRODOC**).



Key Point

Design is a consultative process that concerns all partners. Consultation is essential in building national ownership and joint responsibility for the project.

¹ Visit PARDEV's intranet site on "[Monitoring, reporting, evaluation and learning](#)" for further guidance on reporting requirements and M&E.

² Visit PARDEV's intranet site on "[Designing a project](#)" for templates and guidance on every aspect of project design

The choice of to be developed should be consistent with ILO's Programme and Budget, respond to constituents' priorities, and contribute to [Decent Work Country Programmes \(DWCPs\)](#), [UNCF](#) as well as national development strategies and cooperation frameworks.

Designing a proposal and mobilizing external resources in fragility, conflict and disaster settings requires much faster and coordinated action by the ILO in comparison to classic development interventions.³

Appraisal

Appraisal (or quality assurance)⁴ is the analytical review of project design and formulation. It ensures that projects are of a high design and technical standard, and are consistent with ILO's objectives and priorities, [DWCPs](#), national development strategies and frameworks, as well as funding partner criteria, prior to being submitted to a funding partner for extra-budgetary funding. Project proposals must not be submitted to a funding partner for funding consideration until the project proposal has been appraised. In other words, the appraisal is the basis for the approval of projects. The criteria for appraisal are set out in the [Appraisal checklist](#); when the proposal meets the ILO quality standards, it is submitted to a funding partner.

³ For more information, please refer to the Guide "[Employment and Decent Work in situation of fragility, conflict and disaster](#)."

⁴ Visit PARDEV's intranet site "[Submitting a project for appraisal](#)" for more on the appraisal process.

Approval

Approval is the ILO's official endorsement of the proposal; and no project can be implemented without it. The process moves the project from the appraisal phase towards its implementation. It starts with the submission of an appraised project to a funding partner for funding, and after funding is secured, the project is officially approved. The final stage of the approval process is when the funds are received from the funding, and the project budget is activated in the [IRIS](#) system.

Implementation, Monitoring and Reporting

Implementation⁵ is when the project is carried out according to the agreed project document. **Inputs** are used, activities and outputs are delivered and completed, and outcomes are achieved. Monitoring is an important management function that takes place during implementation to ensure that the project is on track, and/or the necessary corrective measures are taken in time. Implementation starts when the project has been approved and the budget activated and ends when the project is financially closed. It covers the following components:

- **Pre-implementation** – Key responsibilities in project management are assigned, the project manager is appointed, the management arrangements

⁵ Visit PARDEV's intranet site on "[Project start-up and implementation](#)" for budget revision and staff recruitment templates.

are confirmed, and a governance mechanism is established.

- **Start-up** – The project design and work plan are revised, the monitoring, reporting and evaluation (M&E) plan is prepared, the project team is in place, and project activities begin in line with the agreed work-plan.
- **Implementation, monitoring and reporting** – This is an ongoing process to track project progress and take corrective action, and to keep project stakeholders informed on project implementation.
- **Completion and financial closure** – Activities are completed, achievements are documented, the project personnel's contracts are terminated, physical assets are disposed of, and accounts are closed.

Evaluation

In the ILO, evaluation is used as a management and organizational learning process to support ILO constituents in advancing decent work and social justice. It is a critical means for improving decision making, generating knowledge within the organization, and providing verifiable evidence of effectiveness. An evaluation is an assessment of an intervention, focusing on what worked, what didn't work, and why this was the case. The evaluation process also examines if the best approach was taken, and if it was executed in an optimal fashion. Field offices technical units are involved in all stages of the project cycle.

The purpose of evaluation is to provide accountability to ILO's funding partners and to the Governing Body, and to contribute to organizational learning. **Evaluations** help project stakeholders, including funding partners and national partners, to take informed decisions. Lessons learned and good practices also feed into the design of other projects. Evaluations should be carried out in a participatory manner.

3.2 Responsibilities and key documents

Planning and implementation of development cooperation projects follow ILO procedures and policies. As a result, service departments such as FINANCE, PROCUREMENT (Procurement Bureau), ILO SECURITY, HRD, Office of the Legal Adviser/Office of Legal Services (JUR), EVAL and PARDEV should be involved, as necessary, along the project cycle.

PARDEV advises and supports project cycle management, coordinates funding for ILO's development cooperation activities, and ensures quality assurance. For more information, see Table 1 (overview)⁶ on the roles and responsibilities in project cycle management.

⁶ For an update on the structure, composition and geographical location of ILO offices, please refer to the Director-General's Announcement [IGDS No. 442](#) (Version 2), 24 December 2015.

Table 1 - Overview of responsibilities at each project cycle stage

| Project cycle phases | Who does it? | Key documentation and suggested reading ⁷ |
|----------------------|---|--|
| Design | <p>Field Offices and Headquarters technical units are responsible for developing project proposals. However, this should be a consultative process from the outset. The relevant technical units at Headquarters should be consulted on issues such as technical feasibility, ILO capacity, similar work carried out elsewhere, and lessons learned from comparable projects and evaluations.</p> <p>As projects provide services to countries, Field Offices need to be fully involved, as they can better assess the relevance of the proposals to local needs, their coherence with DWCPs, CPOs, and national strategies and frameworks. It is also important that they initiate consultations with tripartite constituents and other partners and assure appropriate national ownership and endorsement.</p> <p>One official should have overall responsibility for the design phase. Generally, a design team (comprising officials from the field and Headquarters, national partners, and in some cases external consultants) is set up to prepare the project document. The role of the design team is to consult widely.</p> <p>PARDEV provides guidance on procedural issues and on potential funding and/or funding partner priorities. It ensures the overall management of ILO's development cooperation programme, provides a design help desk, delivers training on development cooperation, and facilitates knowledge sharing on DC.</p> <p>FINANCE (BUD/DC) authorizes and signs budget proposals and provides guidance on budget preparation and other financial issues. Other support units, such as PROCUREMENT, are consulted as necessary.⁸</p> | <p>Suggested Reading: Chapter – 4 Project Design: Chapter 4 – Project Design and Tools and methods for project design and implementation planning. How-to guide on results-based budgeting. Results-based Budgeting guide</p> <p>Key documentation: PRODOC template Concept Note Brochure Template cover page and outline</p> |
| Appraisal | <p>PARDEV is responsible for the overall coordination of the Office-wide quality appraisal of development cooperation (DC) project proposals that are prepared for submission to development partners. The procedural steps of the appraisal process are described in IGDS 520.</p> | <p>Suggested Reading: Chapter 5 – Appraisal and Approval</p> |

⁷ This column provides a number of suggestions for selected reading at each step of the project cycle. Other key documents are [ILO internal governance documents system \(IGDS\)](#), [How to guides](#), [Governing Body decision papers](#), etc.

⁸ When developing a project in a “fragile settings” and/or aiming to contribute to peacebuilding and resilience, it is important to conduct a conflict and peacebuilding analysis from the beginning in order to develop a conflict-sensitive and “Do no harm strategy”, and design specific peacebuilding outcomes and indicators. For more information, please refer to “[How to design, monitor and evaluate peacebuilding results into job for peace and resilience programmes](#)”.

| Project cycle phases | Who does it? | Key documentation and suggested reading |
|----------------------|---|--|
| | <p>The appraisal of project proposals are differentiated according to the financial size and nature of the proposal. The appraisal is categorized into the following three tiers:</p> <p>Tier 1: For development cooperation project proposals with a budget below US\$ 150,000, PARDEV will share the proposal, invite relevant departments to provide feedback, and liaise with BUD/DC for budget clearance. The Director/Chief of the external office or headquarters unit responsible for the proposal is accountable, however, for ensuring that the proposal is in conformity with ILO standards governing DC.</p> <p>Tier 2: For development cooperation project proposals with a budget ranging from US\$ 150,000 up to US\$ 1 mill, PARDEV launches and coordinates the appraisal process. Management and support service units at headquarters, technical units and external offices are invited to provide feedback. The Director/Chief of the external office or headquarters unit responsible for the proposal is requested to sign a “Quality Certificate” confirming that the proposal is of sufficient quality for submission to a development partner. PARDEV concludes the appraisal by issuing a final appraisal report once the project budget is cleared by BUD/DC.</p> <p>Tier 3: Development cooperation project proposals with a budget above US\$ 1 mill, will undergo a comprehensive appraisal of the quality of the project design undertaken by PARDEV. Management and support service units at headquarters, technical units and external offices are invited to provide feedback. PARDEV concludes the appraisal by issuing a final appraisal report once the project budget is cleared by BUD/CT.</p> <p>Submission of project proposals for appraisal should continue to be uploaded in the Appraisal Workspace. For any questions, please send an e-mail to appraisaldc@ilo.org”</p> | <p>Key documentation:</p> <p>Appraisal checklist</p> <p>PARDEV final appraisal report</p> |
| Approval | <p>PARDEV manages the process, requests the required documentation, and coordinates the necessary clearances.</p> <p>Once the agreement has been signed, the originating technical unit or field office can start the workflow in the Integrated Resource Information System (IRIS).⁹</p> <p>PARDEV approves the project in IRIS and issues the approval minute.</p> <p>When the ILO receives the first instalment, BUD/CT is requested to activate the project in IRIS, by copy of PARDEV’s approval minute, and to link the project with the relevant IRIS award and instalments.</p> | <p>Suggested Reading:</p> <p>Chapter 5 – Appraisal and Approval</p> <p>Guidelines on how to create a project proposal in OGA</p> <p>Key documentation:</p> <p>Approval minute, notification of budget activated by BUD/DC.</p> |

⁹ Refer to the [guidelines on how to create a project proposal in OGA](#).

| Project cycle phases | Who does it? | Key documentation and suggested reading |
|--|--|---|
| <p>Implementation and Monitoring</p> | <p>All projects must have a structure in place that defines roles and responsibilities and ensures accountability. The project manager is responsible for the day-to-day implementation and management of the project. She/he may be a Chief Technical Adviser (CTA), National Project Coordinator (NPC), or an ILO specialist. She/he reports to the ILO responsible official.</p> <p>A named ILO responsible official has overall authority and ultimate responsibility for project implementation, although other technical units and service departments support her/him. This is different from the functional role of the technical back-stopper, although the ILO responsible official may hold both responsibilities. The roles of ILO responsible official and project manager should never reside with the same individual.</p> <p>The technical backstopping units provide technical support, oversee the consistency of project implementation with ILO technical approaches, ensure cross-fertilization among different projects in the same technical area, and communicate with the ILO responsible official.</p> <p>FINANCE, PROCUREMENT, and HRD provide appropriate clearances and administrative support, as necessary. PARDEV provides support and oversees compliance with ILO standards and funding partner contractual arrangements and obligations. Other support units provide guidance and support as necessary.</p> <div data-bbox="1406 302 2015 874" style="border: 1px solid #0056b3; padding: 10px; background-color: #e6f2ff;">  <p>RULE</p> <p>The role of ILO responsible official and that of project manager should never reside with the same individual.</p> </div> | <p>Suggested Reading:</p> <p>Chapter 6 – Implementation and Monitoring</p> <p>Chapter 4 – Project Design, section 4.3. – Project Operational Planning</p> <p>Key documentation:</p> <p>Implementation plan is comprised of the WBS, responsibility matrix, scheduling resource plan and budget matrix.</p> <p>Monitoring Plan¹⁰</p> <p>Development Cooperation Progress Report template (DCPR)</p> <p>Final Progress Report template</p> <p>Financial reports¹¹</p> |

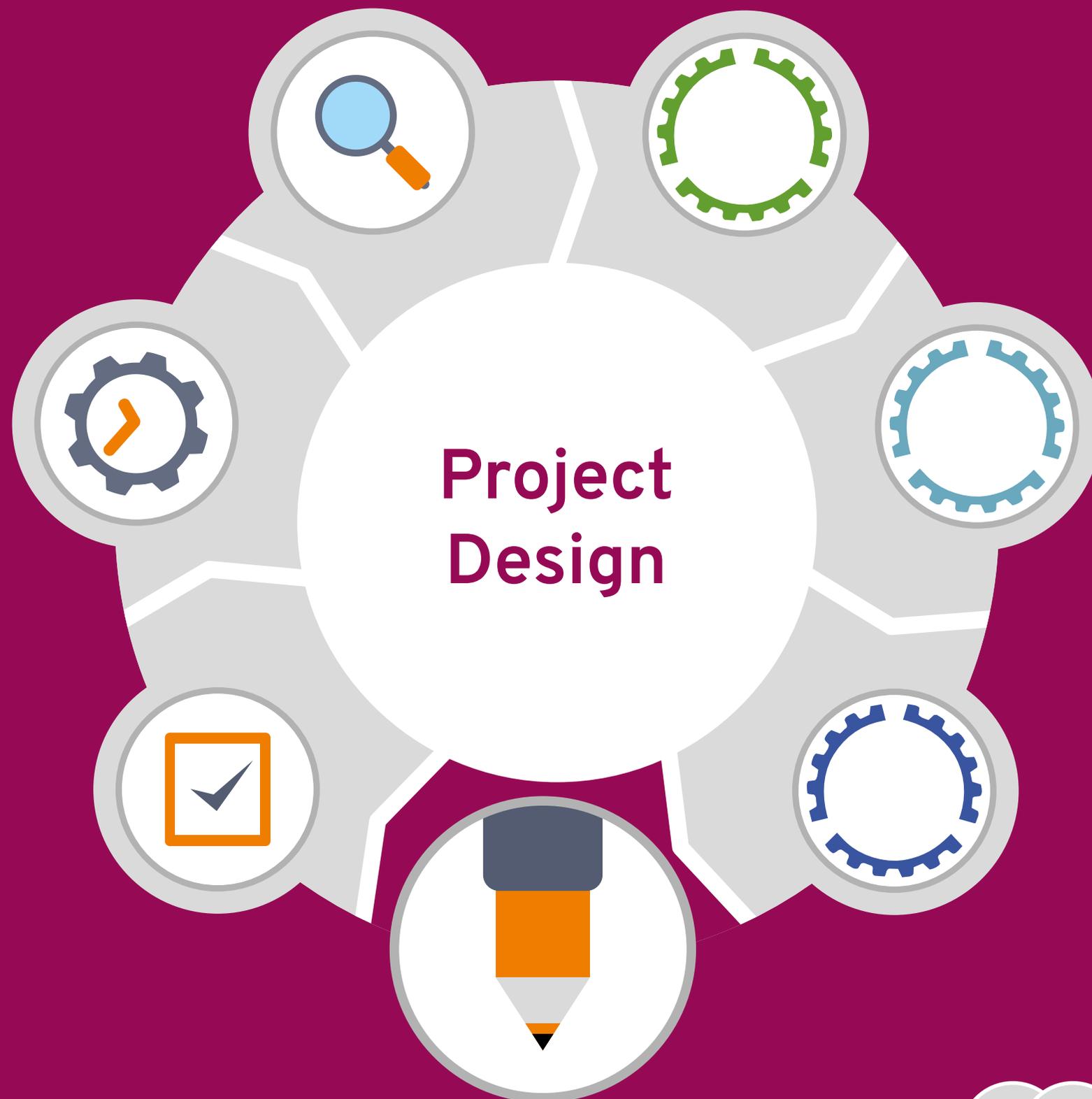
¹⁰ For the Monitoring Matrix template and annotated example, please refer to the [PARDEV intranet design page](#).

¹¹ Key documentation: Financial reports will change depending on the specific project.

| Project cycle phases | Who does it? | Key documentation and suggested reading |
|----------------------|---|---|
| Evaluation | <p>The certified evaluation manager (who has no prior links to the project), appointed in consultation with EVAL, ensures that evaluations are carried out in accordance with ILO policies and take place in a timely manner. In the case of independent evaluations, she/he drafts the Terms of Reference (TOR), selects the evaluation consultant, and circulates the draft and final evaluation report.</p> <p>The evaluation manager approves the final TOR and the choice of an external evaluation consultant for independent evaluations, reviews the final evaluation report, and forwards it to the EVAL for approval. The Evaluation Office provides oversight of the evaluation process of decentralized projects through appropriate quality control. Regional and departmental evaluation networks, in the form of regional evaluation officers and departmental evaluation focal points, support the planning and implementation of evaluation activities for development cooperation projects with help from certified evaluation managers.</p> <p>The project manager, project staff, ILO responsible official, and other project backstoppers provide appropriate technical and administrative support during the evaluation. The management response is the responsibility of the Responsible Official and is initiated by EVAL through its Automated Management Response System (AMRS¹²).</p> <p>EVAL has overall responsibility for ensuring the quality and integrity of the evaluation function in the ILO and, together with PARDEV, oversees adherence to the evaluation schedule. EVAL approves the final report of independent evaluations before the evaluation manager submits it to the Responsible Officer, including PARDEV, for transmission to the funding partner.</p> | <p>Suggested Reading: Chapter 7 – Evaluation</p> <p>Key documentation: ILO policy guidelines for results-based evaluation and i-eval Resource Kit Evaluation Terms of Reference Evaluation reports¹³</p> |

¹² The management response is automatically uploaded on [i-eval Discovery](#) once approved by EVAL.

¹³ To ensure transparency and accessibility, all evaluation information is accessible via the [i-eval Discovery platform](#).





Project Design

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This chapter specifies how to design a project in three steps: Analysing the project context, formulating the project strategy and results framework, and operational planning

Design is the starting point of the project cycle. Project design provides the structure of the outcomes that have to be achieved, how the project is to be implemented, and how progress will be verified. Therefore, the strengths and weaknesses of **project design** will influence the various stages of the **project** cycle.

Good project design is the key to achieving project outcomes, and consists of three main stages:

- **Project identification**
- **Project formulation**
- **Planning implementation**

Each stage comprises a series of steps for which specific tools have been developed, which can be found throughout this chapter.

Project vs. Programme

A project is the basic unit of action of the ILO's development cooperation. A project can be defined as a set of interrelated and coordinated activities that are conceived so as to achieve clearly defined objectives that help solve a specific problem affecting a certain group, within a set budget and fixed time frame.

Projects can vary greatly in the issues they address, or in their duration, geographic scale or resources, but in essence a project provides the road map to go from the present situation (the problem) to the desired future (the objectives).

Programmes, on the other hand, have greater strategic and operational complexity than projects. They include multidisciplinary approaches that encompass various components, each with its own set of activities.

Programmes may be implemented – wholly or in part – through a series of projects that are managed in coordination so as to achieve certain overall programme objectives. In the ILO, the most obvious examples of programmes are the **DWCPs**.

Project Proposal

The result of the design process is a project proposal that can be appraised, has funding potential, and provides the basis for project implementation, monitoring and evaluation. In the ILO there are two types of project document, containing varying degrees of detail. These are the:

- **Project Concept Note (PCN)¹**
- **Project Document (PRODOC)²**

The purpose of these documents is to ensure that full and high-quality design does not take place without first ascertaining that the proposed project is consistent with ILO objectives and responds to funding partner funding priorities. The selection of the appropriate document may also depend on specific funding partner requirements or funding mechanisms, and the complexity and scope of the project.

The Project Concept Note is an initial document that is subsequent approval, implementation, and monitoring and prepared during the identification phase of developing a project. The concept note should not replace a project document. It should provide enough information to enable the ILO, constituents, development partners and other stakeholders to assess the strategic appropriateness of any proposal.

¹ The Project Concept Note Template is available on the [PARDEV intranet page](#).

² The PRODOC template is available on the [PARDEV intranet page](#)

A Project Concept Note should always be appraised. However, in cases where the concept note is shared with stakeholders for informal consultations before appraisal, a disclaimer should be added on the cover page.³ It is useful⁴ to inform PARDEV on informal consultations beforehand.

Project Document

The PRODOC forms the basis for evaluation. The PRODOC provides details with regards to implementation, monitoring and evaluation, i.e. sufficient information for project managers and ILO responsible officials to implement the project and report progress.

In addition to ILO requirements, the use of a PCN or a PRODOC for appraisal and approval may depend on the type and complexity of the project, funding partner requirements and the agreed procedures.

Some funding partners require complete PRODOCs for approval. In such cases, a PRODOC should be prepared, obviating the need to prepare a preliminary PCN. However, this is done when the ILO has already judged the project appropriate for funding, and the funding has been earmarked.

³ Disclaimer: “This concept note is shared for informal consultation. The note has not yet passed the ILO internal quality assurance process and is therefore subject to change.”

⁴ In some cases, PCN can be used for specific calls for proposals, such as the ILO-Japan Social Safety Nets (SSN) fund. The Regional Office for Asia has adapted the PCN, combining the DC Logical framework and the implementation plan, and adding information on the links to the P&B, national outcomes and SDGs.

Roles and Responsibilities' Scheme in Project Design

Field Offices and technical units at Headquarters have responsibility for project design; however, the outcome should be the result of close consultation between the two. This includes discussion with partners, as well as the development of a project proposal that meets the criteria of the ILO, the funding partner and the recipient country.

- If a project idea originates at Headquarters, immediate action should be taken to review it with the relevant field office. As most projects constitute services to specific countries, it is important that Field Offices check their relevance to local needs, and their coherence with the DWCP.⁵ It is also important that they initiate consultations with the tripartite constituents and other stakeholders, and assure appropriate national ownership and endorsement.
- If the project idea originates in the field, early consultations with Headquarters should take place. The relevant technical units should be consulted on issues such as ILO capacity, similar work carried out elsewhere, and lessons learned from comparable projects and evaluations. **PARDEV** should be consulted on potential funding and/or funding partner priorities.

⁵ As well as other frameworks set up between relevant country authorities, the ILO, and within the UN, please refer to section 4.1.1.

- The project design process varies depending on the nature and size of the problem to be addressed. Commonly, a design team (generally comprised of field and Headquarters officials, national partners, stakeholders, but in some cases also including external consultants) will be constituted to prepare the project document. The role of the design team is to consult widely, and to negotiate a project acceptable to all stakeholders; in most cases, email communication between team members is sufficient. Project originators are recommended to comply with Office guidance on consultations with ACT/EMP and ACTRAV in their work.
- An ILO official should have the overall responsibility for this phase. If a team has been set up, a team leader should be appointed. If the official responsible for design is based at Headquarters, the relevant technical specialists in the DWT, as well as programming staff in the corresponding Field Offices, should be closely associated throughout.

PARDEV is responsible for providing:

- Guidance on development cooperation policy and procedures;
- Support and guidelines on project cycle management practices;
- Guidance and information on potential funding partner criteria and resource mobilization strategies.

FINANCE and **JUR** have the responsibility for providing guidance and support in their respective field of competence, as required.

ILO SECURITY provides the mandatory safety and security requirements ensuring full compliance with preventive and mitigation measures in effect within the area of implementation.

EVAL provides guidance and oversight of the implementation of the ILO's evaluation policy. The evaluation policy is complemented by an [Evaluation Strategy \(2018–21\)](#), the implementation of which is annually reported on the GB ([Annual Evaluation Reports](#)).

4.1 Project Identification

Project identification is the first phase in project design. The objective of this phase is to have a sufficiently complete understanding of the problem to be addressed to design a consistent response.

At this stage an analytical effort is made to collect good quality information and gain an in-depth understanding of the context in which the project must operate, the nature of the problem, and the stakeholders involved. A broad set of tools is used to determine these elements, but the key is to respond to these questions in such a way that the information can be used to design an appropriate intervention.

Moreover, designing a project proposal inside the [ILO's Programme and Budget for 2020–21](#) requires not only a good analysis of the context in which the action is carried out, but also a thorough knowledge of the programmatic context of the ILO (and of the broader UN system), as well as the ILO's principles, objectives, and policies with which the project must be aligned.

4.1.1 Analysis of the policy and programmatic context

Every project should contribute to the overall objectives of the ILO. Managers are responsible for ensuring that project proposals satisfy ILO quality standards, follow the ILO processes in terms of consultation, are well designed with sufficient resources, and are within the ILO's comparative advantage and managerial capacity.

In particular, they should ensure that proposals:

- Are aligned with the ILO constituents' priorities, as expressed in relevant DWCP and P&B outcomes;
- Contribute to the achievement of the SDGs, national development priorities and to the UN Cooperation Framework, if applicable;

- Are based on the integrated approach to decent work; address and promote international labour standards⁶ and social dialogue and tripartism; mainstream gender equality and non-discrimination, which includes based on the grounds of disability, HIV status, or indigenous identity⁷; and promote a just transition to environmental sustainability⁸ whenever relevant;
- Are designed and implemented with the participation of the ILO constituents and respond to their needs;
- Are the product of collaborative work across the Office, including relevant specialists in the field and at Headquarters;
- Include a sustainability strategy;
- Promote partnerships, especially with other UN entities, in line with the ILO Development Cooperation Strategy;
- Are adequately resourced and within the capacity of the office to manage;
- Are consistent with funding partners' criteria.

Gender mainstreaming

Mainstreaming a gender perspective is the process of assessing the implications for women and men of an planned action, including legislation, policies or programmes, in any area and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension in the design, implementation, monitoring and evaluation of policies and programmes in all political, economic, and societal spheres. The aim is that both women and men participate and benefit equally, and inequality is not perpetuated. The ultimate goal is to achieve gender equality.

ILO Policy on Gender Equality and Mainstreaming, Annex II (page 30) of the [ILO Action Plan for Gender Equality, 2018-21](#)

⁶ It should be ensured that the proposals articulate their contribution to the setting, promotion, ratification and supervision of international labour standards. With regard to supervision of international labour standards, every ILO member State is bound by the international labour standards it has ratified, must consider the comments of ILO supervisory bodies on their effective application and report back on a regular basis. In that light, project proposals must facilitate the consideration by the member State of relevant supervisory comments

⁷ Guidance note on Gender equality and non-discrimination: Definition of marker codes and examples, PROGRAM, April 2020

⁸ The ILO Environmental Sustainability Policy ([IGDS 460](#)) mandates the Office to progressively mainstream environmental sustainability in its results-based management frameworks, policies and programmes, Decent Work Country Programmes and projects. Acknowledging the wide variety of project interventions, environmental sustainability considerations are to be addressed in a manner that is appropriate to the project's scope and focus.

Box 1 : Disability inclusion in DC programmes:

Development partners increasingly make the inclusion of persons with disabilities an integral part of DC programmes and projects, in line with the SDGs which aim to “Leave No One Behind” and which include persons with disabilities also in the areas of decent work and social protection. Some partners, however, might not bring up disability inclusion as a topic early on during initial discussions, so ILO colleagues are encouraged to highlight the comparative advantage and technical expertise the ILO has in the area of disability inclusion. Raising disability inclusion early on can positively reflect on the ILO and can have an added value for the negotiations on the funding of any DC programme or project.

The [UN Disability Inclusion Strategy](#) has a specific indicator on programmes and projects against which the ILO reports annually. This will ultimately inform the development of, and report on, progress towards implementation of the [ILO Policy and Strategy on Disability Inclusion](#).

Further, the OECD Development Assistance Committee (DAC) is using a voluntary marker to track development finance that promotes the inclusion and empowerment of persons with disabilities. In addition, the UN Disability Inclusion Strategy has a specific indicator on programmes and projects against which the ILO reports annually.

In determining the strategic alignment of the project proposal, project originators should pay special attention to relevant ILO Declarations, especially the [ILO Declaration on Social Justice for a Fair Globalization](#) of 2008, which defines the Decent Work Agenda, and the [ILO Centenary Declaration for the Future of Work](#) of 2019, which defines a human-centred approach to shape a fair, inclusive and secure future of work with full, productive and freely chosen employment and decent

Box 2: Environmental sustainability in DC programmes:

Development partners are increasingly interested in advancing environmental sustainability through targeted assistance and as a cross-cutting theme, in view of the integrated approach put forward in the 2030 Agenda for Sustainable Development and its focus on the economic social and environmental dimensions of sustainability. In line with constituents’ priorities in countries/region, there could be significant opportunities for projects advancing green jobs and a just transition to environmentally sustainable economies and societies for all. In addition, increasing evidence points to the links between the advancement of decent work and environmental sustainability, therefore addressing environmental risks and opportunities as they relate to the decent work agenda can improve the quality and resilience of DC projects.

Integrating environmental sustainability in project design involves recognizing environmental concerns and opportunities in the initial identification of issues across the area(s) of action by maximizing opportunities in terms of positive social and economic outcomes in terms of both Decent Work and environmental outcomes, and/or addressing risks for the world of work associated with environmental challenges and response measures.

work for all. Managers should also consider the overall priorities established in the ILO Strategic Plan and the outcomes defined for the corresponding biennium in the Programme and Budget.

At country level, proposals should be clearly aligned with Country Programme Outcomes (CPOs) included in the Decent Work Country Programme (DWCP) and in the ILO Outcome-based Workplans (OBWs), or with the outcomes

defined in the UN Cooperation Framework. All proposals should explicitly indicate how they will contribute to the achievement of national goals and relevant SDGs, as well as other relevant programmes.

It is against this broader policy and programmatic context that ILO's development cooperation programmes and projects are being, and should be, designed. Interventions must be focused on achieving results at the country level that are relevant to constituents and national priorities.

4.1.2 Situation analysis

A project is essentially a structured action to solve a certain problem. Therefore, project design must start with an agreed understanding of the existing situation, what the problem to be addressed is, what its causes and consequences are, whom it affects, and what other key stakeholders are involved; a situation analysis focuses on answering these questions.

Consultation and sources of information - The information required

The information required to undertake the situation analysis is usually distributed among different people, ILO units, constituents, and other **stakeholders**.⁹ Although

⁹ A stakeholder is any organization, agency or individual with an interest in the project, be it positive or negative, direct or indirect, intended or unintended. Stakeholders include the tripartite constituents, project beneficiaries, partner organizations, and any other agency with an interest in the project.

there are many sources of information on the constraints or problems, rigorous and systematic analysis is required to understand their underlying relationships.

Previous research findings, needs analyses and evaluations provide a starting point for situation analysis. Additional research may be required if these are absent of **gender and non-discrimination**, and information on employment-environment linkage analysis, then additional research and consultations are required.

Constituents provide an essential insight into the analysis of the problems, based on their stake in them, their experience in labour markets, and the national context. Remember that project originators are recommended to comply with Office guidance on consultations with ACT/EMP and ACTRAV in their work.

Target populations have a deep understanding of the core problem affecting them, especially when the causes are immediate to their environment. Project design teams should consider the use of participatory techniques¹⁰ to engage with target groups or their representatives. It is important to include different subgroups an equal balance of women and men consulted, with further subgroups identified as relevant (age, persons with disabilities or HIV, and indigenous or tribal peoples, for

¹⁰ This analysis of “who, when and how” should play a role in the project design and should be carried out as a first step in the participation analysis. This will greatly influence the specific process and the set of tools that will be used. If this analysis is not carried out, the result will consist in a false situation analysis.

example) in order to have the appropriate information and perspective.

ILO Field Offices and relevant units should be involved in the design of all projects. However, it is important not to limit this to direct involvement, but wherever possible to use the experience of the wider Office and support units. For example, Field Offices are instrumental in getting the constituents and other possible local partners involved in project design.

Other agencies and key informants that have worked in similar fields or in the same geographical area, will also have gained useful experience. These include governmental institutions and national organizations, as well as community-based and grassroots organizations, such as women's organizations or those of persons with disabilities.

The analysis brings together the different perceptions and understanding of **stakeholders**. The use of facilitated workshops with constituents and other agencies or individuals with an interest in the project, ensures that the process is transparent and owned



TIPS

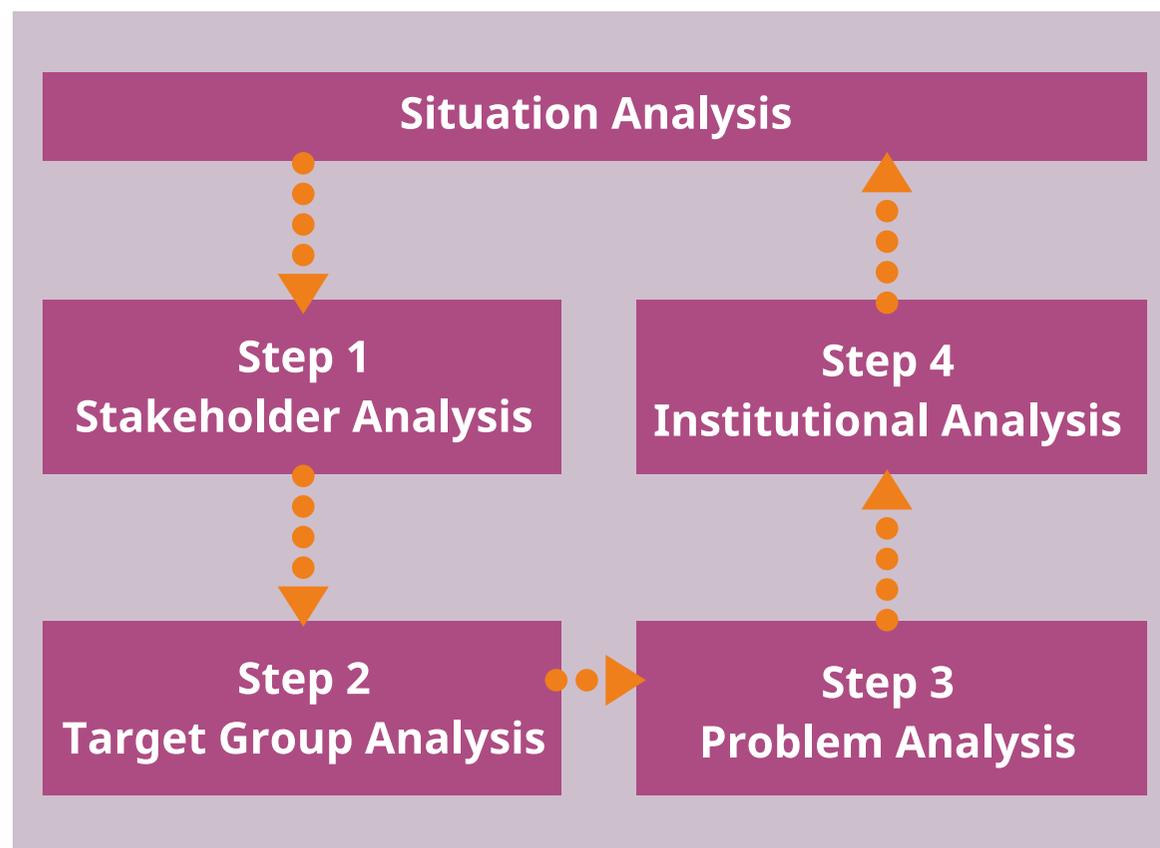
The success of the project largely depends on ensuring that all stakeholders agree and are on the same page regarding the target population, together with the nature of the problem the project will address.

by the national stakeholders. This in turn increases the chances of the project being successful and sustainable.

The design team must consider carefully how it intends to manage this process of consultation and information gathering, since there may be significant costs associated with it. The decision will very much depend on the scope of the project, but cost-effective methods of consultation, such as email, can be used if appropriate.

Situation analysis consists of the following interrelated steps:

- **Step 1: Stakeholder analysis** focuses on understanding the role, interests, relationships, strengths and weaknesses of all of the different groups, and the social context in which they operate.
- **Step 2: Target group analysis** is carried out to obtain an in-depth characterization of the group that must ultimately be the beneficiary of the project, its needs and its priorities.
- **Step 3: Problem analysis** is intended to identify and define in precise terms the core problem that must be addressed, its effects and its causes.
- **Step 4: Institutional analysis**, which focuses on the relationships between the different types of agencies, and in particular, the relationship triangle between government agencies, project management and the target population.

Table 1 - Situation analysis steps

Situation analysis needs to systematically apply a “Do no harm” approach. Indeed, all interventions are potentially harmful, by for example, creating parallel structures to the government, bolstering an illegitimate government or undermining state-society relations, reinforcing dependency to external support, etc.

It would be also important to highlight environmental risks and vulnerabilities relevant to the project, as well opportunities to contribute to environmental sustainability in line with the project focus.¹¹

It is important that a gender perspective be visibly integrated into all stages of the process in order to capture the specific concerns and needs of women in the world of work. In this way the situation analysis can help set the foundation for a gender-responsive initiative, which will make it easier to integrate gender from the design stage through the rest of the project cycle.

For example, it is ILO’s role to put decent employment at the heart of policy discussions on peacebuilding. It is important to articulate well the linkages between peacebuilding and employment outcomes. The ILO guide [“How to design, monitor and evaluate peacebuilding results into jobs for peace and resilience programmes”](#) provides practical guidance and tools for assessing conflict sensitivity and includes peacebuilding outcomes and indicators for employment programmes operating in fragile and conflicting contexts. This guidance supports building a theory of change showing how employment activities contribute to peacebuilding and sets the basis for monitoring progress and results.

¹¹ Employment and Environment Factsheets are available for countries in the Asia Pacific region and are being produced for Africa and Latin America and the Caribbean. In addition, Rapid Situational Analyses for Just Transition have been produced for certain countries. Please contact the regional Green Jobs specialists or the Green Jobs Programme for more information.

For instance, for stakeholder analysis, it would be important to ensure that your intervention does not exacerbate root factors or ignite pre-existing or new triggers of conflict. Peacebuilding and social cohesion analysis refer to measures designed to consolidate peaceful relations and strengthen institutions to handle conflict, and create or support the necessary conditions for sustainable peace.

Step 1: *Stakeholder analysis*

Projects operate in a complex social context.¹² A good understanding of the roles of different actors and the relationship between them is essential to ensure a good project design. Ultimately projects are about people, and therefore it is fundamental to understand who the different players are, their expectations and interest, their influence over others, etc.

Stakeholder analysis is a tool that helps to develop an understanding of different stakeholders, their characteristics, motivations, expectations, and constraints. Please see Tools and methods for project design and implementation planning, [Tool 1 – Stakeholder analysis](#).

¹² In fragile context, it is important to conduct a conflict-sensitive stakeholder analysis.

Step 2: *Target group analysis*

A good understanding of the target group is particularly important. Since in most of its projects the ILO assists constituents to build their capacities, or to improve the context in which they operate – so they can provide better services – there is a need to distinguish between the direct recipients of project outputs or services, and the ultimate beneficiaries.

Direct recipients of project services: These are primarily the ministries of labour and the social partners, but may also include educational/training institutions, local administrations, and community-based organizations.

Ultimate beneficiaries: This is the target group of women and men that is expected to be better off as a result of the project. The project may provide services directly to this group, or more commonly target this group through the strengthening of the constituents or other institutions and organizations (i.e., the direct recipients), which support, increase awareness or advocate on behalf of the ultimate beneficiaries.

The distinction between direct recipients and ultimate beneficiaries is particularly important for funding partner-funded development cooperation projects, where funding partners are primarily concerned with the impact of the project on the latter group.

For example, although the direct recipients of a project's services may be labour market policy makers, the ultimate beneficiaries would be workers or employers in the labour market. The proposal should describe the ultimate beneficiaries of the policy changes, even when the project has no direct control over the way the direct recipients interact with the ultimate beneficiaries.



Key Point

The project proposal should spell out the intended results of the project beyond just the direct recipients.

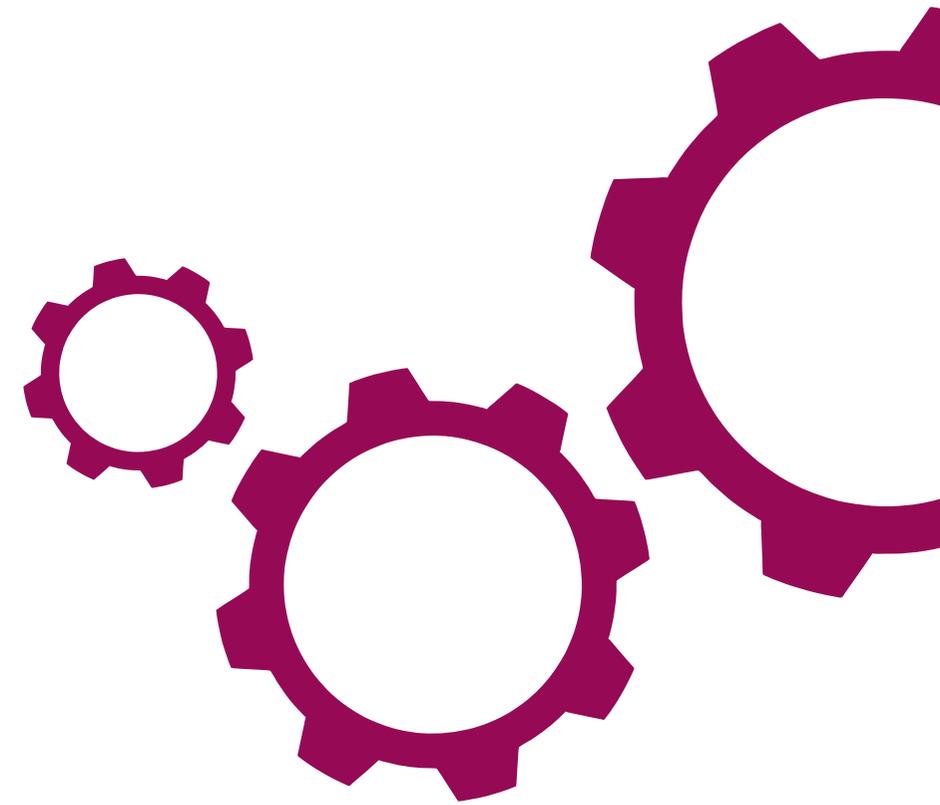
capacity needs and assets, in order to focus the intervention on core capacity issues. It may not always be cost-effective to address every single capacity deficit.

Target group differentiation: Target groups are rarely homogeneous, and the situation analysis should differentiate between groups within the population (by sex, age, sector, etc.) This depends on the specific situation and scope of the project, but may require differentiation of the interests of the social partners, regions and sectors, the formal and informal economy, youth and the elderly, persons with disabilities, and women and men.

When direct recipients need to strengthen some of their capacities, and capacity building¹³ is to be a main component of the action, [capacity assessment](#) helps to identify gaps and plan [capacity development](#). Before undertaking any capacity development intervention, there should be an assessment¹⁴ of the target group's

¹³ In this case the terms “capacity building” and “capacity development” are used interchangeably. In international development terminology the use of the second expression is now more frequent; the word “development” presupposes existing capacities that can be improved, while the word “building” assumes there are no initial capacities to start from, and has come to have connotations of the old approach to DC that is, funding partner – and supply – driven. See: [“How-to” Guide No. 12 Capacity Development in Development Cooperation.](#)”

¹⁴ For a practical tool for how to conduct a capacity assessment, please refer to the [“How-to” Guide No. 11 on Capacity Assessment for Development Cooperation.](#)”



Box 3: *Gender* mainstreaming and the situation analysis

ILO's DC projects must adopt a strategy that gives equal rights, opportunities and treatment to both men and women as beneficiaries, participants and decision makers. **Gender mainstreaming** is not an “add-on” or a “step” that has to be taken while drafting a project document, but – following a decision of the Governing Body in March 2005 – is a **mandatory approach** to all phases of the project cycle.¹⁵

During the design phase, the situation analysis should be gender-responsive, providing information that allows for understanding of the specific concerns and needs of men and women. Such an analysis should include the following issues based on sex-disaggregated data:

1. division of paid and of unpaid work
2. access to and control over productive resources;
3. women's practical and strategic equality needs;
4. assessment of constituents' capacities, opportunities and challenges related to gender equality and non-discrimination.

A situation analysis that does not provide gender-differentiated information will significantly reduce the projects' results in advancing gender equality, and may exacerbate inequalities (for further information, see: “[How-to](#)” [Guide No. 15 Gender mainstreaming in Development Cooperation](#).”)

Link to problem analysis: When the target group is not sufficiently differentiated, the problem analysis tends to be superficial or too broad, and does not capture the effect of the core problem within the various subgroups. For example, focusing on the unemployed without differentiating age groups may lead to a wrong strategy for unemployed youth. Appropriate differentiation of the target groups during situation analysis facilitates the definition of project objectives and tracking of project outcomes, and expedites project evaluation.

Step 3: Problem analysis

The justification for any action or intervention is to address a problem or constraint affecting a certain group of people (the target group). The key to successful project design is to understand the cause(s) of the problem or constraint, because problems and their causes do not exist in isolation, but are intimately linked to people, groups or organizations.



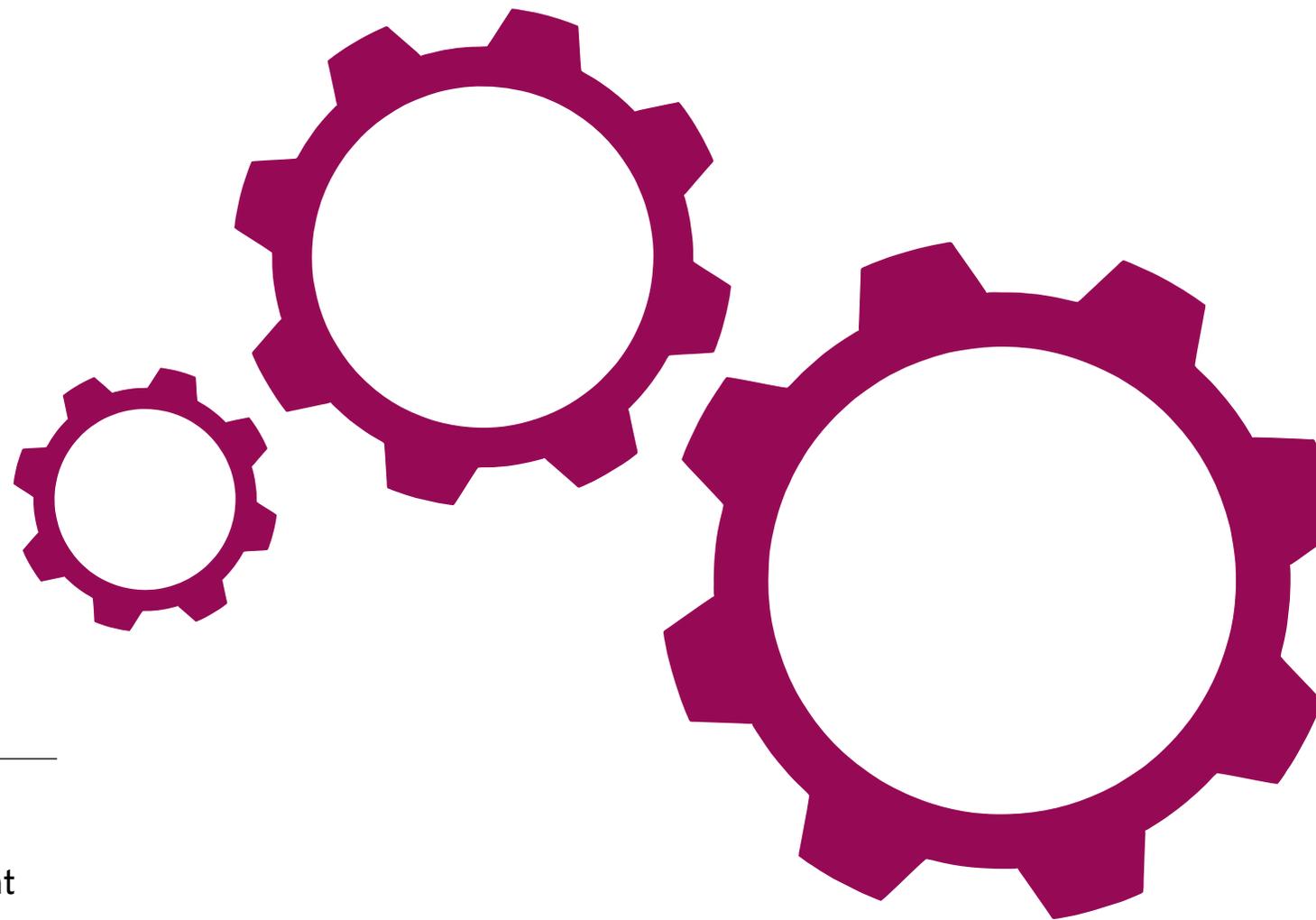
TIPS

Good project design first defines the target population and then specifies the core problem, while taking into account the perspective of the target group.

¹⁵ Gender mainstreaming is defined as a process and a strategy to make women's as well as men's needs and concerns an integral dimension in a project's design, implementation, monitoring and evaluation phases. In this way, women and men benefit equally, and inequality is not perpetuated.

Therefore, problems can only be defined if a comprehensive picture is drawn and insights into the target groups and other stakeholders involved are understood. Different stakeholders (constituents, beneficiaries, ILO units, other agencies) should be part of the information gathering process,¹⁶ because critical insights¹⁷ may be missed if some of them do not have a voice in project design. For example, it is difficult to imagine that gender issues have been fully considered in the analysis if consultation is limited to only one sex, or that a project can address labour market problems without involving both workers' and employers' organizations.

The problem tree methodology, as explained in [Tools and methods for project design and implementation planning](#), is useful in that it brings together and organizes understanding about the causes and effects associated with a given problem.



¹⁶ The quality of the information gathered and of the [assumptions](#) made must not be taken at face value, and should be challenged, verified and validated. As a result, it is often useful to bring different groups together to interact in a facilitated workshop – for example in order to confront, discuss and construct a new and shared understanding of the problem.

¹⁷ One of the effects of poor problem analysis is that the objectives and expected results of the project are not easy to define, and therefore progress is difficult to monitor.

Box 4: Persons with disabilities and the problem analysis

In all countries, people with disabilities are at risk of being excluded from development cooperation projects unless proactive measures are taken to include them in all stages of the project cycle. At the stage of target group identification and consequent problem analysis, baseline data should be disaggregated by disability status and type,¹⁸ in addition to other relevant variables such as sex, age and ethnicity. Such data will make disabled people visible to all project stakeholders.¹⁹

To ensure their real representation, people with disabilities and national or local Disabled People's Organizations (DPOs)²⁰ have to be involved in stakeholders' meetings and focus groups for project planning and design. They should also take an active part in project implementation, monitoring, reporting and evaluation.

Relevant actors working on disability issues, such as disability NGOs, social partners, other UN agencies, and Government ministries/agencies in charge of disability issues, should be involved in the project as well.

If the project staff lacks capacity in addressing disability issues, provisions for training in disability awareness and/or related technical issues should be set out in the project proposal.²¹

In addition, the proposal should refer to, and be in compliance with, relevant national laws, policies and disability plans, as well as the UN policy framework and the Convention's principles regarding disabilities.

It is crucial that at every stage of the project, accessibility is borne in mind. This means ensuring physical access (buildings, transport and reasonable accommodation), but also access to information, which could imply specific outreach measures to overcome isolation that people with disabilities may suffer, together with alternative formats/different channels to convey information. It is also important to remember that women and men with disabilities may have different needs, i.e., it is essential to mainstream gender while also mainstreaming disability.

For more information, see “[How-to Guide No. 18 on the Inclusion of People with Disabilities](#)” or contact: disability@ilo.org or ged@ilo.org

¹⁸ Disability status refers to whether a person is disabled or not, while disability type refers to different kinds of impairments that lead to disability.

¹⁹ Note that many countries do not have disability-disaggregated data available; in this case, estimates will have to be used. In addition, national ministries or agencies in charge of disability issues, other UN agencies, NGOs, and local DPOs can be a valid source of disability-related data.

²⁰ Organizations of disabled people, often referred to as DPOs, are different from organizations for disabled people, which are typically NGOs whose leadership may or may not include disabled people, and are usually organized to provide services for disabled people. The latter can be project partners and advisers, but it is particularly important to ensure that DPOs are included, in line with the motto of disabled people worldwide: “Nothing About Us Without Us”.

²¹ Note that the [ILO People platform](#) offers an interactive course on the inclusion of people with disabilities. Moreover, the <http://www.itcilo.org/en> ILO's International Training Centre in Turin sometimes organizes distance courses on mainstreaming disability equality, focusing on legislation and policies related to disability issues.

The **problem tree** is a tool to perform problem analysis that is used in project design by the ILO and many other development agencies. It is based in the causal logic explained in the above section. Using the problem tree, a sufficiently thorough analysis for the purposes of project design can be obtained in a short period of time. It is also a tool that can be used in participatory exercises, such as those in stakeholders' workshops. The problem analysis guides decisions on how to prioritize problems, and therefore how to set project objectives.

For more information, please refer to section 4.2, Project Formulation.

Step 4: Institutional analysis

While the **stakeholder analysis** examines the characteristics of different stakeholders, the **institutional mapping** focuses on the relationships between the major players. The institutional analysis, or mapping, provides a study of formal and informal relationships between the stakeholders. The institutional mapping must include the most relevant actors identified during the stakeholder analysis. This comprises the ultimate beneficiaries, the direct recipients, the governing and oversight agencies, the implementing agencies and the social partners. For instance:

- **Delivery agencies:** These are organizations, including ILO either the direct recipients or the ultimate

beneficiaries.²² Increasingly, projects are implemented through partnerships, which bring together the comparative advantages of each partner. The **stakeholder analysis** provides a means of **assessing the capabilities** of delivery units, that manage and deliver services and products to agencies and of identifying problems, which can be supplemented as part of the project.

- **Oversight and governance agencies:** These agencies play a strategic and regulatory role, and are ultimately responsible for project management. In some cases, oversight activities remain within the ILO at field or Headquarters level, while in other cases these responsibilities are shared with different agencies. It is important to consider collaboration with tripartite coordination mechanisms already in place at the country level, either in the context of national strategies' implementation or as part of the DWCPs. Sometimes new governance structures (e.g., tripartite steering committees) are set up to coordinate and oversee project implementation.

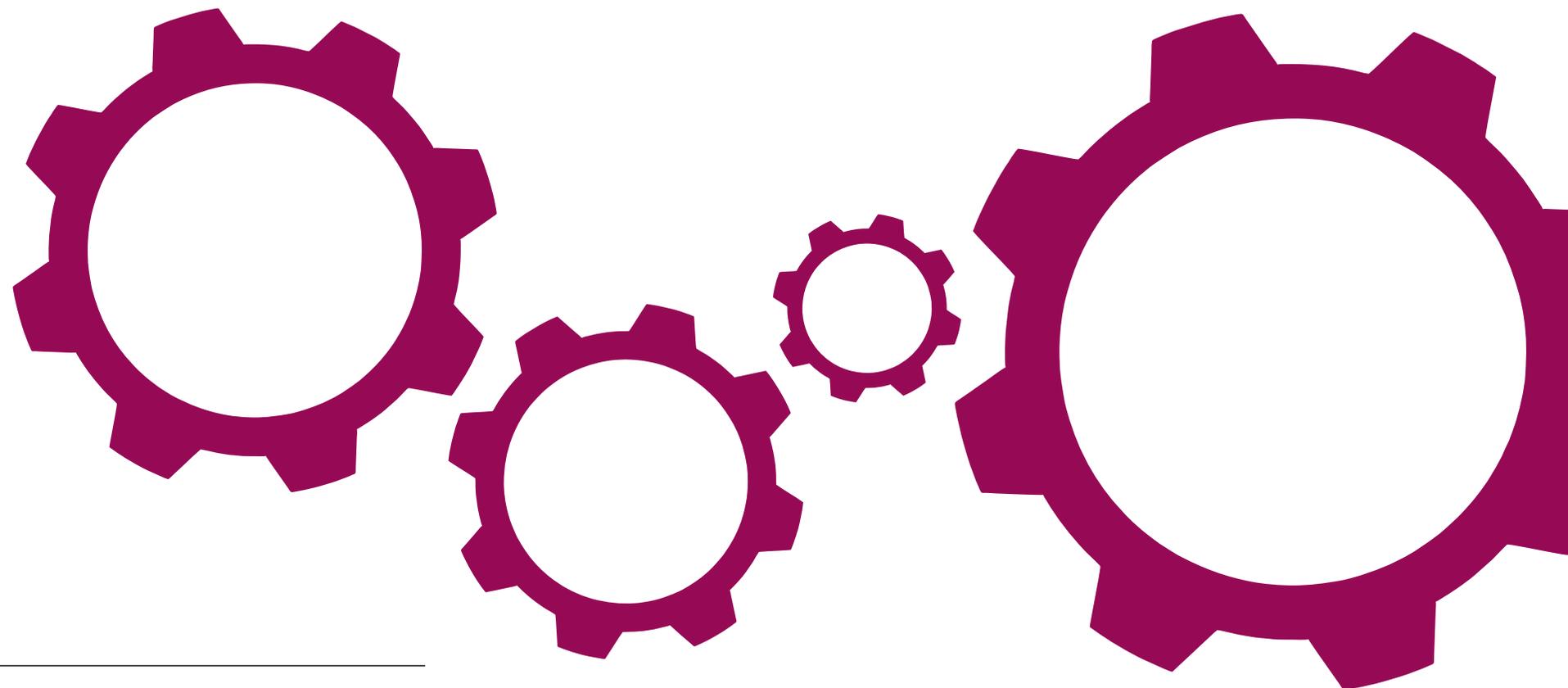
²² The strategic partnership between the Training Centre of the ILO in Turin and the ILO is an illustration of this. To integrate the ILO principles into the 2030 Agenda, the learning services of the Centre and its wider outreach will continue to be deployed, by adapting its training programmes for ILO constituents. For example, services will be reoriented to reflect different categories of learning needs arising from different stages of social and economic development. This will require accelerating the roll-out of blended and Information Technology (IT) enhanced learning approaches, as well as increasing language capacity and thematic expertise.

- **The role of the social partners²³** is of particular importance and varies from project to project. It must be carefully spelt out in the project design. This is important, since the social partners can play more than one role within the same project. For example, social partners may be providers of services (delivery agency), target populations (recipients or ultimate beneficiaries), as well as having an oversight and strategic role (governance). The role of employers' and workers' organizations differs from one situation to another.



Key Point

A good understanding of the institutional framework is essential, because the structure of interaction among the different stakeholders greatly determines what can be done and how. The institutional mapping helps identify obstacles and potential strengths in relationships. This improves the understanding of the problem the project wants to address, because in many cases inadequate institutional relationships can be at the root of the problem.



²³ Please keep in mind that workers' and employers' organizations are very different in nature and their roles change accordingly.

4.2 Project Formulation

Project formulation starts where project identification ends. This section focuses on the approach and methodology used to carry out the project idea. The formulation phase is based on the understanding gained during the situation analysis, which both informs and drives the project proposal. It takes the situation analysis and develops a project proposal, defining the benefits the project is meant to bring about for the target group. The project formulation sets out clearly the benefits the intended action will bring to the target group.

4.2.1 Project strategy

This section involves devising a strategy to address the problem. The concept of project strategy has remained ambiguous in existing studies. However, the wider concept of project strategy introduced in this manual describes how the ends (goals) will be achieved by the means (resources). The strategy generally involves setting goals, determining actions to achieve the goals, and mobilizing resources to execute the actions.

The strategy depends on the nature of the problem, the comparative advantage of the ILO, as well as the wider policy context. The problem analysis will usually suggest different, sometimes conflicting, project strategies, all of which need to be considered. In some cases, experience from other interventions, countries, sectors

and agencies, the priorities of constituents and other stakeholders, the likelihood of success, consistency with other ILO strategies, budget and time, etc., may all reveal alternative approaches.

Often the design team will instinctively and quickly arrive at an obvious strategy. However, it is still useful to consider alternatives and to document the analysis, since once a particular strategy has been agreed, the alternatives tend to be forgotten.²⁴ Lessons learned from other projects and from the ILO help in understanding why decisions on strategies were taken.

In some cases it may be desirable to compare approaches more formally. For example, some strategies may favour longer-term upstream policy or institutional development. Others may prioritize direct action or recovering response. All deserve a full analysis and, in some cases, require a full cost-benefit analysis²⁵ or cost-effectiveness analysis, involving the quantification of costs and benefits of the different approaches.

²⁴ It is useful both in terms of the rationale for selecting the chosen approach, and also for subsequent evaluation.

²⁵ Indeed, these types of analyses themselves have cost implications, which have to be set against the potential cost of selecting the wrong strategy.



RULE

Projects funded through public-private partnership agreements, by the European Commission and all **XBDC** projects the total budget for which exceeds US\$ 5 million, need to complete a **communication strategy template** in collaboration with DCOMM (Department of Communication), and the concerned **Country Office**, during the project's inception phase. EU-funded project will need to follow a specific template. For the above projects, PARDEV associates with DCOMM in appraising project proposals in terms of communication. The template at the end of "**How-to**" **Guide No. 13 – Developing a communication strategy for development cooperation**, can be used for a self-appraisal of the proposed communication strategy.

There is no standard recipe for defining the strategy to be used, since this will depend on the type of project, the stakeholders' priorities and needs, and on the country context. In most cases a multi-criteria analysis is required.²⁶

²⁶ In systematically comparing and assessing the most viable strategy to solve the main problem, the criteria that will be used need to be explicitly defined. There is a wide list of possible criteria to be used (e.g., criteria such as alignment with national priorities, benefits for particular target groups, contribution to capacity building, feasibility, Criteria that are essential in one case may be irrelevant in another etc.), but the specific criteria would depend on the type of project.

Lessons learned and communication strategy

Relevant lessons learned from previous interventions in the same technical field and/or geographical area can help to determine the correct project strategy.

Evaluations of previous development cooperation projects and programmes, developed in a similar context to solve analogous problems, should be an important source of knowledge to use in the design of a new proposal.²⁷

A communication strategy should be designed in a participatory manner, involving all relevant stakeholders in the discussions (governments, employers' and workers' organizations, funding partners, direct recipients and ultimate beneficiaries). This provides all stakeholders with the possibility of expressing their communication needs and discussing issues such as what sort

of information each stakeholder wants, what the best vehicles are for its delivery, and with what frequency. The strategy should have a budget based on the actions planned. The communications strategy should also indicate which staff member(s) will be responsible for ensuring its implementation.

²⁷ Communication arrangements put in place must be described in the **project document** in Section 5, Knowledge and Communication".

Internal communication (e.g., through knowledge sharing activities) should be accompanied by an external communication strategy to disseminate information on results to a wider audience, (e.g., policymakers, partners, the media, decision makers, influencers and the general public). Simply put, external communication is “communicating about results”,²⁸ and should communicate the positive measures taken and the impact of an ILO intervention.

For more information on how to better use communication methods for achieving development results, please refer to “[How-to](#)” [Guide No. 14 – Communication for Development \(C4D\)](#) as well as “[How-to](#)” [Guide No.13 - Developing a communication strategy for development cooperation](#) and “[Communication results and good practices.](#)”

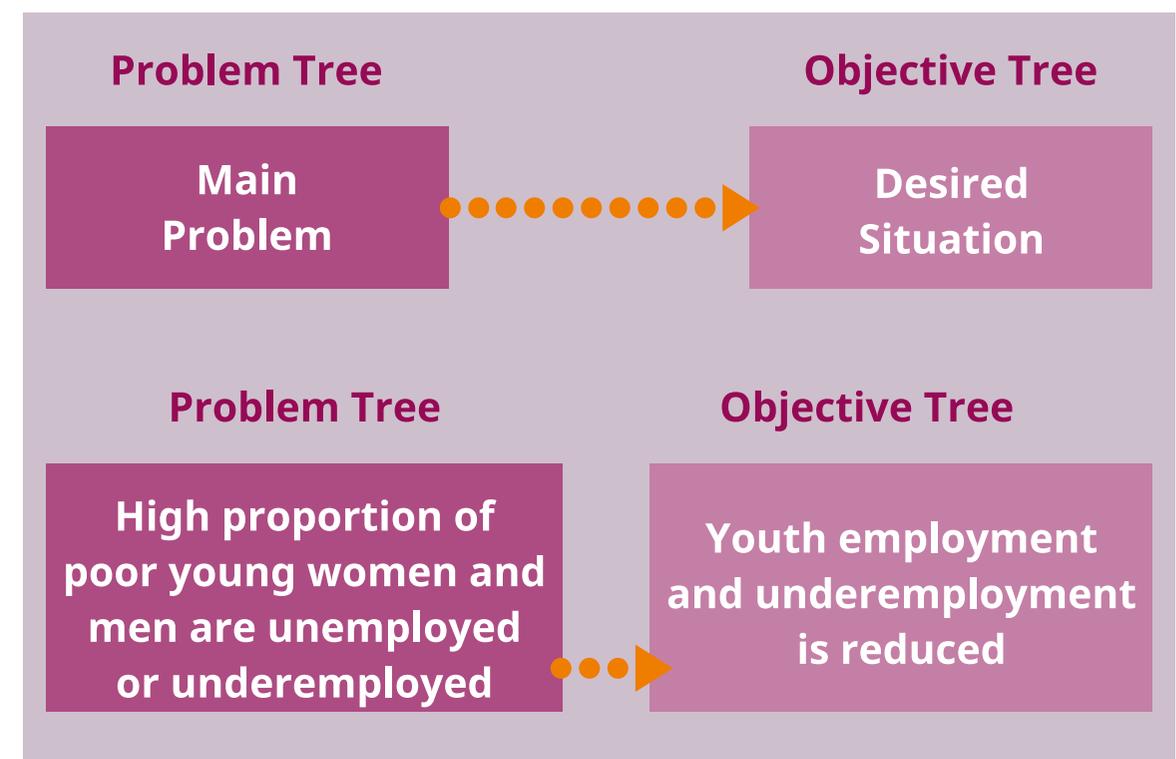
4.2.2 Objective setting

Once the project strategy has been selected, the project objectives can be stated. Project objectives (or project outcomes) are the specific changes that the project will bring about. In DC projects, these changes usually refer to strengthened capacities on the part of the direct or to improvements to the legal, institutional and/or policy context in which they operate.

The objective analysis methodology used in project design in the ILO is based on the same principles of causal logic used in problem analysis, and is consistent with **RBM**. The problem tree is transformed into an objectives tree expressing the desired solutions to the problems.

The objectives tree visualizes how different objectives interrelate to achieve the desired situation, in the same way as the problem tree visualizes how a set of interrelated causes produces a specific problem – see Table 2:

Table 2 – The problem tree vs. the objective tree



²⁸ A study on communicating development results, da Costa P., OECD, 2009.

What matters in **RBM** are results, i.e. the significant real changes that can be observed. Stating objectives as achieved situations places the focus of the objective analysis on results. If objectives are worded as activities, the focus is on the process and not on the final result.

For tips and guidance on how to formulate objectives and define the project structure, please refer to [“How to” Guide No. 7 – Results for development cooperation: Formulating outputs and outcomes.](#)

The **development objective of the project** relates to the project’s “impact”. It describes the higher (and wider) level objective to which the project aims to contribute, and should capture two concepts:

- *Impact on beneficiaries (direct and indirect)* as a result of changes in the way direct recipients operate;
- *Contribution to the wider and higher-level context* – This wider context is determined by policies at the national or regional level. In the ILO, the development objective is anchored in the **DWCPs**, P&B and CPOs, in national development strategies such as PRSs and the SDGs, and in international assistance frameworks such as the CCA/**UNCF**.

The **immediate objective**, or project outcome, relates to the core problem and is therefore associated with the target population. It is the specific changes that the project aims to have produced by its end, and it should be

described as a target to be achieved (results), rather than actions to be taken.²⁹

4.2.3 Alternative analysis

The methodology of the alternative analysis is to identify and compare possible alternative options, to assess their feasibility, and ultimately agree upon one strategy over another for action with which to address the problem.

Lessons learned from other projects help in understanding why decisions on strategies were taken. The following questions assist in this analytical stage, and might trigger other innovative strategies not reflected on before:

- Should all the identified problems and/or objectives be tackled, or only a selected few?
- What are the positive opportunities that can be built on (i.e., from the target group and the stakeholders’ analysis)?
- What is the combination of interventions that is most likely to bring about the desired results and promote sustainability of benefits?

²⁹ Please refer to Section 4.2.5 - Logical framework for more information on how to formulate outcomes and outputs, [“Tools and methods for project design and implementation planning”](#) and [“How-to” Guide No. 7 – Results for development cooperation: Formulating outputs and outcomes.](#)

- How is local ownership of the project best supported, including development of the capacity of local institutions?
- What are the likely capital and recurrent costs implications of different possible interventions, and what can realistically be afforded?
- What is/are the most cost-effective option(s)?
- Which strategy will impact most positively on addressing the needs of the poor and other identified vulnerable groups?
- Which gender-responsive strategy will impact most positively on addressing the needs of the poor and other identified vulnerable groups?
- How can potential negative environmental impacts³⁰ best be mitigated or avoided?

The objective tree (see Table 2 above) gives an approximate picture of the reality and is very useful as a project design tool. However, it may lead to a simplistic strategy if used literally. The stakeholder analysis, target group analysis, institutional analysis and problem analysis (please see Situation Analysis, section 4.1.2) provide essential information on the needs, priorities, strengths

and weaknesses of stakeholders, as well as on the risks, threats and opportunities that may influence the project.

A process to develop ILO Environmental and Social Sustainability Framework has been initiated and will include guidance on addressing potential negative environmental impacts. Environmental and social frameworks, which include safeguards or performance standards, are increasingly regarded as an important tool for development actors to ensure that their interventions do not result in inadvertent harm to people and the environment. They are valuable instruments to manage risks and systematically assure a do-no-harm approach. They can also provide a solid basis for maximizing co-benefits of interventions and to promote the internalisation of the sustainable development agenda in organizations' ways of working. [A Model Approach on Environmental and Social Sustainability Standards in UN Programming](#) has been completed and is being used as a key reference in the development or update of sustainability framework of international agencies. Complementary tools on addressing environmental sustainability in DC project design are also currently under development.

All this information is essential to assess what can and cannot be done, what the project can realistically achieve, and therefore what must be taken into account in the alternative analysis and selection.

³⁰ Please refer to IGDS No. 460 [ILO Environmental Sustainability Policy](#) and IGDS No. 461 [ILO Environmental Management System](#).

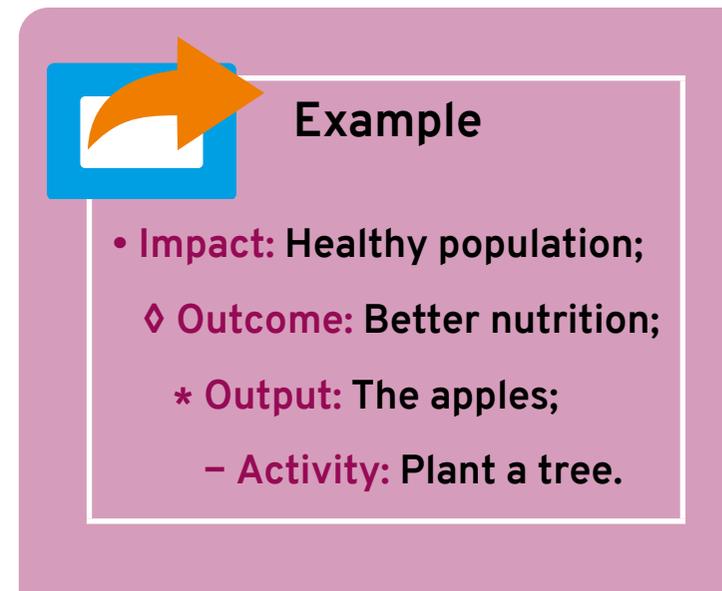
4.2.4 Project results chain

RBM does not look at the project activities, but rather at the achievements that the project activities bring about. In a world in which there is increasing competition for resources, and in which funding partners expect tangible results from the funds they grant, it is important to demonstrate the added value of ILO work, both unequivocally and measurably. The ILO is committed to results-based management, and it is therefore important to distinguish among different levels of results: “outputs”, “outcomes”, and “impacts”.

There are different levels of results that seek to capture the development changes that occur (e.g., short-term results or outputs, medium-term results or outcomes, and longer-term results or impact):

- In the long term, outcomes will reflect the **impact**;
 - ◊ **Outcomes** (results);
 - * **Outputs** (services and products), which allow one to obtain certain results;
 - Projects / programmes use **inputs** and **activities** which result in outputs.

These results are linked together into what is commonly referred to as a results chain. As shown above, it is difficult to contribute to the impact without first achieving some intermediate steps. In short, results at each level aggregate to contribute to the results at the next and higher level.



4.2.5 Theory of change and logical framework

The **theory of change** can be defined as a results-based management approach to determine why and how a desired change takes place, under specific conditions, providing a clear description of how a change initiative¹ is expected to work and a plausible explanation of its impact.

This approach requires a complete analysis and a description of the links between what the initiative does (activities, outputs), what it achieves (outcomes, impact) and the context where it operates. The theory of change approach leads to unpacking causal relationships between changes that are necessary to generate further changes, or in other words, considering outcome results not as a single block representing a high-level outcome, but more realistically as a chain of outcome results.

The theory of change approach is a process, a way of thinking about how changes can be produced, that requires undertaking a set of (iterative) actions to determine and test the theory based on continuous reflection, meaning that the theory is never static or set in stone. The articulation of a theory of change is a creative process best done in a group with the key stakeholders, as this encourages buy-in and ownership by those who are responsible for making change happen and clarifies the roles of the different actors involved.

Additionally, the theory of change approach builds on the idea that social change, including development, can be produced or caused by exogenous initiatives, and that results can be measured objectively, normally through indicators. This is the same premise that underpins the most common techniques used for project cycle management in development cooperation, notably the logical framework approach. In fact, there are many similarities—and some differences—between the theory of change and the logical framework approach, which can be considered as complementary rather than as contradictory. The theory of change approach, however, places much more emphasis on assumptions, which is especially necessary in situations of complexity. See Table 3 below.

Table 3 – The theory of change and the logical framework: similarities and differences

| Similarities | Differences |
|---|---|
| <ul style="list-style-type: none"> • Both focus on how programmes lead to results • Both start with a situation/problem • Analysis • Both are based on a “cause-to-effect” • Logic • Both include assumptions • Both require indicators to determine if the desired changes have taken place | <ul style="list-style-type: none"> • The theory of change may show different pathways and feedback loops; it is less linear than the logical framework. • The theory of change normally goes beyond the sphere of control of the implementers of the intervention to include what others are (or should be) doing. • The theory of change puts more emphasis on how and why changes are expected to happen: <ul style="list-style-type: none"> • more on assumptions and associated areas of risk, evidence, and more levels/layers of change. |

Please see [Creating Results-based Theories of Change](#) for more information.

The logical framework³¹ is a way of presenting the substance of the project in a comprehensive and understandable form. It is the structure of the project proposal.

³¹ Logical framework is the same as log frame.

The logical framework includes:

- A hierarchy of outcomes, outputs and activities;
- Progress indicators and the means of verification;
- **Assumptions** about the project context.

The logical framework sets out the project structure, indicators and assumptions in the form of a matrix, with the rows representing different levels of objectives. The results-based approach requires that objectives and indicators be expressed in the form of expected and achievable results, rather than as aspirations.

Table 4 - Logical framework

| Column 1: Project structure | Column 2: Indicators | Column 3: Means of verification | Column 4: Assumptions and risks |
|---|-----------------------------|------------------------------------|------------------------------------|
| Development objective/ Impact | Long-term impact indicators | | Sustainability conditions |
| Immediate objective/ Project outcome | End-of-project outcomes | | Development hypothesis |
| Outputs | Output indicators | | Implementation assumptions |
| Activities | Activities indicators | | Management assumptions |

The framework gives a summary of:

- **Why** a project is carried out (Immediate Objective/**Outcome**);
- **What** the project is expected to deliver (Outputs);
- **How** the project is going to produce its outputs/results (Activities);
- **Which** external factors are crucial for the success of the project (Assumptions);
- **How** we can measure success (Indicators);
- **Where** we will find the data required to assess the success (Means of Verification).

It is important to be consistent when formulating the results chain. Please refer to the following terminology for more information:

Development objective is the long-term change to which the project aims to contribute. It is linked with the DWCP, the P&B, and the national context. It is the stakeholders' responsibility, and a result to which the project will make a significant contribution, but one that they cannot achieve on their own. The development objective may not be realizable within the project period and may be dependent on the results of other projects and interventions.

Immediate objective or outcome is the specific change that the project is expected to bring about by the end of the project – in the quality and quantity of the services provided by the target group, and/or the way in which they are delivered by the direct recipients. The changes defined in the immediate objective are the changes in the:

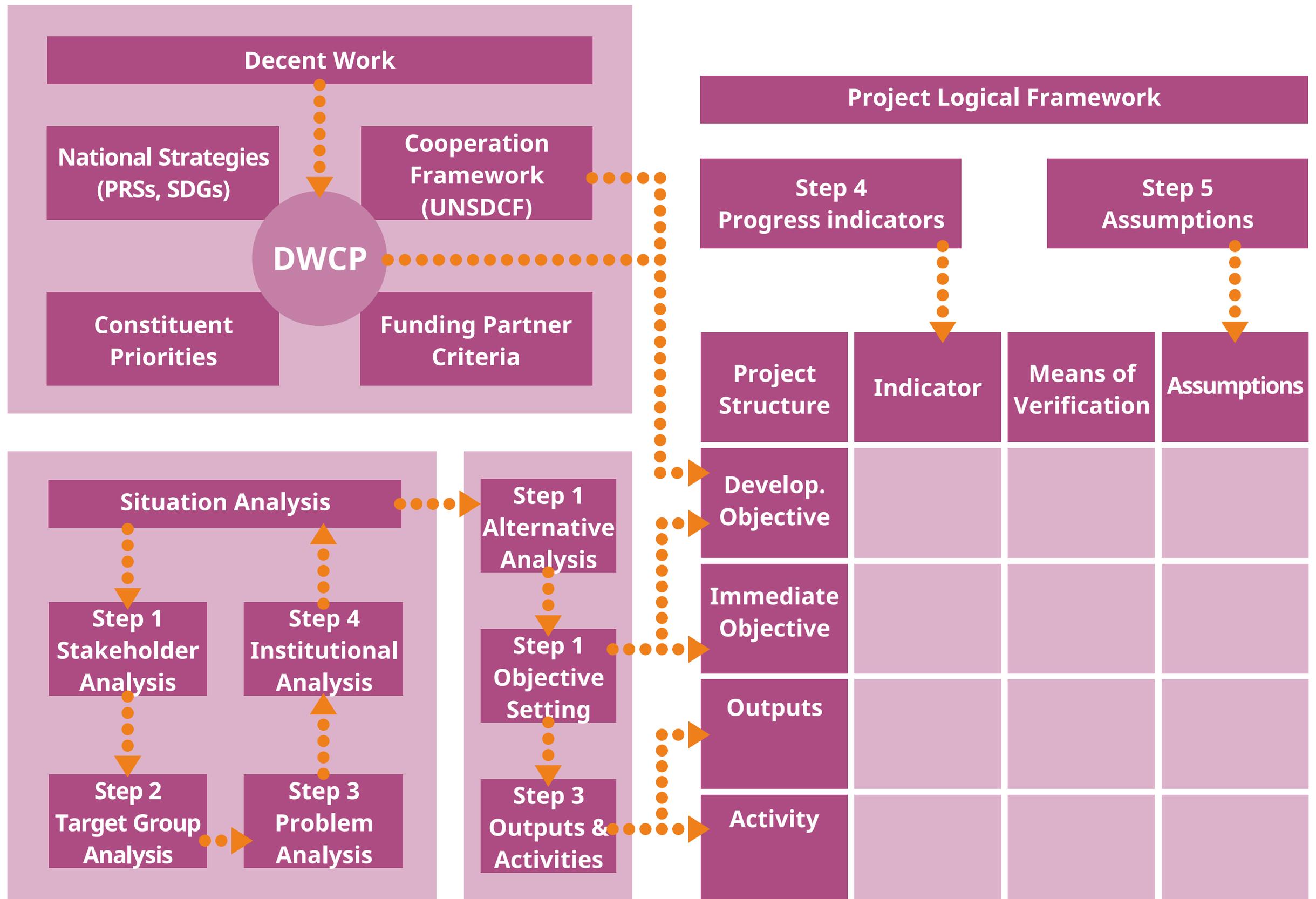
- **Target groups**, such as capacities, quality of existing or new services, etc.
- Context in which the target groups operate, such as policy, legislation, information, etc.
- **Outputs** are what the project directly produces, such as training, legislative proposals, policy documents, methodologies, information, awareness raising, intervention models, etc. An output is a product or service that the project delivers to a direct recipient in order to achieve the outcomes. They are the necessary and sufficient means to achieve the outcomes.

Activities are the necessary and sufficient actions to produce the outputs.

The methodology for project formulation can be found in “[Tools and methods for project design and implementation planning](#),” and in “[How-to](#)” Guide No. 7 - Results for development cooperation: Formulating outputs and outcomes.



Table 5 - Situation analysis and logical framework



The **logical framework** is not an end in itself, but rather the product of a planning process that is user-driven and objectives-led. The framework clarifies the underlying causality intended in the project design, defines **indicators** to measure progress, and identifies external factors and **assumptions** that will ultimately determine success.

The logical framework also links the design phase and the implementation phase by connecting the project results chain and the monitoring, reporting and evaluation system through indicators. It is a tool for transparency, summing up the features of development schemes, and presenting that information in an internally consistent and easily understandable form.

In spite of its advantages and widespread use in the development community, the logical framework also has some limitations. It is a snapshot of a situation at a certain moment in time. Therefore, it may be necessary to adjust the matrix in the course of time, as conditions change.

Likewise, avoid applying the tool too rigidly, as there is a danger of restricting project management rather than facilitating it. The major weakness of the logical framework lies in its adherence to the principle of linear causality, and the lack of information on unintended side effects, both of which can limit proper reflection of complex realities.

Box 5: Why use outcome mapping?

Another tool and methodology that addressed complexity, and increasingly is being seen as a complement (or an alternative) to the more linear, measurement-based model of the logical framework, is outcome mapping.

Outcome mapping seeks to identify and assess changes in the behaviour of people, groups and organisations with which a programme works directly. It does not seek to prove causality or attribution for those changes, but instead attempts to show logical linkages between the changes and a programme's activities, thereby enabling a programme's contribution to change to be understood. Take note that some people use the complete outcome mapping methodology, whilst others apply only some of its elements and principles.

Outcome Mapping is designed to be used at the beginning of a programme or project, after the main focus of that programme has been decided. There are three key stages to planning an outcome map:

The first stage, is the Intentional Design, which helps a project establish consensus on the changes it aims to help bring about, and plan the strategies it will use. It helps answer four questions: What is the vision to which the programme wants to contribute? Who are the programme's partners? What are the changes that are being sought? How will the programme contribute to the change process?

The second stage, Outcome and Performance Monitoring, provides a framework for the ongoing monitoring of the project's actions and the partners' progress toward the achievement of outcomes. During this stage, monitoring is based largely on self-assessment.

The third stage, Evaluation Planning, helps the programme or project identify evaluation priorities and develop an evaluation plan.

Interested readers should access the outcome mapping manual produced by Earl et. al. in 2001 for a more complete explanation of each stage, and a set of workshop exercises that can be used to facilitate outcome mapping.

4.2.6 Performance indicators

RBM requires that the project design be specified in terms of expected outputs, immediate objectives (outcomes) and impact (development objective). The logical framework approach complements this approach by requiring that indicators be defined at the design stage.

Indicators are the observable evidence that determine if a certain change is happening or not. In DC projects, indicators are used to confirm if the project is producing the expected results.

They are also important tools to show and communicate project progress to stakeholders, constituents and resource partners.

Verifiable and sensitive indicators must be defined separately in the logical framework. For example, at the **output level**, the indicators are mainly for use by the project management, as they refer to what the project delivers. At the **outcome level**, they should be linked to the direct recipients of project results and to any indirect beneficiaries. At the **development objective level**, they should be linked to direct beneficiaries and ultimate beneficiaries, as well as to higher level national, and ILO policy frameworks (DWCP, P&B, national strategies, PRSs, **UNCF**).

In addition, ILO policies also require that resources be set aside (3% being recommended) for monitoring, collecting baseline data and reporting.

Table 6 - Performance indicators

| | Project component | Indicators | Means of verification | Assumptions |
|--|--|-------------------|-----------------------|-------------|
| They indicate <i>what we achieved</i> (e.g. Adopted social security reform) | Development Objective (Expected Impact) | | | |
| They indicate <i>what we do</i> (e.g. Number (X) of trained people who were certified (disaggregated by sex) / proposal for a law drawn up and delivered) | Immediate Objective/Outcome | Process Indicator | | |
| | Outputs | Process Indicator | | |
| | Activities | | | |

For each level or row, one or more indicators are defined in column 2 of the logical framework, together with the means of verification set out in column 3 (see Table 6). **Indicators** must follow certain criteria, known as SMART criteria (Specific, Measurable, Available, Relevant, Time-bound), in order to be properly designed. It is important to underline that SMART criteria for indicators only make sense if the immediate objectives themselves are correctly formulated.³²

From a gender mainstreaming perspective, the development of indicators is a crucial phase. Having gender inclusive indicators is the best way of ensuring that activities and outputs, and by extension outcomes and impact, pay attention to the needs of working women and men alike. When defining the means to verify the indicators, details of how and when the data will be collected should be included.³³ This will be part of monitoring and evaluation planning, which will be developed at start-up of the implementation phase (see Chapter 6 – Implementation and Monitoring).

Please see below examples of quantitative and qualitative indicators, at the outcome level. For more information, refer to “[How-to](#)”

³² To develop SMART indicators, please refer to page 7 of “[How-to](#)” [Guide No. 6 – Indicators](#).

³³ The means of verification should specify: (1) The format in which the information should be made available (e.g. reports, records, research findings, publications); (2) who should provide the information; and (3) how regularly it should be provided.

[Guide No. 6 – Indicators](#) – “[How to](#)” [Guide No. 18 on the Inclusion of People with Disabilities](#).³⁴

| Quantitative Indicators | | |
|-------------------------|------------------------|---|
| Measure | Scale | Outcome indicator example |
| Number | (e.g. 1, 20, or 5,000) | Number of new employment opportunities created in targeted rural communities (XX for women and XX% for PwD) |
| Percentage | (e.g. 12% or 95%) | Percentage of workers with access to occupational health services, 50% for women and 3% for PwD, taking into account their specific needs |
| Ratio | (e.g. 1:3) | Ratio of female to male representation in Tripartite Working Group |

For example, for designing peacebuilding and social cohesion indicators in fragile context, see “[Handbook: How to design, monitor and evaluate peacebuilding results in employment programmes](#)”, p. 25-27.

4.2.7 Critical assumptions

Assumptions are events that can significantly influence the success of the project. All DC projects operate in complex social, institutional, and political contexts where

³⁴ Please refer to pages 5 – 6 of this document for further guidance on how to formulate disability-inclusive outcomes and indicators.

many factors may interfere with project implementation, such as shifts in the political environment, changes in the constituents' priorities and needs, etc.

There are four levels of assumptions; starting at “management” assumptions and moving up the logical framework to “sustainability” assumptions, which are set out in column 4 of the logical framework (see Table 5, above):

- **Management assumptions**, linking the outputs to activities. There should be few if any important assumptions at this level, since project design and [appraisal](#) must ensure that there is a reasonable chance of project management being able to achieve the outputs.
- **Implementation assumptions**, linking the immediate objectives/project outcomes to the outputs. Since project management is not able to control what happens with project outputs, there are important assumptions at this level that are critical to the success of the project and form an important part of any evaluation.
- **Development assumptions**, linking the immediate objective/project outcomes to the development objective. At this level the question being asked is: how is the achievement of the immediate objective going to contribute to national priorities, as well as ILO objectives? These are often stated in the form of hypotheses or theories. They are important for the

appraisal and evaluation of a project but are not usually related to the implementation of activities.

- **Sustainability assumptions**, relating to the sustainability of the development and immediate objectives (see [Sustainability Checklist](#)).

Assumptions analysis is based on the concepts of importance and risk. Importance is the influence that the assumption has on the achievement of the result and its sustainability. External factors have different degrees of influence. Some of them may have a low weight in the results whereas others may be decisive. Depending on the context, assumptions that are largely relevant in one case may not be important in others. Lessons learned from similar projects, ILO experience experts in the field, and constituents' feedback are valuable sources for this analysis. If the assumption is considered not important, the analysis stops, and it is not included in the logical framework. If the assumption is deemed to be a situation that needs to happen in order for the project to be successful and yet is out of the control of the project, then the following step is to assess the risk. For more information on how to conduct a risk analysis, please refer to section 4.3.3.³⁵

³⁵ To facilitate the understanding and use of risk management tools, and to develop an effective risk management strategy, please refer to [“How to” guide: Analysing and responding to risk in project design](#).

The more important and more risky the assumption, the greater the need to consider it in the project management framework, and reflect on the following options:

1. **Redesign** the project to “internalize” the problem and reduce the risk of the assumption not holding true. This may involve modifying or expanding project components or activities in order to influence or even control those external factors, such as adverse policy, which are critical to project success.
2. Develop and/or update your risk register (see section 4.3.3 below).
3. **Prepare contingency plans** in order to handle “worst case” outcomes.

Project success depends on the results of these assumptions, during and after project implementation, underlies the project design and which will be verified during implementation.

4.3 Project operational planning

It is important during the project design stage to ensure that action is directed towards intended results. For this purpose, it is necessary to make a preliminary operational while together they form the development hypothesis that plan prior to project implementation. Operation planning is the third step in the project design phase.

It defines how you will operate in practice to implement a DC project– what capacity is needed, how resources will be engaged, how risks will be dealt with, and how sustainability will be ensured.

4.3.1 Preparing the implementation plan

The development of implementation and work plans is not compulsory³⁶ during the drafting of a project proposal, unless explicitly required by the funding partner. However, the development of an implementation plan is strongly recommended during project design since it is a practical tool that demonstrates that the project is feasible in terms of responsibilities, schedule, and resources.

Initially the purpose of the implementation plan is to provide an overview of activities, schedules, and resources, which will be developed into a more detailed work plan at project start-up.

³⁶ It is not obligatory, because in many cases there may be delays between the time the project proposal is drafted (in the design phase), and the project becomes operational. The implementation plan (and work plan) will ultimately need to be updated in greater detail based on the current situation. When this happens, a project review with the funding partner and stakeholders should be carried out. In cases where the implementation is likely to start soon after the design is complete, it is useful to prepare both the implementation plan as well as the work plan for the first year.

The implementation plan and the work plan are prepared in essentially the same way, but with different purposes and levels of detail:

- An initial tentative **implementation plan** (IP) is developed during the design stage. It is used to determine resource and personnel requirements, identify procurement needs,³⁷ estimate the project budget and ensure that the project is managerially feasible - within resource and time constraints. The implementation plan may be prepared on an annual basis.
- A more substantive **work plan** is developed to organize and coordinate actual implementation. It is used to assign responsibilities, schedule activities, and prepare a baseline for monitoring and reporting.

The main differences between the implementation and work plan relate to:

- **Timescale:** *Implementation plans* cover the whole project period, while work plans are usually annual. In some cases, they may be monthly or quarterly.
- **Activity detail:** Implementation plans are based on the main activities, while in work plans activities are broken down into sub-activities and even tasks and sub-tasks.

³⁷ It is important that these needs get identified and planned from the outset. Delays in procurement of equipment and services can have a substantial impact on project delivery and continuing resource partner support.

- **Scale of responsibility:** Implementation plans distinguish between different project agencies and partners, while work plans are broken down into departments/units within agencies, plus individuals.

The operational phase of a project commences when implementing activities begin in order for achievement of the expected outputs/results. Implementation should have a plan of operations, i.e., the detailed plan for implementation of the project. It is established by the project team and is documented as:

Step 1: The performance plan is the link between the log frame and the work plan and is based on output indicators (deliverables). Achievement of each immediate objective means that, the corresponding outputs get delivered at a specific time and following a given sequence. This is what the **performance plan** reflects, and is a very important feature in results-based planning.

Step 2: The Work Breakdown Structure (WBS) sets out the activities, sub-activities and tasks required for the achievement of each output. This is the basis for the subsequent steps that allocate responsibilities, schedule activities and estimate resources and budget. A project is broken down into tasks and sub-tasks through the logical framework which creates a hierarchy of objectives, outputs, and activities. This improves the accuracy of cost estimates and enhances monitoring of project activities and outputs.

Table 7 - Implementation Plan summary

| Output | Work break-down structure Activity | Responsibility | Schedule | Resources | Budget |
|--------|------------------------------------|----------------|----------|-----------|--------|
| 1 | 1.1 | → | → | → | → |
| | 1.2 | | | | |
| | 1.3 | | | | |
| | 1.4 | | | | |
| 2 | 2.1 | | | | |
| | 2.2 | | | | |

Step 3: *The responsibility matrix* sets out who is responsible for each activity,³⁸ by allocating duties to different people within the team. Good project planning ensures that the responsibility for outputs and activities gets assigned to units, teams or individuals. Teams can be formed between different ILO units and can include other agencies and organizations (see [responsibility matrix](#)).

³⁸ The set of all activities required of a particular individual or organization forms the duty statement or terms of reference for that assignment.

Step 4: A schedule provides a way of focusing managerial attention on the time factor and critical events, and giving priority to certain activities. The schedule states when each activity starts, its duration and when it will be completed. This is usually presented in the form of a bar chart³⁹ that sets out the sequence of activities and links them to critical events or milestones. Please refer to the instructions to prepare the [scheduling work plan](#).

Step 5: A resource or inputs plan,⁴⁰ which sets out the requirements for achievement of the project objectives. This may include personnel, office premises, office equipment, and other items critical to project delivery (e.g., special equipment, services from external collaborators, contractors and implementing agents, project vehicles training workshops and other miscellaneous inputs). The rules and procedures governing procurement of goods and services are set out in various [IGDS](#) documents⁴¹ and the [Internal Governance Manual on Procurement](#).

³⁹ The Gantt or bar chart is a simple but powerful tool to use. It is easy to read and can be used to track progress against time. The chart uses the activities from the work breakdown structure.

⁴⁰ The information on the resource plan should be used to complete a [Programme Assessment form](#). The information on the resource plan is critical for ILO SECURITY.

⁴¹ See, in particular, Office Directive on Procurement, IGDS No. 239 (Version 3) of 18 May 2017, Office Procedure on Procurement Thresholds, IGDS No. 216 (Version 4) of 18 May 2017, and Office Procedure on *Implementation Agreements*, IGDS No. 270, 21 December 2017.

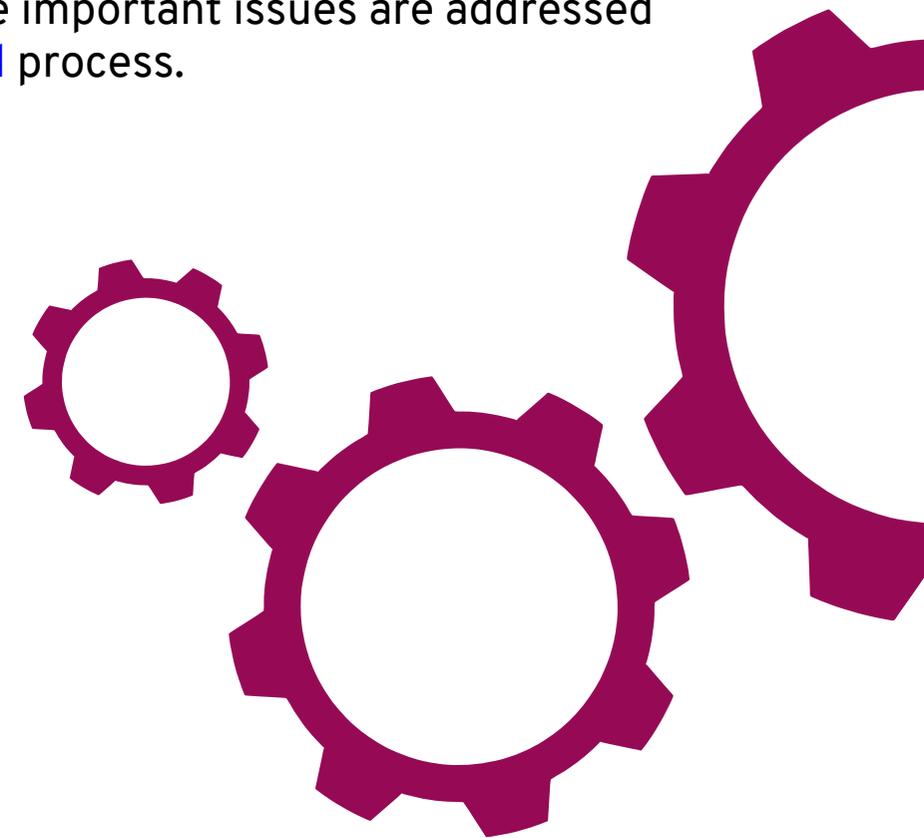
Personnel may be recruited internationally or nationally and may include professional, technical, administrative and other support personnel. They may be appointed ILO officials, hired consultants, recruited directly by the ILO, or supplied by a national funding partner agency, e.g., associate experts.

In some cases, resources are provided by the recipient country or other partners. It is important to prepare a total [resource/input plan](#) setting out all the resources required to carry out the planned activities and to indicate the different partners' contributions in the [project document](#).

For example, government contributions may include office premises, supplies and services or administrative support personnel that remain financially under the government's responsibility. Please refer to HRD for more information on this category of project personnel. If the government does not provide such contributions, everything will need to be budgeted from the extra-budgetary funding provided by the funding partner through the ILO.

Step 6: A budget estimating the cost of the resources. The ILO has specific guidelines and procedures for budgeting. Standard rules for budgeting are set out in BUD/DC's [Results-based budgeting guide available](#), on the FINANCE website. Section 4.3.4 of this chapter provides more guidance on results-based budgeting.

In short, the implementation plan (IP) is the overview⁴² of all the above-mentioned steps; in effect, the (IP) is based on the stated objectives, and takes into consideration the available resources to implement the project (people, time and funds), therefore ensuring that the project is also realistic. Where objectives and resources do not match, or dependent activities such as procurement of specialized goods and services cannot be delivered in a timely manner, either additional resources need to be found, objectives need to be scaled down or alternative delivery modalities need to be established. If this is not done, the project is not feasible and cannot be implemented. These important issues are addressed during the [appraisal](#) process.



⁴² To help you better understand and use the implementation plan format for DC projects, please refer to the “How -to” Guide No. 4 – Implementation Plan.

The information obtained from following the above steps will enable project originators to describe the project's specific management arrangements. It is important to clearly reflect in the project proposal the role and responsibility of the responsible ILO office,⁴³ the administrative backstopping unit,⁴⁴ the technical backstopping unit⁴⁵ and the ILO collaborating units.⁴⁶ To bring this information together in a concise fashion, it is crucial to provide enough evidence for the relevant units and offices to have adequate administrative and technical capacity to carry out the project.

When describing the specific management structure of the project, including the role of the staff, it is essential to strengthen the critical mass of technical expertise where it is needed most – that is to say, closer to needs. In line with the [ILO's decentralization policy](#), the Office is committed to meeting the target of 80 per cent of all projects being managed by Field Offices by the end of 2017. The following criteria must be met before – on an exceptional basis – locating **XBDC** projects at HQ:

⁴³ This is the director of the field office or policy department responsible for managing overall implementation of the project.

⁴⁴ This is the office/department responsible for managing overall implementation of the project.

⁴⁵ This is the technical unit or Decent Work Team that provides operational advisory, mentoring, training and support services to the ILO administrative unit/office responsible for office the overall implementation of a project.

⁴⁶ These are the units/offices that provide certain inputs or are responsible for a specific output.

- a) **Effectiveness**: Demonstrated benefits in terms of results and impact through synergies and/or complementarities with other HQ-based projects and programmes (e.g., research, global advocacy) that cannot be realized otherwise (e.g. through collaboration between the Field Offices concerned and these HQ-based programmes and projects). This criterion may also apply to DC projects operating in more than one geographic region.
- b) **Cost efficiency**: Significant savings resulting from the project's location at Headquarters as compared to implementation in the field.
- c) **Capacity**: Centralization of a project in the event that the field office concerned is itself of the view that it does not have sufficient capacity to implement it.
- d) **Management efficiency**: Coordination requirements of projects covering more than one region in cases where the **Regional Offices** concerned are unable to ensure such coordination.

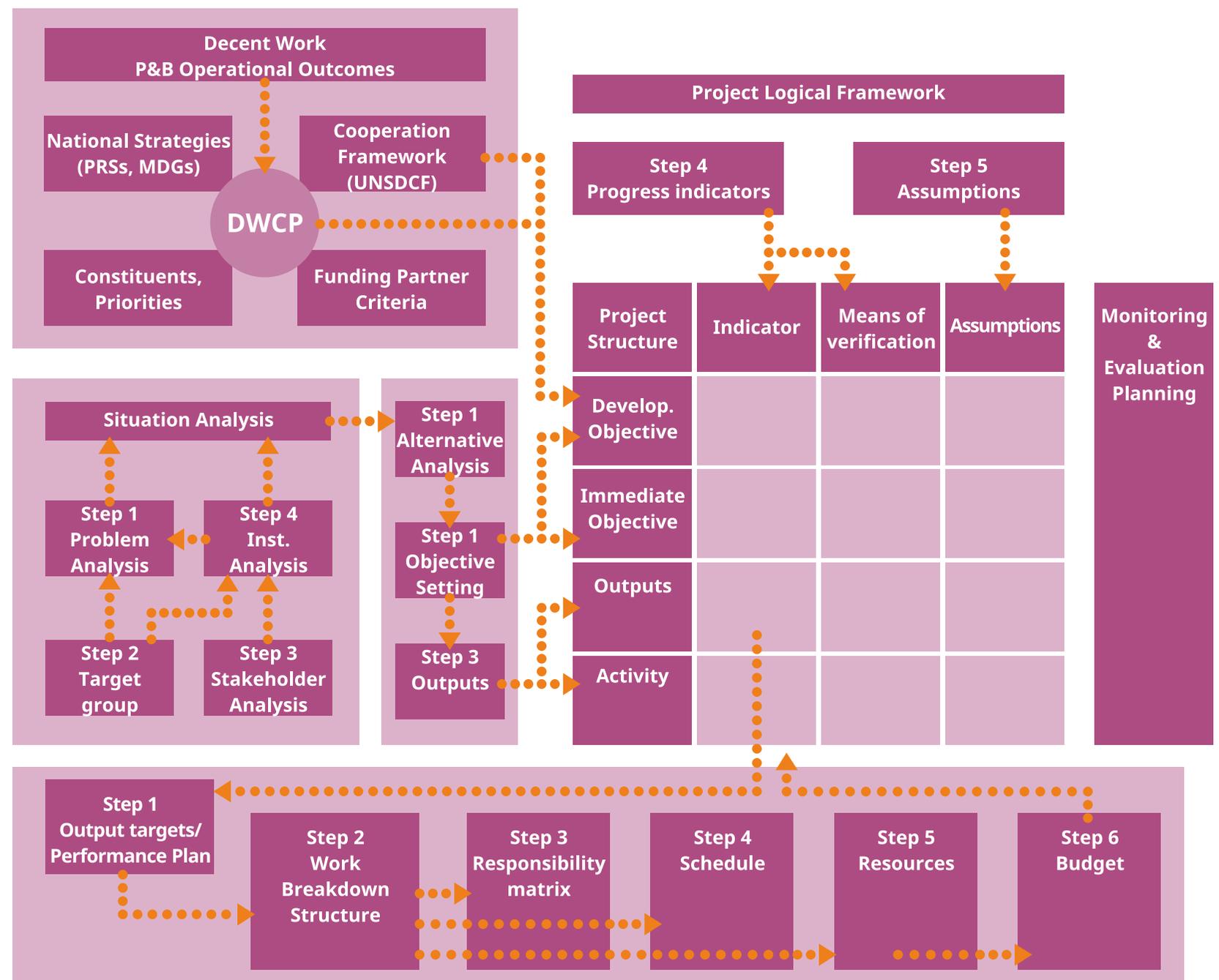
These criteria will be applied during the project cycle as follows:

- **Design**: If new projects are to be managed from HQ, the project originator will provide a justification for centralized management arrangements in consultation with the field office director(s) concerned.

- **Appraisal:** PARDEV will assess the justification provided and request that the relevant Field Offices and technical units to confirm the proposed management arrangements.
- **Approval:** For additional contributions to existing HQ-based programmes and projects, the responsible ILO official will provide a justification based on the criteria above, and in consultation with the relevant field office Directors; PARDEV will assess the proposed management arrangements and make alternative proposals where necessary.

Where no internal agreement can be reached on the management arrangements, DDG/FOP (Field Operations and Partnerships) will take a final decision. It is important to bear in mind that implementing the [decentralization policy](#) is a collective responsibility; decentralization is compatible with a range of modalities, from stand-alone projects to global programmes.

Table 8 - Situation analysis, logical framework and implementation plan



4.3.2 Planning for monitoring and evaluation

The Monitoring and Evaluation (M&E) system⁴⁷ needs to be understood as an integrated system for reflection and communication. As with implementation and work plans, the development of a detailed M&E plan is not compulsory⁴⁸ during the drafting of the project proposal.

However, it is recommended that the project design team summarize the project M&E system, including the processes, procedures and responsibilities foreseen for monitoring, reporting and evaluation activities. For example, monitoring might require carrying out a series of activities for data collection, processing and analysis, drafting reports, etc. that define the staff and resources that need to be included in the budget and schedule. Some of these activities – such as the drawing up of baselines – can be rather expensive. Indeed, keeping these activities, and their related costs in mind can reduce bottlenecks at the start-up of project activities.

A part of project design planning for M&E envisages and documents the resources needed to establish a baseline and collects the necessary monitoring information during

the implementation.⁴⁹ In addition, there is still time during project design to change the set of indicators if it turns out that measuring one of them is not possible or too expensive.

Design of the M&E system can be organized into six consecutive stages:

1. **Establishing the purpose and scope.** The first question should be “why do we need M&E and how broad should our system be?”. Ideally the M&E system should embrace all levels of the project: activities, products, immediate objectives, and impacts. Funding partner requirements and interests of the stakeholders may also imply requirements for the scope of monitoring.
2. **Identifying indicators.** Once the scope of the monitoring system has been defined, the next issue is to define the knowledge needed to verify the progress towards the results in order to manage the project. The project **indicators**⁵⁰ formulated during the preparation of the project logical framework are the tools which will be used to learn about the project’s advances.

⁴⁷ For more information on evaluation, consult the [EVAL webpage](#); for designing a monitoring plan, consult the PARDEV intranet.

⁴⁸ It is not compulsory because to prepare the M&E plan, in many cases specific surveys, studies or research are needed in order to obtain missing baseline information. An M&E plan is normally developed during project start-up.

⁴⁹ When the M&E system is not planned as an integral part of the project design, there is a great risk that during implementation the project manager realizes that there are insufficient (human, technical or financial) resources to implement the monitoring, reporting and evaluation system.

⁵⁰ This list of indicators produced with the log frame is validated and refined during planning of the monitoring system.

3. **Planning the collection and organization of information.** This step is concerned with designing the way in which the necessary information will be obtained. This includes the methods (which may be qualitative or quantitative), and the tools (e.g., surveys, document revision, interviews, etc.) It is necessary to establish the frequency of collection of information,⁵¹ which is determined by the needs of the project manager in terms of internal management and progress reports.⁵²
4. **Planning processes and events for reflection.** These processes are vital for attributing sense to the collected information and for using it to improve the project. Examples of reflection events include: participatory revision of the project strategy at the beginning of the project, development of the M&E plan with stakeholders, regular field visits, etc.
5. **Planning reports and communications.** Drafting of progress reports must be included in the work plan, so as to plan in advance the time and resources needed. The ways in which they will be communicated⁵³ to

⁵¹ The frequency of data collection does not need to be equal for all indicators, but has to be consistent with the nature of the indicator and of its associated result.

⁵² Usually, activities and products are regularly monitored every three or four months.

⁵³ Communicating progress in a project is vital for keeping the different levels of the ILO informed, as well as the funding partner, stakeholders and constituents.

the different stakeholders (which may vary between stakeholders) must also be planned.

Planning the necessary conditions and capacities. The last step is to determine the necessary means to make sure the M&E system functions in practice. For instance, the [capacity building needs](#) – such as tools, training, etc. – of the stakeholders participating in the project’s M&E system, must be reflected in the [work plan](#) and [budget](#).⁵⁴

The [Monitoring matrix](#) facilitates the preparation of the M&E plan for projects. It is a tool that constitutes the main elements of the monitoring plan, and can be used to develop the M&E plan jointly with stakeholders during a planning workshop. Please refer to the [PARDEV intranet](#) to access the [matrix template](#) and an [annotated example](#).

4.3.3 Analysing and managing risks

Risk management is one of the building blocks within results-based planning, monitoring, and reporting in the ILO. To meet ILO quality standards, every project document has to contain a discussion of risk. For projects over US\$1 million, this is in the form of a risk register. For projects under US\$1 million, a risk register is optional. However, as a minimum, the project document should include a short narrative of expected risks, for example as bullet points.

⁵⁴ The project budget needs to incorporate the necessary resources, and the work plan the necessary activities.

During project design, colleagues are invited to consult the [“How to” guide](#) - Analysing and responding to risk in project design in order to identify, prioritise, record and handle risks during project design through a six-step approach.

The terms “risk” and “risk management” have evolved into common use throughout the UN system. However, despite their increased use, the terms are not commonly understood. Risk⁵⁵ refers to the effect of uncertainty on the achievement of objectives. In this sense, an effect is the deviation from the expected – positive and/or negative; while, uncertainty is the state, even partial, of deficiency of information related to, understanding or knowledge of a risk event, its impact or likelihood. Risk management⁵⁶ is the systematic, coordinated approach to direct and control an organization, and its activities, with regard to risk.

⁵⁵ The UN Security Management System calls these factors threats. There are 4 kinds of threats identified: Terrorism, Armed Conflict, Crime, Civil Unrest, and Hazards, when necessary.

⁵⁶ An [ILO Enterprise Risk Management Framework](#) has been issued. It is designed to ensure that risk management across the Office is systematic, structured, efficient and effective. It incorporates the ILO Risk Appetite Statement, risk management guidelines and specific procedures in relation to aggravated risks. The distribution of roles, responsibilities and accountabilities is also specified in the Framework. The Framework complements risk management procedures and practices already established in relation to a number of the Office’s areas of work. For more information, please refer to [IGDS Office Directive No 421 \(Version 1\) ILO Enterprise Risk Management Framework](#).

As part of the risk assessment (see step 1 of the [How to guide](#) - link on the words “How to guide”), project designers should assess what factors in the external context affect the objectives of the project. The associated assumptions identified in your Theory of Change and logical framework should be your first point of departure. For example, this could be done by conducting a risk analysis in consultation with ILO SECURITY and the Senior Risk Officer. Please refer to section 4.2.7 – on Critical **Assumptions** for carrying out a risk analysis and consult the [ILO SECURITY intranet page](#).

A risk analysis is carried out by following the six-step approach outlined in the [How to guide](#). These steps materialized in the development of a risk register. A risk register is a repository in which outputs of risk processes are recorded. Please keep in mind that field offices and policy departments’ risk registers may also point you towards other areas of risk. In the referenced how to guide, Annex 1 contains an example of a fully completed risk register.

Mitigation measures refer to the additional efforts that must be taken to lower the likelihood of the risk. Remember that risks can never be totally eliminated, but they can be monitored and mitigated. For instance, politico-institutional risks can be mitigated by proposing governance options or actions to reduce threats and enhance opportunities.

Risk analysis is critical, particularly in projects conducted in fragile settings. Armed violence, exploitation, and

underemployment are coupled with a multitude of man-made as well as natural risk factors to generate severe conditions of vulnerability. Please refer to the [Factsheet: ILO in fragile situations](#) for key background information on the ILO's work in such situations.

Risks should be followed by the project team, steering committees and other project partners. For example, a reference to risk during meetings, providing updates on the risk register, progress reports, etc. on major risks, highlighting difficulties in progressing risk responses, and getting agreement to solutions. During formal progress reporting, project partners could be updated on changes to the risk register, such as new risks that have appeared and risks which have diminished.

To summarize, conducting the risk analysis⁵⁷ – identifying risk levels and developing mitigation measures⁵⁸ – a risk register⁵⁹ should allow the project originator, e.g., in consultation with ILO SECURITY and the Senior Risk Officer, to document, score, and respond to risks during the life of the project.

⁵⁷ The risk analysis is in direct line with the safety and security of the staff, but also with delivery of the project

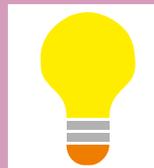
⁵⁸ The mitigation measures are provided through the [Security Risk Management \(SRM\) compliance list](#) recollecting all requirements for managers, staff, premises, vehicles and events within the limits of the provision enacted in [IGDS 118](#), paragraph 2.7.

⁵⁹ A risk register is a risk management tool that acts as a central repository for all risks levels identified. The register (or risk log) becomes essential as it records the identified risks, their severity and the action steps to be taken.

An example of a risk register can be found in Annex A, of [How to guide: Analysing and responding to risk in project design](#). Keep in mind that the SRA performed by ILO SECURITY could inform the development of your risk register.

4.3.4 Preparing a project budget

All development cooperation projects require the preparation and approval of a project budget prior to submission to the funding partner and prior to any commitments or expenses being incurred. The [project document](#) (**PRODOC**) should always be the starting point for preparation of the budget. The project budget sets out the financial inputs needed to carry out the project activities and achieve the project's outputs and objectives



TIPS

Staff⁶¹ in BUD/DC should be approached early in the project formulation for support and advice in budget design. ILO DC budgets follow ILO rules and procedures. To avoid hiccups in negotiating with the funding partner, it is essential to seek early guidance and clearance from PARDEV and BUD/DC before communicating budgets to the funding partner.

⁶⁰ http://www.ilo.org/dyn/finapps/stafflist.org_unit_detail?p_lang=en&p_id=11

as stated in the PRODOC – more specifically in the logical framework.

The budget is part of the contractual relationship between the ILO and the funding partner. It is used to quantify the contribution provided by the funding partner and to determine how funds will be spent. At the stage of budget design, a procurement plan⁶¹ might be required. Each plan must identify all related costs including delivery, insurance, maintenance, training and provision for cost increases and local taxes, if the ILO is not exempt.

PROCUREMENT should be contacted for advice on cost estimation and on ILO rules and procedures for supplies. For more information see the [PROCUREMENT Manual](#).

Certain costs should always be borne in mind when a budget is designed. These are for instance standard costs such as *Programme Support Costs (PSC)*, relating to administrative and technical backstopping (at a standard rate of 13% of the project's budget direct cost), and standard provision for cost increases (5%). However other fundamental costs must also be considered, such as evaluation costs⁶² (2% of a project's budget

⁶¹ Links to the template and guidance on how to complete a PROCUREMENT plan are available at [PARDEV's one-stop shop](#).

⁶² See Chapter 7: Evaluation, and the [ILO policy guidelines for evaluation](#).

must be allocated for evaluation)⁶³, expenditure for a [communication strategy](#), monitoring and reporting costs (3% is recommended) security costs, rent or arrangements of extra office space used for the project, contingencies, and in-kind contributions.⁶⁴

The 1% UN Coordination levy is a contribution to the UN resident coordinator system and will therefore not be included in the project budget or the certified financial statements.

Components to consider prior to budget formulation

A project is comprised of interrelated and coordinated activities, designed to achieve clearly defined objectives ranging from policy change to practical direct action, in line with the ILO's *Decent Work Agenda*. The budget is comprised of the inputs funded by the funding partner for

⁶³ ILO's evaluation policy requires that a minimum of 2 per cent of total project funds be reserved for internal or independent evaluations, depending on the size of the project budget. On a case-to-case basis, EVAL may exceptionally allow a lower percentage dedicated for evaluations depending on certain variables, such as the size and nature of the project, and expectations in terms of evaluation deliverables. DEPFs and REOs are available for consultation to help determine an appropriate cost estimate for evaluation activities in case the 2 per cent provision is considered excessive or not adequate. EVAL approval is required for such exceptions. Use of the resources under this budget line requires approval from EVAL.

⁶⁴ For more information see Chapter 5 – Appraisal and Approval and consult the [guide on “result-based budgeting”](#)

implementation of the activities or outcomes reflected in the project document.

The following are some of the items that should be considered when preparing a budget:

- International and local staff costs, short-term staff or consultants;
- Travel costs;
- Workshop costs;
- Security costs⁶⁵;
- Accommodation/office facilities;
- Specialized equipment, services and vehicles required to support project delivery.⁶⁶

⁶⁵ If the programme assessment has already been performed in consultation with ILO SECURITY, the security costs could be properly integrated immediately. The average for security costs for DC projects is 1.7% (147 projects assessed in 2014). On two separate occasions, ILO SECURITY required the recruitment of security personnel: Afghanistan and Yemen.

⁶⁶ These costs are likely to be associated with items included in the PROCUREMENT plan.

- Cost for setting up a required IT infrastructure for a given location (if relevant)⁶⁷;
- PSC, at 13% of project expenditures;
- Evaluation costs;
- Provision for Cost Increases (PCI), at 5%;

The technical unit or field office preparing the budget should estimate the costs for all other activities in the project document. See the information summarized below on the above points.⁶⁸

Programme support costs

It is ILO policy that the appropriate standard programme support cost rates of 13% of direct costs be consistently applied. PSCs⁶⁹ are an integral part of each project

⁶⁷ DC project which does not share premises with an ILO external office. Please refer to [Cost estimate for a new DC project to obtain a Standard IT infrastructure](#).

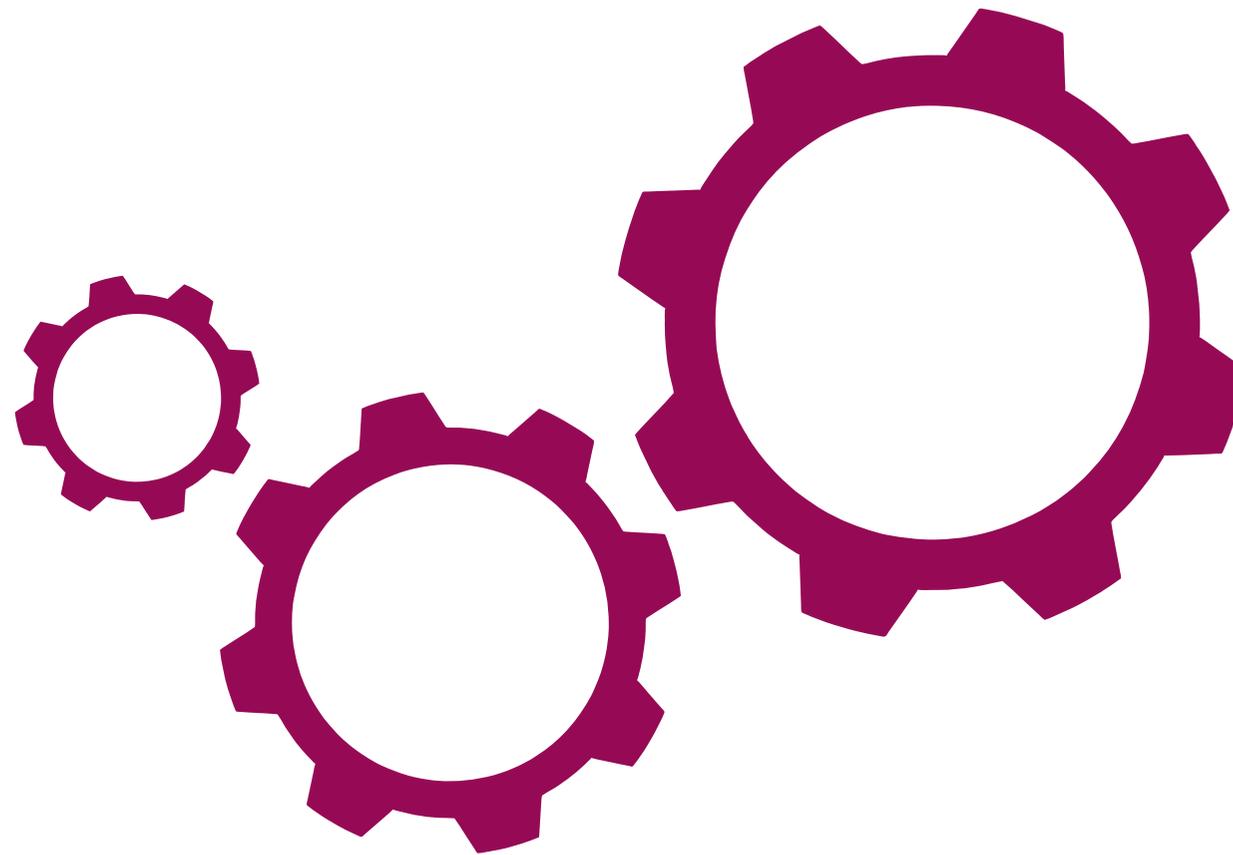
⁶⁸ In fragile settings, it is key to budget the conflict-sensitive assessments, establishment of baselines, data collection and implementation of an M&E strategy, which are particularly costly in conflict-affected areas where strict security concerns have to be implemented. Alternative and innovative ways of collecting data, such as mobile surveys, should be envisioned.

⁶⁹ This rate, currently at 13%, has been programmed into the ILO's financial systems and provides an automatic, simple and efficient redistribution of the indirect costs incurred in support of a project.

budget. They are expressed as a percentage of the total direct cost of a project budget. (Provision for cost increase is not included in direct costs, thus the 5% for PCI is calculated only as a second step, on the base of direct costs.)

Programme support costs are centrally managed and are used to support the implementation of extra-budgetary projects. For example, they cover – but are not limited to – administrative backstopping (personnel, financial, reporting, standard auditing, procurement, IT and general services) and technical backstopping (advisory services, preparation of manuals and training aids, briefing of project personnel, technical aspects of procurement, project monitoring, etc.).

Direct costs can include staff time of technical specialists at Headquarters or in external offices (project management, technical input, monitoring, evaluation, procurement, etc.), office rental, utilities, insurance premiums, security and maintenance costs – to name a few examples. Direct administrative support includes administrative functions that are directly related to delivery of the project or programme activities – e.g., project drivers, procurement specialists or administrative and financial assistants hired to work on the project. When formulating project proposals, all directly attributable costs must be included within the project budget proposed.



Cost sharing

Unnecessary costs can be eliminated by cost sharing with other DC projects. This is a fund pooling arrangement for efficient use of resources. Approaches to cost sharing could include dividing the total cost for items such as rent, security and utilities, or staff between several projects, in proportion to their share of its benefits. There is no established methodology for calculating each project's share. It is recommended that a simple and easily identifiable method be used. Normally costs are shared pro rata based on office space occupied or the head count of individuals using the facilities. For any of the methodologies that are used, the responsible official must ensure that the calculations are transparent, logical, and documented.

In-kind ILO contribution

Funding partners are increasingly requiring the ILO to contribute its own resources towards implementation of the project to be funded. These are known as in-kind contributions, and they are resources for the direct implementation of specific outputs identified as deliverables by the ILO within the context of the project.⁷⁰

⁷⁰ Please keep in mind that in-kind contributions should not be resources directed to supporting targeted project activities.

It is the responsibility of the technical unit or field office to ensure that the inputs, data, and any statistics collected and reported as evidence of in-kind contribution, can be independently verified at a later date. When preparing a budget with an in-kind contribution, it is important to submit detailed estimates to BUD/DC, together with information on how this amount will be calculated and reported. It is the responsibility of the Director of the technical unit or field office concerned with the project to make sure these resources are available as communicated to the funding partner.



Example

An example of in-kind contributions would be the provision of specialist technical staff input to a project, which would be valued at the standard cost multiplied by the number of months of input to the project.

In line with the ILO's rules and regulations, it is not possible for one development cooperation project to cover the costs of another one, without the previous written consent of the funding partner and the written confirmation from the different departments involved in the contribution of these costs. Eligible projects include those for which an agreement has been signed, and that will take place within the proposed project duration. BUD/DC cannot accept projects that are currently under negotiation, as there is no guarantee that they will materialize. In-kind support counted towards one project cannot be counted as in-kind support for another project.

The ILO does not report financially on in-kind contributions to the funding partner by way of signed financial statements produced by BUD/DC. For this reason, it is up to the technical unit or field office responsible for the project to keep track of the in-kind contributions through time-sheets, mission reports, emails, receipts, invoices and/or other documentation. It is important to adequately track, monitor and report on ILO's in-kind contributions – not only for auditing purposes, but also to document and justify any contribution promised in the project document. These documents are not to be shared with the funding partner but are for internal use as well as support in the case of an audit.

Budget constraints

- The ILO does not pre-finance activities, so enough funds need to be available to cover the costs of the implementation period before the next payment.
- For new funding partners for which there is no funding history, BUD/DC only initiates the budget to the amount of funds received in order to limit the ILO's risk;
- For funding partner funding for which subsequent instalments are subject to appropriation from their parliament before being disbursed, the budget is also limited to funds received.

Monitoring and evaluation

When budgeting for monitoring and evaluation, it is important to consider the ILO policy for projects over US\$ 5 million, US\$ 1 million, or below. Please see Chapter 7– Evaluation and “[ILO policy guidelines for results-based evaluation: Principles, rationale, planning and managing for evaluations, 4th ed.](#)”. It is useful to make a real cost estimate to cover evaluation and other M&E activities. For more information, tools and guidelines, please visit the [Evaluation Office webpage](#) and contact it through EVAL@ilo.org.

Security management

ILO SECURITY identifies the ILO-specific mitigation measures through a security risk assessment process based on the standardised information received. A detailed [programme assessment form](#) should be completed by the project originator and submitted to ILO SECURITY, which will provide detailed recommendations on mandatory security requirements, and the estimate of the associated costs. The [programme assessment form](#) can be shared with ILO SECURITY during both project design and project appraisal. However, it is strongly recommended that this form be completed and shared with ILO SECURITY at the earliest stage possible, before the implementation plan and the formulation of the budget. Indeed, this is critical, so as to avoid delays and enable an efficient partnership with ILO SECURITY.

The provision for security costs will be determined, based on the requirements to be compliant with the Security Risk Management recommendations (SRM) and Residential Security Measures (RSM). In addition, the project's portion of the [UNDSS](#) (United Nations Department of Security and Safety) cost-shared expenses at the field location will be included.⁷¹ Allocations reserved for security should be used for this purpose only. For more information, please see the [ILO SECURITY intranet page](#).

Provision for cost increase

Provision for cost increase is added to guard against contingencies that may require more funds. In the ILO it is calculated at 5% of the total allocations for direct costs. This percentage is allocated to the project:

- if it lasts more than one year;
- when there are high ILO personnel costs;
- when the contribution is made in a currency other than US\$, and in several payments, as this could result in [exchange rate](#) risks.

⁷¹ On an exceptional basis, security personnel could be included in the recommendations.

BUDGET FORMULATION

A budget must be prepared for every proposal prior to submission to funding partners. A budget is required at the appraisal stage, in the ILO format,⁷² so as to ensure that it reflects the resource requirements for delivering the predefined objectives expressed in the project document.

Each project must have a [WBS](#)⁷³, which sets out the plan of activities and tasks required to achieve the outcomes and outputs over the duration of the project. The project budget is this work plan as expressed in monetary terms. This format allows for the preparation of [results-based budgets](#), where results are defined at the outcome and output levels. By identifying the costs of the inputs needed to carry out the activities, it is possible to estimate the costs for each output and outcome.



Key point

A project budget is a financial commitment by the ILO towards the funding partner and needs to be cleared by BUD/DC before it can be entered in the system

⁷² Please refer to the [Budget revision template](#) in Excel (columns A through M) available on the [Financial Services Department intranet](#)

⁷³ A WBS defines the scope of a project in terms of hierarchy of deliverables and the activities/inputs required to achieve the results. A work breakdown structure is used to prepare the plan of operation.

All budgets are entered in the Oracle Grants Accounting (OGA) module in IRIS in the results-based format.

Results-based budget

A results-based budget (**RBB**) allows the project originator to design a balanced proposal in which resources are allocated for every predefined objective and output. RBB should also be considered as a useful tool for monitoring and evaluation since it shows clearly where resources are allocated. It is also a valid instrument for demonstrating to the funding partner how their contributions were used to achieve specific results.

When preparing a budget,⁷⁴ it is important to analyse which resources will be needed to carry out each activity. It is key to identify the units and the unit rate of the resources and in what quantity they are required.

For example, to carry out a seminar an international consultant may be required for 6 days. The unit rate is US\$ 375 per day, which when multiplied by six days adds up to US\$ 2,250. This would be the cost of only one of the inputs needed for carrying out the activity. Other inputs could include stationery, computers, DSA (Daily Subsistence Allowance), etc. for which unit rates and quantities need to be clearly identified.

The table below is an example of how this information could be presented. Note that it is also important to keep the work plan in mind so as to identify in which year the funds will be required.

Table 9 - Budget in WBS

| Outcome/ Output | Activity | Inputs (Assumptions) | Type Resource type ⁷⁸ (IRIS) | Unit rate | Quantity | Year 1 | Year 2 | Total |
|--------------------|----------|-------------------------|---|-----------|----------|--------|--------|-------|
| Outcome 01 | | | | | | | | |
| 01.01 | 01.01.01 | | | | | | | |
| | 01.01.02 | | | | | | | |
| Outcome 02 | | | | | | | | |
| 02.01 | | | | | | | | |

⁷⁴ Development cooperation budgets, IGDS No. 118 (Version 1), 14 September 2009, line 22.

⁷⁵ For more information on the resource types, please refer to the [Expenditure accounts with corresponding External Payments Authorization \(EPA\)](#) sub-projects list, available on the [Financial Services Department intranet](#).

Entering a results-based budget in IRIS / OGA⁷⁶

IRIS allows for the preparation of results-based budgets. IRIS is accessible from Headquarters, from all regional and field offices, as well as from many project locations.⁷⁷ It is mandatory for programme officers to enter a results-based budget directly in IRIS. (Please see the **RBB guide** for step- by-step guidance in preparing and entering a results-based budget in IRIS.)

For global projects with country-level outcomes,⁷⁸ it is important to clearly include the cost breakdown for the respective country/CPO in the budget. This is crucial in order to show how the country component will contribute to achievement of the **CPO**. In addition, it will facilitate outcome-based work planning and inform the field office on allocations for the countries they cover, thus in turn allowing the ILO to better report on country allocations and results. Alternatively, it is advised to manage substantial country components as decentralized country projects that are strategically linked to the global component project.

For project offices that do not have the possibility of accessing **IRIS**, please request the support of the responsible regional or field office in preparing and entering the budget in IRIS.

In short, to enter a results-based budget, programme officers must complete two functions within IRIS – a work breakdown structure and an award draft budget. The **WBS** will provide the structure for the award budget.



TIPS

For UN joint programme budgeting, and according to the UNDP rules and regulations for project implementation, project originators should review and refer to the Project Management section of the **UNDP Programme and Operations Policies and Procedures (POPP)**, which provide an overview of the specific process to be followed in defining and managing programmes and projects

⁷⁶ OGA is the Oracle Grants Accounting module in IRIS used for monitoring and managing DC projects.

⁷⁷ Please refer to the list of **IRIS duty stations** available on the **INFOTEC intranet**.

⁷⁸ Please refer to the ILO's decentralization policy, covered in Section 4.3.1 (above) on Preparing the Implementation Plan.

Budget checking, submission, and approval

This is a financial commitment by the ILO to implement a funding partner-funded project based on the project document. All draft project budgets must be submitted to PARDEV, which will forward them to BUD/DC and to PROCUREMENT as part of the [appraisal process](#), for review.

Given the importance of this commitment, the draft budget needs to be checked and cleared by BUD/DC before it is submitted to the funding partner.

Budgets can be edited before they are checked and approved, and allocations can be increased or decreased. Thus, different versions of a draft budget can be prepared and discussed with BUD/DC and PARDEV. As with all official communications, budgets should only be sent by PARDEV to the funding partner only after being checked by the appropriate administrative authority ([see ILO Circulars, Series 5, No. 11](#)).

Once a budget and the draft agreement have been cleared for submission by BUD/DC, JUR and PROCUREMENT and appraised by PARDEV, the funding partner can be approached to then approve and sign the agreement. On receipt of the signed documents, the project can then be entered into **IRIS**. Once funds have been received, BUD/DC will configure the system

controls and activate the project. This process applies for both centralized and decentralized projects. **IRIS** requires different users to create, check and approve a budget, to ensure that the necessary controls are in place.

In IRIS the budget goes through a workflow. The key members in the approval line are to be added as the “key members” on the project. They include the DC Budget Originator, the DC Budget Approver, the ILO Official. By default, they go through PARDEV and BUD/DC, which in the end approve the budget, if the approval minute has been issued and the funds have reached the ILO bank account.

| ACTION | RESPONSIBILITY |
|---------------------------------|---|
| Budget preparation | Project originator |
| Budget checking | Administrative/Finance Officer of Field Offices or BUD/DC |
| Submission to PARDEV and BUD/DC | Field office or HQ technical unit |
| Budget approval | PARDEV and BUD/DC |

After budgets are checked and/or approved, changes may be made only via a new budget version or a budget revision.

Table 10 - Frequently used resources and cost components

| Project resources/planned inputs | Special budgeting conditions or guidelines |
|---|---|
| International experts (ILO staff) as: <ul style="list-style-type: none"> • Project Manager, Technical Advisory Services,⁷⁹ Professional Services.⁸⁰ | Estimated cost for international professional personnel: Calculation is based on grade, step and location. Use the IRIS ILO Staff Cost Calculator or contact the Administrative Officer in the field office. |
| External collaborators who are not nationals of the country where the work is performed to provide: <ul style="list-style-type: none"> • International consultancies to produce specific products or outputs. | ILO policy on external collaboration can be found on the HRD website, and under the IRIS Procurement's external collaboration materials. Travel and other costs associated with the contract should be included. |
| General service staff, as: <ul style="list-style-type: none"> • Finance/administrative assistants, programme assistants, drivers, etc. | Estimated cost of administrative personnel. Use the IRIS ILO Staff Cost Calculator or contact the Administrative Officer in the field office. |
| Professional staff who are nationals of the country where the project office is located ⁸¹ as: <ul style="list-style-type: none"> • Project managers, programme officers, coordinators and technical specialists. | Estimated cost of administrative personnel. Use the IRIS ILO Staff Cost Calculator or contact the Administrative Officer in the Field Office. |

⁷⁹ Technical advisory services refer to work-months included in the project budget to cover the cost of technical staff supporting project implementation. This can include the costs for backstopping officials, regional specialists, programme officers and other technical specialists. There is great variation in what funding partners will approve and the reasonable requirements for implementing a project.

⁸⁰ ILO officials can be seconded to a project for short-term assignments, given their expertise, familiarity and interest in the project. For periods of four weeks or more, it is usual for the project's funds to cover the salary and all other costs of the official (their temporary transfer). For shorter periods, the project pays only the travel and the DSA (mission status). It is difficult to draw the line between an ILO technical input – which should not be at the expense of regular budget – and the general project support work. BUD/DC can advise as required.

⁸¹ Staff of National Professional Officer category (NO) can perform representational, managerial, supervisory and/or financial responsibilities. They can perform the role of project manager at the national level. They are nationals or residents of the duty station. They are referred to as National Project Coordinators/Managers, to differentiate them from an international expert (CTA). The use of national professionals should be encouraged, due to their knowledge of and sensitivity to local conditions. This also contributes to national capacity building, national ownership and the sustainability of project results. National capacity should be used as much as possible, since as building national capacity is an objective of ILO's development cooperation programme.

| Project resources/planned inputs | Special conditions or guidelines for budgeting |
|---|--|
| <p>External collaborators who are nationals of the country where the work is performed:</p> <ul style="list-style-type: none"> For consultancies to produce specific products or outputs.⁸² | <p>Costs estimated at market rates.⁸³</p> <p>Travel and other costs associated with the contract should be included.</p> |
| <p>Official business travel for project staff. Travel expenses include:</p> <ul style="list-style-type: none"> Transportation and DSA. | <p>A minimum of US\$ 300 for each expert-work-month is recommended. Guides and DSA for air travel under TRAVEL.</p> |
| <p>Mission costs for non-project staff:</p> <ul style="list-style-type: none"> Travel by HQ, ILO office and Subregional Office (SRO) staff. Travel by non-ILO staff, not paid from seminar budgets or under external collaboration contracts. | |
| <p>Evaluations:</p> <ul style="list-style-type: none"> All evaluation costs, including external collaborators, M&E missions, workshops. | <p>According to the ILO policy guidelines for results-based evaluation link: a minimum 2 per cent of total project funds should be reserved for self-evaluations⁸⁴, internal evaluations and independent evaluations.</p> <p>For more details, consult EVAL, ILO policy guidelines for results-based evaluation and Chapter 7 – Evaluation.</p> |
| <p>Specialized services to be provided externally.⁸⁵</p> <p>Subcontracting the implementation of components of the project.</p> | <p>Any preselection of subcontractors in a PRODOC must be approved by the Treasurer and Financial Comptroller, prior to signing of the PRODOC. For other information on subcontracting, see the PROCUREMENT intranet website.</p> |
| <p>Communication:</p> <ul style="list-style-type: none"> Additional staff/consultants/service providers/supplies/tools required for communication strategy | |

⁸² For consultancy assignments, whenever possible local consultants should be given preference, in order to enhance national capacity.

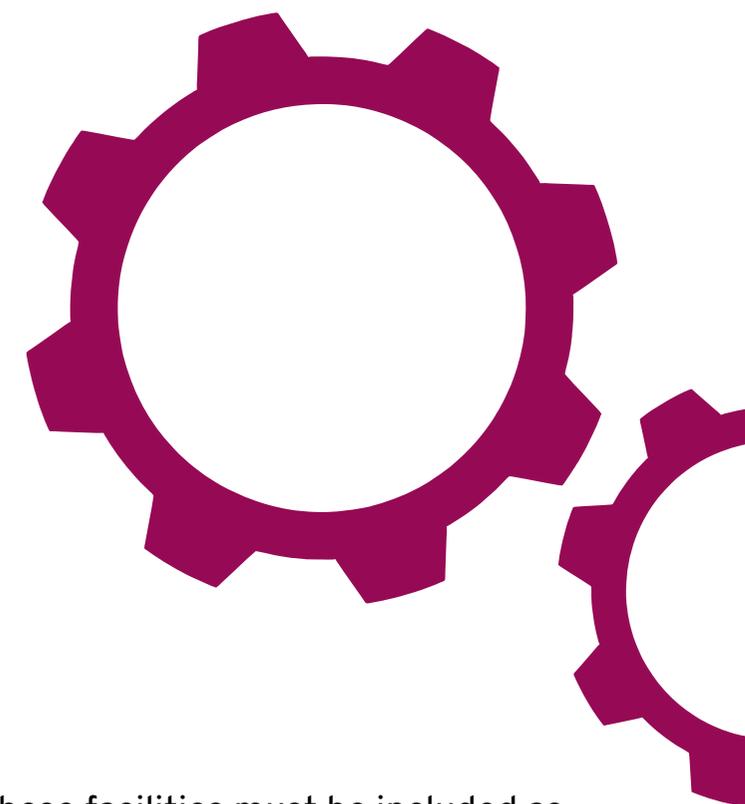
⁸³ When available, use data agreed by the United Nations Operations Group.

⁸⁴ On a case-to-case basis, EVAL may exceptionally allow a lower percentage dedicated for evaluations depending on certain variables, such as the size and nature of the project, and expectations in terms of evaluation deliverables. DEPFs and REOs are available for consultation to help determine an appropriate cost estimate for evaluation activities in case the 2 per cent provision is considered excessive or not adequate. EVAL approval is required for such exceptions.

⁸⁵ Subcontracting may be appropriate for those parts of a project that call for specialized services provided by an external (commercial or non-commercial) organization. Examples include statistical studies, research work, communications or advocacy work.

| Project resources/planned inputs | Special conditions or guidelines for budgeting |
|---|---|
| Fellowships | |
| <p>Seminars, workshops and other types of meetings. All costs associated with the event should be included:</p> <ul style="list-style-type: none"> • Travel costs and per diem for participants and ILO staff, lectures and interpretation fees (including for sign language), freight and transport of materials/documents, local transport, miscellaneous expenses, rental of rooms, hospitality, stationery, communications, audio-visual equipment, etc. | <p>Different travel entitlements are paid to ILO staff as opposed to non-ILO staff. Estimates of seminar costs in specific locations are available from Administrative Officers in the Field Offices.</p> |
| In-service Training | |
| <p>Equipment:</p> <ul style="list-style-type: none"> • General furniture for offices, telecommunication equipment, IT and related security equipment, specialized equipment to assist project delivery, vehicles, workplace adaptation items for project staff with disabilities, etc. | <p>Rules and guides for budgeting and procuring equipment and vehicles; see PROCUREMENT intranet website.</p> |
| <p>Miscellaneous operating costs. Include all costs of operation:</p> <ul style="list-style-type: none"> • Maintenance, repair, insurance policies, utilities such as water, electricity, fuel, transportation, office materials and supplies, etc. | <p>Costs to be estimated in line with local conditions, exchange rate variations and consultation and recommendations of the local ILO office.</p> |
| <p>Other miscellaneous charges/sundries. Include costs for: postage, telecommunications and other charges as well as the printing of publications.</p> | |

| Project resources/planned inputs | Special conditions or guidelines for budgeting |
|--|--|
| Office rent⁸⁶ | |
| Security costs for the project: <ul style="list-style-type: none"> • SRM/RSMs allowances for international staff, costs for building security, etc. | All projects should budget for security costs, following ILO SECURITY's guidance. |
| Programme support costs: <ul style="list-style-type: none"> • Indirect costs incurred by the ILO in the implementation of the project. | The standard rate is 13% of direct costs. Any modification of this rate requires prior approval of the Treasurer of the ILO. These funds are not accessible to the project manager in the implementation of the project. |
| Provisions for cost increase or contingency costs | 5 per cent in each year of the project. |



⁸⁶ If the ILO is to provide office space in the recipient country, an appropriate provision covering the “use” of these facilities must be included as operating costs. Also note that all rental agreements must be submitted to JUR for approval, prior to signature.





Appraisal and Approval

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This chapter introduces both the technical and design standards that project proposals should meet before funding partner submission and highlights the steps to follow for project approval

Appraisal serves the purpose of ensuring that ILO technical and design standards for development cooperation have been met and that the proposal is consistent with ILO objectives and priorities, the **DWCPs** national development frameworks and resource partner criteria before being presented to a funding partner to obtain extra-budgetary resources. Appraisal constitutes the quality assurance mechanism within the project cycle, and ensures that relevant country offices, regional offices, and technical units, know about and endorse the project.

5.1 Principles and criteria for project appraisal

Appraisal has three main characteristics:

1. **It is based on a clearly defined and solid set of criteria** – Appraisal focuses on the key criteria all ILO projects must satisfy¹, which includes compliance with

¹ As reflected in the [appraisal checklist](#).

ILO objectives and priorities², consistency with DWCPs and/or national development frameworks including the UNCF resource partner criteria, and principles of effective development cooperation, such as country ownership and results focus.

2. **It establishes accountability for quality** – The process of appraisal and office-wide endorsement of project proposals establishes accountability for the quality and the strategic relevance of DC projects.
3. **Appraisal is compulsory for every project** – Appraisal not only helps improve cooperation effectiveness and efficiency by strengthening project design, but it also provides the ILO with knowledge and accountability on the efforts to improve its quality. Appraisal is a key step in the approval process and applies to all DC programmes and projects funded through extra- budgetary resources.

² The ILO objectives and priorities are defined in its Constitution and in relevant Declarations, such as the 2008 ILO [Declaration on Social Justice for a Fair Globalization](#), which expressed the universality of the Decent Work Agenda and the ILO strategic objectives (employment, social protection, social dialogue, and rights at work), and the 2019 ILO [Centenary Declaration for the Future of Work](#), which defines a human-centred approach to shape a fair, inclusive and secure future of work with full, productive and freely chosen employment and decent work for all.

Project proposals must not be submitted to a funding partner for funding consideration and should not be approved³ until:

- ◇ The project budget has been reviewed and cleared by BUD/DC, and comments from ILO SECURITY, PROCUREMENT, and relevant offices and units have been incorporated on the revised proposal.
- ◇ Technical and design aspects have been assessed by PARDEV (for projects with a budget over 1 million US\$) or by the relevant ILO responsible official (for projects with a budget of less than 1 million US\$). PARDEV certifies that appraisal has taken place and that the proposal is suitable for submission to the funding partner.

5.1.1 RBM in DC appraisal

Technical and design standards refer to the set of methodological principles that guide robust project design. To ensure project quality according to RBM principles, it is essential that project design be carried out following methodologies and using tools that are also results-oriented. For this purpose the ILO uses the [theory of change](#), [logical framework](#),⁴ and other necessary adaptations⁵ to make sure that ILO DC projects are set up in a way that encourages efficient management for and achievement of results.

The assessment of the technical and design standards covers all the main methodological issues that must have been addressed by the design team during project design. In other words, the role of the appraiser⁶ is to assess – through appraisal questions – the evidence provided in the [PRODOC](#) or [PCN](#).

⁴ See Chapter 4, section 4.2.5 – Theory of change and logical framework.

⁵ Measures related to adaptive management are the way to deal with the uncertainty of the implementation of the project with a systematic change ambition. Adaptive management focuses on the intentional building of opportunities for structured and collective reflection, ongoing and real-time learning, course correction and decision-making during the implementation to improve the programme effectiveness and ultimately the impact.

⁶ The Appraiser(s) is the person that assesses and questions project proposals before resources are committed. For proposals with a budget over 1 million US\$, this assessment is done by a member of the PARDEV appraisal team; for proposal with budgets below 1 million US\$, the ILO responsible official ensure that a quality check has taken place at the level of the originating unit, by signing a quality certificate

³ [IGDS 520](#), Appraisal mechanism for development cooperation programme and project proposals, February 2019.

Appraisal questions⁷ allow the appraiser to assess, for instance, that the project strategy is logically consistent with the problem analysis, and whether effective factors for implementation of the project and achievement of the outputs and outcomes have been taken into account.

5.1.2 Appraisal checklist

The **appraisal checklist** is the key tool in the appraisal process. It consists of a number of questions that taken together correspond to recognise and interlink principles of effective development cooperation (relevance, ownership and sustainability, managing for results, and finally, transparency and accountability).

To guide appraisers in assessing the project, the appraisal questions are in turn operationalised through several quality criteria per question, and the appraiser notes whether the criteria is fulfilled (yes/no). Along with this observation, the appraiser provides feedback and comments to the project originator if adjustments are necessary.

The **checklist** is disaggregated into the following four appraisal areas:⁸

1. **Relevance** – Relevance refers to the consistency of a project with the mandate and priorities of the ILO.

⁷ Please refer to the **appraisal checklist**.

⁸ Instructions and tips for filling out each category are also available in the **PRODOC** and **PCN** templates.

All ILO DC proposals should contribute to ILO objectives lines as stated in the P&B, **DWCPs** and SPFs. Along the same lines, proposals should indicate how the project will promote international labour standards gender equality and non-discrimination, social dialogue, and environmental sustainability; and ensure alignment with national strategies and priorities, as well as with other cooperation frameworks like **UNCF**.

2. **Ownership and sustainability** – Country ownership mean that relevant stakeholders at the country level endorse the expected results and actively support the change process. Ownership usually depends on alignment with national priorities and strategies, but also on stakeholder involvement in the design process. An observable indicator of ownership could be the extent to which stakeholders are investing resources required for the realisation of expected changes in their **sphere of work**, responsibility or authority. Country ownership in combination with capacity development⁹ enhances the likelihood of sustainable results – results that remain after the end of the intervention. Ownership and sustainability of results are aspects that must be actively encouraged with by the project design team – as such, appraisal questions aim at assessing the extent to which the design process has sufficiently encouraged ownership and sustainability.

⁹ Please review and refer to the ILO's corporate approach to **capacity development**.

3. **Managing for results** – Managing for results means that the results we need to achieve to ensure sustainable development change constitute the point of departure for the design process. During the design process, we consider e.g., the capacity required for sustainable results to be delivered by partners, existing capacities, and how to address the gap identified. Managing for results also entails that appropriate attention is devoted to the monitoring system required to follow progress made in the project towards sustainable results at the outcome level, and that indicators able to measure change as it is expected to happen (usually in an incremental manner) are identified. The [theory of change](#) is recommended as a tool to clarify and communicate how change is expected to happen (e.g., after trainings are held to increase levels of knowledge or skills), and where monitoring must occur to ensure that change happens as expected. The theory of change also helps to clarify the causal links between outputs and outcomes, and between outcomes and impact in a convincing manner.
4. **Transparency and accountability** – For the ILO, which receives funds to implement development cooperation interventions in partner countries, this criteria refers both to openness and inclusion in the relationship with the stakeholders in the relevant country (most often government, workers and employers, but also civil society groups), and transparency and accountability towards the funding partners. In addition, the criteria entail internal requirements such as the identification of the ILO responsible official, the backstopping

responsibility, and the development of an overall communication strategy.

In addition to the above, the [appraisal checklist](#) remind that the proposal should follow the official ILO template¹⁰ with the possible variations arising from specific arrangements with the funding partner.



¹⁰ For a PRODOC and PCN template, please see [PARDEV's intranet design page](#).

5.2 The appraisal process

PARDEV is responsible for the overall coordination of the Office-wide quality appraisal of development cooperation (DC) project proposals that are prepared for submission to development partners. The appraisal procedural steps are outline in the [IGDS 520](#)

The appraisal is categorized into the following three tiers:

Tier 1: For development cooperation project proposals with a budget below US\$ 150,000, PARDEV will share the proposal, invite relevant departments to provide feedback, and liaise with BUD/DC for budget clearance. The Director/Chief of the external office or headquarters unit responsible for the proposal is accountable, however, for ensuring that the proposal is in conformity with ILO standards governing DC.

Tier 2: For development cooperation project proposals with a budget ranging from US\$ 150,000 up to US\$ 1 million, PARDEV launches and coordinates the appraisal process. Management and support service

units at headquarters, technical units and external offices are invited to provide feedback. The Director/Chief of the external office or headquarters unit responsible for the proposal is requested to sign a quality certificate confirming that the proposal is of sufficient quality for submission to a development partner. PARDEV concludes the appraisal by issuing a final appraisal report once the project budget is cleared by BUD/DC.

Tier 3: Development cooperation project proposals with a budget above US\$ 1 million, will undergo a comprehensive appraisal of the quality of the project design undertaken by PARDEV. Management and support service units at headquarters, technical units and external offices are invited to provide feedback. PARDEV concludes the appraisal by issuing a final appraisal report once the project budget is cleared by BUD/DC.

The appraisal process for each of the three Tiers is explained in more detail in the graph below. Submission of project proposals for appraisal should continue to be uploaded in the [Appraisal Workspace](#). For any questions, please send an e-mail to appraisaldc@ilo.org.

Box 1: *Appraisal* of PPP and joint programming proposals

Appraisal of “public-private partnership (PPP) proposals: Before formal discussions or negotiations with any potential partner(s), the project originator must submit the proposal to [PARDEV desk officers](#) for initial screening. In parallel to PARDEV consultation¹⁰ with ACT/EMP (Bureau for Employers’ Activities) and ACTRAV (Bureau for Workers’ Activities) regarding the suitability of the proposed partnership, PPP proposals are submitted to the [Appraisal Workspace](#) for appraisal, following the process indicated in the graph below.

Appraisal of joint programming proposals: Before formal discussion with the UNCT, the project originator informs the [PARDEV desk officers](#) of the initiative. Once formal discussions with the UNCT have been held, the project originator submits the ILO’s roles and responsibilities for the proposal together with the project document to the [Appraisal Workspace](#). If the ILO is the lead agency of the proposal, this must be specified. The appraisal team ensures the suitability of the proposal following the process indicated in the graph below.

In short, when the project budget has been cleared by BUD/DC, the procurement plan has been reviewed by PROCUREMENT (when required), and ILO SECURITY has provided the mandatory SRM and RSM compliance list, PARDEV issues a final appraisal report, signalling appraisal has been completed.

The project originator should continue to liaise with [PARDEV desk officers](#) to finalize and clear the draft agreement.

The project originator creates the proposal in IRIS following the IRIS [OGA guidelines](#). With the launch of the [Development Cooperation Dashboard](#), many information entered by project originators into IRIS have become public domain. This means that an extra effort must be done to ensure that information is accurate and understandable to a general audience. For instance, the executive summary is a compulsory field for every project in IRIS, and it serves the purpose of describing in general terms what the project is about. This information should be introduced in IRIS in a clear and [concise fashion](#).

The project originator should upload in IRIS the proposal (PRODOC or PCN), cleared budget, signed agreement and should write and [executive summary](#). PARDEV will certify the appraisal in IRIS and check the necessary documents have been attached.

Please also bear in mind that early involvement of PARDEV in the project proposal development phases may significantly improve the overall design of a proposal and, hence, minimises the need for comprehensive design revision following the appraisal. When designing a project proposal, it is strongly recommended to consult ACT/EMP and ACTRAV specialists as well as technical units.

1. The project originator uploads the proposal onto [Appraisal Management Space](#).
(see [guidelines](#))

2. PARDEV decides on the appraisal tier and assigns a DC code.

3. PARDEV launches for appraisal – involving BUD/DC, ILO SECURITY, EVAL, PROCUREMENT and HRD), field offices, and ACT/EMP and ACTRAV.

TIER 1

3.1 - PARDEV issues a note with the basic project details for creating the project in IRIS

TIER 2

3.1 - PARDEV requests the project originator to fill in an appraisal quality certificate

TIER 3

3.1 - PARDEV issues initial comments. In parallel, it coordinates with technical departments, field offices and relevant management & support units to receive appraisal feedback

4. Management and support service units as well as relevant field offices and technical departments provide comments in the Appraisal Workspace

5.1 - The project originator submits the draft agreement to [PARDEV's desk officer](#) for clearance when the budget is cleared by BUD/DC (Tier 1)

5.1 - The project originator integrates appraisal comments received and resubmits in the Appraisal Workspace. (Tier 2 and 3)

6. PARDEV checks the revised proposal and issues a final appraisal report, when the budget is cleared by BUD/DC (Tier 2 and 3)

5.3 The approval process

Approval is the ILO's official endorsement of a proposal that has been granted with voluntary funding. No project can be undertaken without it.

The approval process starts with the submission of an appraised proposal to a funding partner. At this stage, the ILO and the donor must decide whether the [1% UN coordination levy](#) applies and if so, reflect the levy in the project proposal and the funding agreement. The levy will be calculated as 1% of the amount of the contribution for the project. If a donor decides to contribute US\$ 100,000 to the project, this US\$ 100,000 will include 13% PSC and the direct cost. The coordination levy for this agreement is US\$ 1,000, which is 1% of the contribution of US\$ 100,000 (direct cost + indirect cost applied to the direct cost amount). The total amount of the agreement – contribution to the UN entity and the coordination levy – is US\$ 101,000. The process of submission of proposals may vary according to the different funding sources and arrangements.

A desk officer will be able to provide you with specific guidance when preparing a submission for a proposal; see PARDEV's [who does what intranet page](#).

Box 2: Key documents to start the approval workflow

- **PRODOC** (project originator)
- Final appraisal report (PARDEV)
- **Budget** approved by BUD/DC
- Executive summary (project originator)

Funding agreements are prepared and signed through coordination between PARDEV and the funding partner. Prior to signature, PARDEV will consult and/or obtain clearance on legal, financial, or other matters, with the relevant HQ units (JUR¹¹, BUD/DC, HRD and PROCUREMENT). No funding partner agreement may be signed without clearance from PARDEV. The Director of PARDEV has been delegated, by the Director General, the authority to sign agreements on behalf of the ILO ([No. 156](#)). However, when needed this authority may be delegated to other ILO officials in HQ or in the field.

Once the agreement has been signed, the originating technical unit or field office can start the [workflow](#) in the [Integrated Resource Information System \(IRIS\)](#).

¹¹ Consult JUR and [PARDEV's one stop shop](#) to find out about the privileges and immunities of the ILO in member States, and the list of ILO member States where the ILO has NO legal protection.

The project will go to PARDEV for approval once the necessary clearances have been completed within the **IRIS** workflow. Following a review of the documents submitted, an approval minute will be issued by PARDEV. BUD/DC assigns a budget code and activates the project/budget within IRIS when the funds have been totally or partially received, depending on the modalities of payment mentioned in the agreement.

In some cases, an umbrella agreement can cover a few subprojects. In those cases, each sub-project needs to be appraised, cleared, and uploaded into the IRIS system. Please refer to the **OGA guidelines** to enter projects in IRIS.

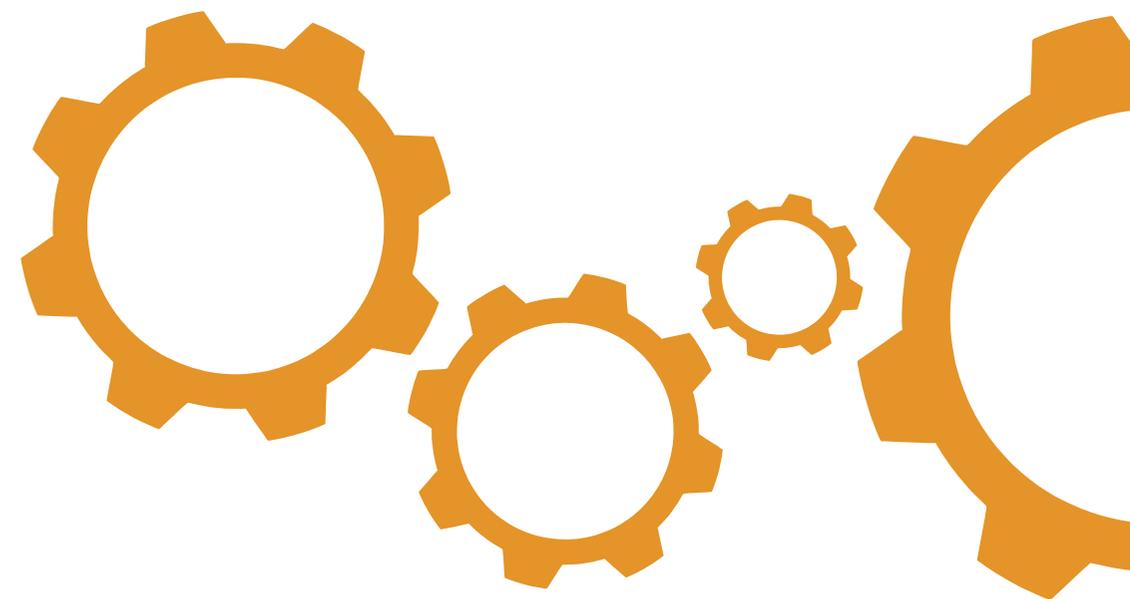
When the project budget has been activated, the approval process ends, and implementation can start.

The Development Cooperation Management Support application has a dedicated workspace **for funding agreement consultation**, which allows PARDEV to manage with BUD/DC and JUR the clearance and review of funding agreements.

It also provides a **repository of signed agreements**.

5.3.1 Roles and responsibilities

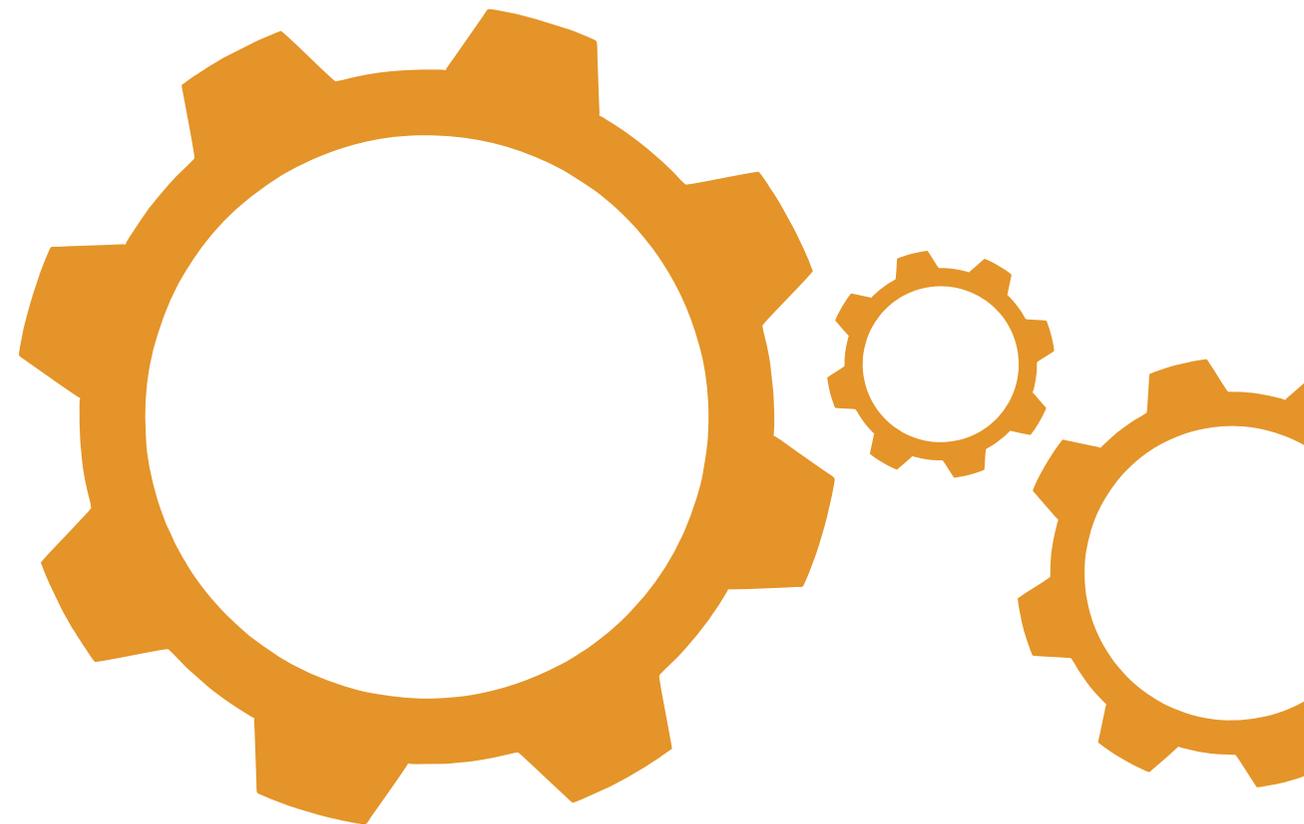
- The project originator **creates a project in IRIS** using the information indicated in the final appraisal report. Once the project has been created in IRIS, it will enter the workflow of various key members within the relevant department(s) and office(s). Here it will require several approvals that are necessary for activation.
- PARDEV approves the project within the **IRIS system**, and issues the approval minute (see section below).
- BUD/DC assigns the budget account, activates the project/budget in IRIS and notifies the relevant unit.



5.3.2 Approval minute

The approval minute is addressed to the ILO office or technical unit responsible for project implementation management. It is also copied to the unit providing technical backstopping (different) and other collaborating units. It:

- indicates the amount of funding that the funding partner has made available.
- establishes the start and end dates of the project.
- confirms the management arrangements.
- provides information on evaluation requirements.







Implementation and Monitoring

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This chapter provides an overview of the tools and methods of project implementation, as well as its procedural aspects

Project implementation encompasses a set of actions aimed at achieving the project objectives that were previously planned and agreed during project design, and which are contained in the approved project document **PRODOC/PCN**. These include:

- Delivering project inputs in the quantity and quality required, and in a timely manner.
- Carrying out activities to produce the project outputs required to achieve the outcomes of the project.
- **Monitoring** project delivery and the use of project outputs by the project beneficiaries or target groups.

The tools used in project implementation derive from the methodology for implementation planning presented in Chapter 4 – Project Design and [Tools and methods for project design and implementation planning](#). The logical framework (log frame) and the work planning methodology are the basis for project implementation. The first work plan is called an implementation plan and is usually prepared at the design phase and included in the project document, to demonstrate the feasibility of the proposal. At the start of implementation, it is reviewed and further developed, and forms the basis for project management, the delivery of outputs, monitoring (indicators) and evaluation.

The experience of implementation engenders a greater understanding of the project and the different processes involved. It also highlights any need for changes to the original design plans, which can be incorporated at different stages and should be documented and justified so that learning can be used to assess progress and later to facilitate the evaluation process. Changes to project design need approval from the Office, the funding partners and/or the national partners.

This chapter provides tools and methods to be used by ILO officials during project implementation, as well as setting out good practices for project management. It also guides the reader to sources of information on the more procedural aspects of project implementation.

Project implementation covers the following components:

- **Pre-implementation:** Preliminary arrangements for the functioning of the project are set in place. These include establishing the accountability, management, and governance structures of the project, both inside and outside the ILO, appointing the project manager, setting up office systems for finance and administration, and opening communications with ILO units and national constituents and partners.

- **Start-up of project activities:** The project design is reviewed, the work plan is revised, and monitoring and evaluation plans are developed, inputs are procured in accordance with ILO procedures, and activities are executed to achieve the expected results.
- **Monitoring and reporting:** The managerial function that takes place during implementation to track project progress so that, if necessary, timely corrective action can be taken. Project results are measured and compared with the intended plans in the project document, or subsequent revisions, to determine progress (monitoring) and the success of the project (evaluation). Managers, funding partners, constituents and other project stakeholders are kept properly informed about the progress of the project.
- **Completion and closure:** Activities are completed, project achievements are documented, the contracts of project staff are dealt with, physical assets are disposed of, and project accounts are closed.

Project implementation starts once the project has been officially approved and the budget has been activated in the IRIS system. See Chapter 5 – Appraisal and Approval and the training materials for the **IRIS** OGA module.

Policy Issues

The following key policy issues guiding the implementation and management of projects derive

from the policy framework and approach referred to in Chapter 2 – Development Cooperation in the ILO.

The guiding principles¹ for managing the implementation of projects include:

- Involving the tripartite constituents.
- Encouraging partnerships with other relevant agencies.
- Emphasizing national ownership.
- Strengthening national capacity.
- Focusing on results and impact.
- Promoting communication and teamwork within the ILO.
- Ensuring the ILO has the capacity to oversee and manage.
- Complying with ILO policies and procedures.
- Complying with funding partner requirements.

Successful project implementation requires of project management:

- Clear direction and vision.
- Strategic planning.

¹ IGDS No. 154 – Version 1

- Efficient management of all resources.
- Leadership and support.
- Networking and communication.
- **Monitoring** for results.

Project implementation should comply with the contractual obligations agreed with funding partners. PARDEV is responsible for ensuring that resource partners are kept informed on progress and that contractual obligations are met.

In line with the [ILO's decentralization policy](#), the Office is committed to strengthening the critical mass of technical expertise where it is most needed – that is, closer to needs – as stated in the Field Operations and Structure and Technical Cooperation Review. In exceptional cases, it may be assigned to regional offices or units at Headquarters, in which case the exception must be properly justified, by adhering to the following criteria:

- Effectiveness:** Demonstrated benefits in terms of results and impact through synergies and/or complementarities with other HQ-based projects and programmes (e.g. research, global advocacy) that cannot be realized otherwise (e.g. through collaboration between the Field Offices concerned and these HQ-based programmes and projects). This criterion may also apply to projects operating in more than one geographic region.
- Cost efficiency:** Significant savings, resulting from the project's location at Headquarters as compared to implementation in the field.
- Capacity:** Centralization of a project if the concerned Field Office itself is of the view that it does not have sufficient capacity to implement it.
- Management efficiency:** The coordination requirements of projects which cover more than one region, where the **Regional Offices** concerned are unable to ensure such coordination.

These criteria will be applied during the project cycle, as follows:

- **Design:** If new projects are to be managed from HQ, the project originator will provide a justification for centralized management arrangements, in consultation with the concerned Field Office Director(s).
- **Appraisal:** PARDEV will assess the justification provided and request that the relevant Field Offices and technical units confirm the proposed management arrangements.
- **Approval:** For additional contributions to existing HQ-based programmes and projects, the responsible ILO official will provide a justification based on the criteria above, and in consultation with the relevant Field Office Directors. PARDEV will assess the proposed management arrangements and make alternative proposals where necessary.

Where no internal agreement can be reached on the management arrangements, DDG/FOP will be responsible for a final decision. However, it is important to bear in mind that implementing the decentralization policy is a collective responsibility, and that decentralization is compatible with a range of modalities, from stand-alone projects to global programmes.

6.1 Pre-implementation phase

The pre-implementation phase focuses on:

- Ensuring accountability and confirming management arrangements;
- Establishing the governance structure;
- Appointing the project manager;
- Inducting the project manager and the project team;
- Establishing relationships and initiating communication on the project;
- Assessing emergency conditions in a project country.

6.1.1 Ensuring accountability and confirming management arrangements

All projects must have structures in place that define roles and responsibilities and ensure accountability. The organizational and management arrangements of the project should have been clearly set out in the project proposal, i.e., Project Document/Project Concept Note (*PRODOC/PCN*), as well as being appraised before the approval of the project. They should ensure that it is “reasonable” to hold project management accountable for the delivery of the outputs of the project.

The approval minute² assigns the responsibility for project implementation, e.g., the overall direction and decision making, to a specific ILO office/policy department (“organization” in *IRIS* terminology) and the functional role of technical backstopping unit. It also provides information on other units collaborating in the project (see Chapter 5 – Appraisal and Approval).

Efficient project management requires that different roles be assigned to different individuals:

- Project manager: Responsible for the day-to-day management of the project.

² For more information on the Approval Minute, please see Chapter 5, section 5.3.2 – Approval Minute.

- **ILO responsible official:** Responsible for overall direction and decision making (the line manager of the “organization”).
- **Specific support functions:** Such as technical backstopping, administrative support, and other specific functional support.

Project manager

The designation of a single individual responsible for the day-to-day management of the project is essential. This job can be held by a CTA, a NPC³ or, in some cases, an ILO specialist. The project manager reports to the ILO responsible official,⁴ and keeps the concerned Field Offices and policy departments properly informed of project developments.

The project manager is also responsible for project implementation and management, including organizing

³ Someone with the NO category can perform representational, managerial, supervisory and/or financial responsibilities, and s/he can perform the role of project manager at the national level. They are nationals or residents of the duty station and are referred to as National Project Coordinators/Managers, to differentiate them from international experts (CTAs). The use of national professionals should be encouraged, for their knowledge of, and sensitivity to, local conditions. They also contribute to national capacity building, national ownership, and sustainability of project results.

⁴ Please keep in mind that for decentralized projects, the ILO responsible official is the Director of the Field Office or Regional Office concerned.

and coordinating resources; managing project personnel and funds; ensuring timely action; technical work; and the quality and effectiveness of outputs. A detailed description of the responsibilities of the project manager can be found on Responsibilities of the DC project manager checklist.

ILO responsible official

The ILO responsible official is a designated and named individual responsible for overall direction and decision-making during project implementation, and is the person to whom the project manager reports. S/he is responsible for ensuring that the necessary capacities (technical, administrative, financial, and managerial) are available during implementation.

This includes liaising with ILO policy departments and branch units to ensure the project manager has the inputs and support required from other units, for example, technical backstopping or administrative support, and financial clearance. The role of the ILO responsible official is different to that of the technical backstopper, which is a more functional role, although the person may in this case hold both responsibilities.

However, it is important to reiterate that the roles of ILO responsible official and project manager should never reside with the same individual.

- **Field projects:** The ILO responsible official is the corresponding ILO Field Office Director of the country,

subregion or region concerned. The official should work in close collaboration and consultation with the policy department concerned, and keep the department fully informed on progress being made. Although some functions may be delegated (except for financial authority), s/he is ultimately responsible for overall project management and for the project achievements.

Technical units at HQ or DWTs are responsible for fulfilling the functional role of technical backstoppers, as determined in the project proposal (see technical backstopping). They are also in a good position to judge the technical performance of the project and decide on technical matters.

An ILO Field Office Director has the primary political and programmatic responsibility for all ILO activities carried out in the countries under his/her jurisdiction. S/he is also responsible for maintaining relations with the tripartite constituents, and for ensuring the efficient management of human and financial resources in his/ her area of jurisdiction. Even when an ILO office is not directly responsible for project management, as in the case of centralized projects, the Director is responsible for authorizing financial, human resource and procurement project transactions under the authority delegated to him or her and will need to provide all the necessary administrative support.

These instructions are known as EPAs, Local Purchase Authorizations (LPAs), Local Contracting Authorizations (LCAs) or others related to HRD. In countries where no

ILO office exists, the UNDP is usually in charge of the execution of these transactions. In exceptional cases, project resources are managed through an Imprest account administered by the project office established in the country. Requests to open an Imprest account should be sent to the Regional Office for preliminary approval, and then forwarded for final authorization by the Treasurer. Regional Directors should be informed of any activity in their respective regions.⁵

In exceptional cases, a field project may be centralized; see the [ILO's decentralization policy](#).

- **Global projects:** The ILO responsible official is the corresponding line manager of the technical Department or Branch (Chief or Director). The official should work in close collaboration and consultation with the Director of the respective Field Offices concerned, keep them fully informed on progress and consult them before taking project decisions on issues that may have political, representational, or administrative implications. As is the case with Field Projects, certain functions (although not financial authority) may be delegated, but the official is ultimately responsible for the overall direction of project implementation and for project achievements.

⁵ More information is available on the Finance webpage: ilo.org/finance

Technical backstopping

The technical backstopping function oversees the consistency of project implementation with ILO technical approaches, ensures cross-fertilization among different projects in the same technical area, and communicates with the ILO responsible official. The technical backstopping function⁶ contributes technical advice and resources towards the delivery of results, as defined in *DWCPs*, and assists the regions by monitoring progress against stated outcomes, indicators, targets, and quality standards, by:

- Advising on work plans, production of technical material and the design of research activities.
- Drafting/reviewing terms of reference and advising on the selection of project personnel.
- Advising on and reviewing draft and final versions of *mid-term* and *final* progress reports, before the ILO responsible official uploads them on the donor reporting workspace.

Support unit function

The project manager, under the guidance and support of the ILO responsible official, is responsible for procuring and organizing personnel and resources,

and for monitoring progress (outputs and inputs). The procurement of both personnel and resources may involve working with staff from ILO service units such as FINANCE, Human Resources Department (HRD), INTSERV, ILO SECURITY, PROCUREMENT, JUR and PARDEV.

These units provide support to the project through the ILO office, or through the unit (“organization”) responsible for project implementation, while ensuring that good practice is followed, and the ILO’s interests are protected. It is therefore essential that ILO offices in the field, in collaboration with relevant ILO HQ support units, both guide and support the project’s personnel as necessary, and that their roles and responsibilities in this respect are clear to project personnel.

Distributed and geographically remote management arrangements are naturally more difficult situations than when project personnel share offices and interact frequently; so, in order to facilitate communications and the management of remote projects, it is important that:

- Clear lines of responsibility are developed, in line with the ILO Staff Regulations, and agreed by all concerned.
- Opportunities are promoted through which to build positive relationships between the project team, country offices, and the Headquarters policy departments.

⁶ Please refer to the [IGDS No. 212](#) – Principal functions of HQ, regional offices, country offices and Decent Work Technical Support Teams.

Institutional arrangements

Delivery of services or project implementation may also be assigned to other partner agencies, government agencies or social partners outside of ILO departments, but in many cases, they will be managed by the ILO – either separately, in partnership with the respective agencies, or contracted to a third one.⁷

Based on the selection criteria of implementing agents established in Office Procedure [IGDS No. 270](#) on Implementation Agreements, the approving officials are authorized to sign implementation agreements meeting the requirements for selection.⁸ For the implementation of development cooperation activities of short duration, and of a value below US\$ 50,000, approving officials can sign service contracts instead of implementation agreements, where this is considered more appropriate, and in accordance with the applicable rules.⁹

⁷ An “implementation agreement” is the name given to a written agreement with (1) a legally recognized non-profit-making entity; (2) an international organization; (3) a constituent of the ILO and/or an affiliated member of such a constituent; and (4) an implementing agent, to implement development cooperation activities on behalf of the ILO, which would normally include capacity building components. For more information on procurement-related contracting activities please visit the [PROCUREMENT Intranet page](#) and refer to the [PROCUREMENT manual](#).

⁸ Please refer to [IGDS No.270](#), Annex 1 – Matrix of roles and responsibilities.

⁹ For service contracts, refer to Office Procedure on Procurement thresholds, [IGDS N°216](#) (version 4), of 18 May 2017 and Office Directive on Procurement, [IGDS N°239](#) (version 3), of 18 May 2017.

It is important to clearly establish the relationships and roles of the different institutions and partners involved in project implementation (the institutional map),¹⁰ all of which should have agreed to their obligations and respective responsibilities for ensuring the project’s results.

A detailed **responsibility matrix** is used to set out who is responsible for each activity (see the section on work planning). The responsibility matrix allocates duties to different people within the project team, but can also assign responsibility to other agencies, implementing partners and organizations. (See also Chapter 4 – Project Design and [Tools and methods for project design and implementation planning](#). Tool 4 – Institutional Map, and Tool 8 – **Accountability** Analysis)

These tools provide a way of checking that it is “reasonable” to hold project management accountable for delivering the outputs of the project. The ILO responsible official has overall responsibility for addressing problems that arise with the accountability and institutional arrangements of the project.

¹⁰ For more information on Institutional Mapping, please refer to Chapter 4 – Project Design, Step 4 - Institutional Mapping.

6.1.2 Establishing a governance structure

All projects have a governance structure to which project management reports, the exact nature and composition of which are presented in the project document.

ILO projects closely involve the tripartite constituents and other agencies and partners at the country level, which are not directly involved in project implementation or delivery but contribute to the project at the governance level. It is also important to maintain close relations with funding partners during the implementation itself.

Projects work, consult and communicate with many different partners, through governance structures such as tripartite committees, advisory boards or steering committees.¹¹ Governance structures guide and facilitate project implementation, further communication and coordination between members and other partners, advocate for the issues addressed by the project, enhance visibility, and foster joint accountability and ownership – all of which ultimately determine the sustainability of a project's results.

¹¹ The exact nature and composition of such a governance structure should be presented in the project document. All projects should have as a minimum a project advisory committee. In countries where a DWCP is being implemented, coordination and complementarity with other existing tripartite structures should be given due attention, to avoid overlaps. on the project and its scope, include funding partners, beneficiaries or their representatives, and other partners or international organizations that participate or are considered relevant to the achievement of a project's objectives.

They are composed of representatives of governments and of workers' and employers' organizations, and depending on the project and its scope, include funding partners, beneficiaries or their representatives, and other partners or international organizations that participate or are considered relevant to the achievement of a project's objectives.

The project manager sets up and services such governance structures, sharing M&E plans, progress reports, general information on project implementation, evaluations, and events, and consulting them on decisions concerning the project.

The ILO responsible official has overall responsibility for addressing problems that arise with the governance structure of a project.

6.1.3 Appointment of the Project Manager – Design of the position(s) and recruitment aspects for DC projects

Organizational design of the project:

Based on the information provided in the project document, the ILO responsible official ensures that the job descriptions for the positions are developed based on the needs of the project (see [Section 6 Management Arrangements in the PRODOC](#)). These job descriptions should be drafted using the relevant

[guidelines](#) and submitted to the relevant Regional HR (Human Resources) Coordinator (in the **Regional Office**) and/or the respective HR Partner in HRD HQ for review, classification (based on the ICSC (International Civil Service Commission) New Master Standards, combined with the ILO generic job descriptions) and final approval. These job descriptions should be sent, together with the approved staffing structure (organizational chart) for the project, and the **PRODOC**. For ease of reference, HRD has developed sample templates of job descriptions at different levels, in addition to the above-mentioned templates for CTAs. These templates are only for guidance purposes though, as the specific duties of each position need to be established in the context of the specific needs of each project, and relevant information must be included. Sample templates for local project positions (NO and General Service/GS category) can also be requested from the Regional HR Unit in HRD-HQ.

It is important to note that NOs are mainly employed in DC projects, in view of their local expertise. ILO usually employs NOs in grades A and B. Exceptionally, NO-C grades could be assigned for positions managing or coordinating very large and complex projects (please consult your HR Partner). In DC projects NOs are often NPCs. As NPCs, they can be assigned the responsibility to coordinate project activities in one country only, i.e., the country of their nationality and where they live. A National Professional Officer cannot assume or be assigned to subregional project coordination functions. In subregional projects, National Officers can only have some limited monitoring or reporting/planning functions,

to be performed from their duty station under the supervision of an international CTA or Project Manager and cannot be subject to assignment to any duty station outside their own country. The fundamental criterion to be upheld is that national professionals should be employed only for those functions at country level which by their very nature require national knowledge and expertise.

Recruitment of the staff members of the project

In order to attract the most qualified candidates, whenever possible HRD strongly advises the advertisement of the position on ILO Jobs, the Organization's website, and/or using other communication tools, i.e. social media, local newspapers, or UNCT recruitment websites (where available) for local staff for instance. In any case, the relevant technical department, as well as the responsible Regional HR Coordinator and HRD, depending on the position's profile, should be consulted for each key step of the selection process, including the shortlisting and selection of the successful candidates.

The selection and recruitment of CTAs – as well as technical staff members on DC contracts, including NPCs should be in line with procedures established by the ILO's Human Resources Department. Depending on the position's profile, the HRD-HQ ([Headquarters Human Resources Department](#)) HR Partner (for international positions and GS staff at HQ) and the Regional HR

Coordinator (for all locally recruited positions in the NO and GS category) and the relevant field office HR assistant (for local recruitment) oversee the recruitment process, in consultation with the ILO responsible official and the technical units. Please consult the [Guidelines on Recruitment](#), which will provide you with the different steps to follow when recruiting TC staff members on fixed-term contracts.

Care should be taken to ensure that the requirements outlined in the above-mentioned steps do not lead to the exclusion of particular groups, but rather encourage diversity and gender balance.

Within the framework of the recruitment process mentioned above, the ILO responsible official is responsible for initiating/finalizing the selection of the project manager, as determined in the project document. It is usual for the project design team to start prospecting for a candidate (CTA/NPC). However final selection and recruitment take place at the implementation phase.

It is important that the recruitment of staff be undertaken in accordance with ILO employment terms and contractual conditions. No expectations should be raised with candidates beyond these provisions. Project staff cannot be offered remuneration conditions that are not reflected in the ILO Staff Regulations, nor be hired at a higher level than foreseen in the budget as approved by the funding partner.

It is important to remember that the selection and recruitment of a CTA and an NPC is:

- **A timely process:** It starts when there is a firm commitment from the funding partner, in order not to delay project implementation. The design of the job descriptions, as well as the publication of the vacancies, can also be done before the final signature, provided it is clearly stipulated in the vacancies that such publication depends on the finalization/signature of the project and availability of the budget. For international experts, HRD requires at least six weeks to process the recruitment before the effective date of appointment. This process can start when the funding partner has transferred the first instalment. The entire recruitment process, including consultations among technical units and offices, clearances of terms of references (TOR), etc. may take between four and six months, hence the importance of starting as soon as possible.
- **A consultative process:** The ILO responsible official initiates the drafting of the job description and the selection process, in collaboration with the relevant HR Partner (either at the **Regional Office** or in HRD-HQ) and ensures that consultations between technical sectors and Field Offices (and with host governments, as required) are effectively carried out before a decision is taken.

Policy departments (and/or the technical backstopping unit, even when different from the “organization”) are responsible for preparing/completing the TOR for the expert, assessing the technical competence of candidates, and deciding on technical matters.

Field Offices reach decisions on political questions and carry out consultations with host governments, as required. They should always be consulted, even when a project is managed from Headquarters.

In cases where the Project Manager’s post is to be held by an ILO technical specialist, s/he should have been identified and involved from the project planning and design stage. Usually, it is already reporting to the ILO responsible official.

6.1.4 Induction of the Project Manager (CTA/ NPC) and his/her team

Appropriate induction is necessary for the Project Manager and his/her team.

The CTA/NPC should be briefed not only on the project she or he will be managing, but also more generally on the ILO, its mandate, values and principles, as well as its financial and administrative rules and regulations. S/he will also need to establish contacts with the office colleagues who will be providing support to the project. For more information on the issues to be covered in the briefing, see the [Induction of the CTA/NPC checklist](#).

The induction needs to be arranged in a cost-effective manner by the nearest office. It is usually planned as part of the travel at the time of appointment, and the cost is charged as part of the partial standard cost. Depending on the size and scope of the project, other arrangements may be envisaged. For example, a mission to Headquarters and to the ITCILO may be considered as necessary. The cost of extensive or special briefings should have been foreseen in the project budget.¹²

The ILO responsible official coordinates all the aspects related to the induction of the Project Manager, with HRD and the **Regional Office** concerned. Even when they are not directly responsible for project implementation, Field Offices are responsible for briefing development cooperation project personnel as required, and for assisting them when they start their new assignment.

The reception of newcomers – national or international personnel – requires particular attention. Involves meeting the new staff members upon their arrival, reserving necessary accommodation, making arrangements to help them and their families to settle in, introducing them to the rest of the office and/or project team and, most importantly, briefing them on office policies, practices and systems.

¹² See Chapter 4 - Project Design, section 4.3.4 – Preparing the Budget.

Systems for finance and administration

The project manager has to establish internal control systems from the start of the project. In particular, these systems are required to set, manage, and control:

- Finance and accounting (the scheduling of commitments against obligations, dates, financial clearances requested, actual expenditures, etc.), including the use of “petty cash” (for minor payments such as vehicle running costs, stationery, postage, etc.).
- Equipment reception, inventories, and disposal.
- Personnel and other confidential records concerning the administration of project personnel, Office administration records and floats.

Standard ILO practices, procedures and requirements should be introduced, to ensure that ILO rules and regulations are followed. As previously mentioned, these should constitute an important part of the Project Manager’s briefing and induction programme, and of the support provided by the concerned offices in the field.

For additional information, and to obtain the appropriate forms, the project team should consult the ILO responsible official, the Field Office providing administrative support to the project and/or FINANCE, Human Resources Department HRD, INTSERV (ILO SECURITY), and PROCUREMENT.

6.1.5 Establishing relationships and opening communication channels

The Project Manager and team will need to ensure that constituents, partners, and other project stakeholders are kept informed and fully involved during implementation.

To a large extent the success of the project depends upon harmonious relations between all those who participate in its activities, with a key element of the Project Manager’s job being the integration of everyone’s efforts. This requires developing and maintaining close relationships with:

- Government implementing agencies and coordinating authorities.
- Employers’ and workers’ organizations.
- Project beneficiaries or their representatives.
- UN Resident Coordinator.
- Other international agencies relevant to the project.
- Funding partner and development partner representatives.
- ILO offices and Headquarters.
- Project personnel.
- Other partners, including civil society organizations.

Box 1: Relationships with the UN at country level

The 2018 QCPR Resolution has strengthened the coordinator role of the UN RC. Within the Resident Coordinator System (RCS), the RC is the leader of the UNCT, and as such plays a central role in coordinating the UN operational activities for development, making the link with humanitarian development, while ensuring alignment of UN assistance with national development priorities, in the context of internationally agreed treaty obligations and development goals. Reinvigorated RC Offices underpin the renewed RC system. Each RCO now has five core positions covering strategic planning; economics; data management, monitoring, and evaluation; partnerships and development finance.

UN has improved its data systems, results reporting and transparency tools. UNDG Information Management System (IMS) allows DCO to collect information currently in 130 countries on UNCT activities. UN Info displays the SDG programming of UN entities and the UNSCDF implementation progress. Starting in 2020, UN Info is mandatory for all UNCTs embarking on a new Cooperation Framework. So far, it has been adopted by 68 UNCTs; several use it to produce UN assistance results reports for national governments.

The RCS encompasses all organizations of the United Nations System (UNS), dealing with operational activities for development at country level, regardless of their formal presence. The ILO engagement in UNCT work and its provision of expertise in framing the UN assistance in the country is crucial to determine its positioning and role as a full member of the UNCTs. For the ILO, as a specialized UN agency, it is important to position the DWA and tripartism, as well as the ILO's development cooperation projects and programmes, within the broader UN operational, programming and resource framework, as well as to maintain close relations with UNCT members (see Chapter 2 – Development Cooperation in the ILO).

6.1.6 Security conditions in the project country

At country level, the CTA/NPC and project staff follow the instructions issued by the Director of the ILO office concerned. Where there is no ILO office in the country, project staff (CTA) should represent the ILO at the Security Management Team meetings chaired by the Designated Official (DO), the highest authority within the United Nations Security Management System in the country.

At Headquarters, **ILO SECURITY** within the Department of Internal Services is responsible for providing with recommendations aiming to ensure the safety and security of ILO staff, as well as the security of the Organization's premises and assets in the field. It collaborates with departments and services at ILO HQ and maintains regular contacts with the Regional and **Country Offices**. ILO SECURITY can be contacted directly at any time for assistance or support.

Managers at HQ and field duty stations are responsible for ensuring compliance with applicable security policy and instructions by all staff under their supervision.¹³ Those who plan and approve missions, programmes and field projects must ensure that compulsory travel requirements are fulfilled, and adequate provisions are made regarding safety and security management in projects.

¹³ Please refer to [IGDS No. 399](#) and to the [Emergency Quick Guides](#), for more information on personal preparedness, radio operating procedure, etc.”

All official travel must first obtain an approved security clearance.

ILO SECURITY provides information and assistance on all necessary security procedures to be fulfilled by ILO staff and external collaborators prior to travel.¹⁴ For information and local contacts, consult the weekly travel advisory on the UNDSS website, login required. In addition, all travellers must have valid security training certificates requested at the duty stations prior to travel, regardless of the security level in effect. Attention is drawn on the SSAFE training that required attendance in person and required previous registration and coordination.

All development cooperation projects should be provided with [safety and security recommendations](#) issued by ILO SECURITY. This process is initiated by the Project Manager when submitting the duly completed [security programme assessment form](#). In return, ILO SECURITY will provide a Security Risk Assessment for the project, along with the safety and security recommendations to ensure compliance. In exceptional circumstances, due to a continuing level of residual risk, ILO SECURITY may recommend the inclusion of security personnel. The Project Manager is responsible for the implementation of security recommendations as per Security Assessment form provided by ILO Security.

¹⁴ Please refer to Office Directive [IGDS No. 224](#) and Office Guideline [No. 393](#), for more information on security clearance for external collaborators and financing security requirements for projects and personnel.

6.2 Start-up of project activities

Project start-up comprises a set of technical activities that begin as soon as the Project Manager is in place. In practice, some of the functions described under this section may overlap, and they are often interrelated. They include:

- Reviewing contractual obligations.
- Reviewing project design.
- Developing the work plan.
- Developing monitoring and evaluation plans.
- Creating a project team and organizing personnel.
- Procuring equipment, materials, and services.
- Financial management.

6.2.1 Reviewing contractual obligations

The Project Manager and the ILO responsible official should familiarize themselves with the details of the signed funding agreement between the ILO and the funding partner, to ensure that the project is implemented in line with contractual obligations. These often concern reporting obligations and conditions for closure of project but could also entail requirements to keep time sheets

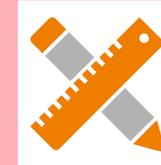
(see the sections on Implementation Monitoring and Reporting and Completion and Financial Closure and consult PARDEV if needed). Failure to do so may have dramatic financial consequences for the ILO and leads to reputational risk. This is particularly important for funding partner such as the European Commission and the United States of America.

6.2.2 Reviewing project design

At the start of the project, the Project Manager should review the original project document, because:

- The situation may have changed if there was a time delay between the completion of the project design and the actual start-up of the project.
- The individuals responsible for implementation may not have been fully involved in project design and formulation.
- The start and end dates of the project are no longer realistic, due to delays between project design and approval, or between project approval and receipt of funding partner funds.

The project manager and project personnel should return to the original project design and ensure that both the project objectives/outcomes and the strategy are well understood and still valid, and that the agreed dates and duration are realistic.



RULE

All changes to the original approved project design must be documented, justified, and approved as necessary.

Changes required in respect to the project structure (outcomes, outputs, inputs), or in the agreed start and end dates (due to the time lag between design and approval, or approval and funding), must be approved by the funding partner, through PARDEV. Local governance structures, constituents and other stakeholders should be consulted and/or informed about major changes in the initial design or timeframe for project implementation.

As many individuals, units, offices, and stakeholders are involved in project implementation, any relevant documentation should be kept ensuring the appropriate management and the proper assessment of progress and evaluation of project results. Changes or revisions to the originally approved project document or project budget are usually processed as budget revisions. The ILO responsible official should ensure that sufficient and appropriate documentation is prepared and maintained during project implementation.

6.2.3 Developing the workplan

The workplan is the most important element in project implementation, and is the basis for:

- Effectively organizing the work of the team;
- Procuring inputs and incurring expenditure;
- Obtaining financial and administrative clearances;
- **Monitoring** and reporting.

The tentative implementation plan prepared at the time of design is revised and further developed prior to project start-up.

Even when there has been no gap between the project design and its implementation, project managers will want to break down the workplan into shorter time periods, as well as develop and expand on the plan's details. The design team usually prepares yearly plans, but these have to be extended for project implementation.

The implementation team will need to:

- Begin breaking down the final project outputs that will be delivered in a year's time, into quarterly or even monthly targets. This is very important for results-based management, as it provides the link between the overall design plan (the log frame), and the detailed workplan.

Table 1 - Format for annual performance plan (quarterly or monthly targets)

| Output | Indicator | Resp. | Q1 | Q2 | Q3 | Q4 | End of the year |
|--------|-----------|-------|----|----|----|----|-----------------|
| 1 | Ind. 1 | AA | | | | | |
| 2 | Ind. 1 | AA | | | | | |
| | Ind. 2 | BB | | | | | |
| 3 | Ind. 1 | AA | | | | | |

- Plan activities and tasks (the work breakdown structure) and assign responsibility for each of them to the different members of the team (**responsibility matrix**). The rows should show the responsibilities associated with an activity. The columns should indicate the tasks assigned to everyone.

Table 2 - Format for WBS and responsibility matrix

| Output | WBS | | Person/Agency | | | | |
|--------|----------|-------|---------------|---|---|---|-----|
| | Activity | Task | 1 | 2 | 3 | 4 | ... |
| 1 | 1.1 | 1.1.1 | | | | | |
| | | 1.1.2 | | | | | |
| | 1.2 | 1.2.1 | | | | | |
| | | 1.2.2 | | | | | |
| 2 | | | | | | | |

- Prepare a detailed **schedule** (monthly or weekly) indicating when each activity starts, its duration and when it will be completed (Gantt or bar chart), and include the interrelationships between the different project activities (milestones).

This should be done in sufficient detail to allow for the accomplishment of activities or milestones on the planned dates, and to provide a means of monitoring progress. Excessive detail should be avoided, as planning and replanning can become too time-consuming and counterproductive.

Table 3 - Format for schedule

| Schedule format Output 1 | | Quarter/Month/Week | | |
|--------------------------|-------|----------------------|---|-----|
| Activity | Task | 1 | 2 | 3 |
| 1.1 | 1.1.1 | XXXXXXXXXXXXXXXXXXXX | | |
| | 1.1.2 | XXXXXXXXXX | | |
| | 1.1.3 | XXX | | XXX |
| 1.2 | 1.2.1 | XXXXXXXXXXXXXXXXXXXX | | |
| | 1.2.2 | | | |
| 1.3 | 1.3.1 | | | |
| | ... | | | |

- Prepare a **resource plan** setting out the type of resources needed to carry out the different activities and tasks.

Table 4 - Format for the resource plan

| WBS Output | Activity/Task | Resources Required | | | | | |
|------------|---------------|--------------------|-------|-----------|----------|-----------|-----|
| | | Equipment | Staff | Workshops | Services | Materials | ... |
| | | | | | | | |
| | | | | | | | |

The methodology and tools for work planning are further explained in Chapter 4 - Project Design and **Tools and methods for project design and implementation planning**.

Revision of the tentative implementation plan prepared during design is also important, to ensure that project activities have a “real starting date”, otherwise performance and reporting will always be affected by pre-implementation slippage (delays in recruitment, setting up of project premises, etc.) Start-up delays tend to be cumulative, and therefore add to problems in the delivery of project outputs.

Revising the budget

The budget is the work plan expressed in monetary terms. If the revised work plan can be completed within the project duration, but the rescheduling of activities has implications for the annual planning of resources and annual project budget (allocations), the budget should be revised accordingly by reflecting the new workplan. It is important to do this at start-up, as it resets the reporting baseline. If instead the change is just a rescheduling, with

no changes to the budget task / activity, it is called initial budget rephasing. In this case, the process to follow is that for a budget revision.

If the revised work plan cannot be completed during the established duration of the project (agreement start and end dates), a project extension may be necessary. Project extensions require funding partner approval and should at each level of the logical hierarchy of the project – the activities, outputs, outcomes and impacts – as requested by PARDEV.

The request for extension follows the procedures for budget revisions. Where updates to the workplan have no implications for the duration or budget of the project, they do not need an official request for a revision but can be carried out independently by the Project Manager and the ILO responsible official.

The workplan is developed by the Project Manager and approved by the ILO responsible official after clearance by the relevant backstopping units. It is important to consult and keep all project stakeholders informed about changes to the project implementation plan

6.2.4 Developing monitoring and evaluation plans

M&E systems support those involved in project implementation and encourage internal reflection and the development of communication systems within the

project. They must be planned, managed, and resourced, and are not simply a statistical task or external obligation.

The **log frame** provides the starting point for all monitoring evaluation systems, but M&E systems track progress, and monitoring at different levels serves different functions.¹⁵

- **Implementation monitoring** for effective operations: Focuses on the monitoring of activities, outputs, and the flow of resources. It is used for implementation management and for short-term project progress reporting, when properly linked to the project outcomes (e.g., quarterly, or biannually). Conversely, outputs and activities are monitored continuously; they can indicate progress but cannot be used to assess development results. Comprehensive guidance on implementation monitoring with the focus on project management is presented in the section on Implementation Monitoring and Reporting.
- **M&E for development results to guide project strategy:** M&E of the outcomes and the impact orientation¹⁶ of a project are essential in assessing development refined during start-up. All stakeholders should agree on a well-documented but simple M&E plan, which defines what the M&E system will monitor and how it will do so. A more comprehensive

¹⁵ Please refer to pages 27-28 of the OECD Glossary of Key Terms in Evaluation and Results Based Management

¹⁶ Please see the above footnote.

reflection and reporting on the achieved outcomes and the strategic orientation towards impact should be done periodically, but with longer gaps – for example annually.

- **M&E plan for development results (outcomes and impact orientation):**¹⁷ Some basic guidance is provided below.¹⁸ A more comprehensive guide can be found on [EVAL's intranet page](#).

The design of the M&E system, the [M&E plan](#), is developed during the initial project design phase and defines what the M&E system will monitor and how it will do so. Adequate resources should be set aside to administer the system together with the necessary conditions and capacities.

M&E defines the following:

- **Purpose and scope:** The key areas of observation of the project are the planned outcomes. If outcomes are complex, more than one area of observation should be defined. If the project logic builds on risks and assumptions, these also require additional areas of observation.

- **Performance questions, indicators, and information needs:**
 - ◇ *Define indicators and performance questions for each area of observation.* The [indicators](#) and targets in the [project document](#) should be revised and refined. They should be reviewed regularly during project implementation, in order to ensure their continued relevance and usefulness.
 - ◇ *Identify any information needs:* Based on the indicators and [performance questions](#), identify the necessary data to be collected, which should be useful to all [stakeholders](#) in the project.
 - ◇ *Establish a baseline for comparison:* For subsequent evaluation, the project needs to establish a starting point. Baseline information is the reference point for assessing progress and thus constitutes the foundation of any M&E system.¹⁹ Do not exclude mainstream concerns, such as gender, disability, and environmental sustainability.
- **Data collection:**
 - ◇ *Choose data collection methods for each identified information need.* Data and methods can be quantitative or qualitative, although mixing different

¹⁷ Many parts of this sub-chapter are adapted from the [International Fund for Agricultural Development Guide for Project M&E](#), Section 4 – Setting up the M&E system.

¹⁸ This section has been developed in collaboration with EVAL.

¹⁹ The situation and needs analysis included in the project document is, in most cases, sufficient; the information should be further quantified or qualified.

methods and types of data (triangulation) helps to get a more complete picture. Consider the practical implications, including the cost. Decide on the frequency of data collection and identify the person who will be doing it.

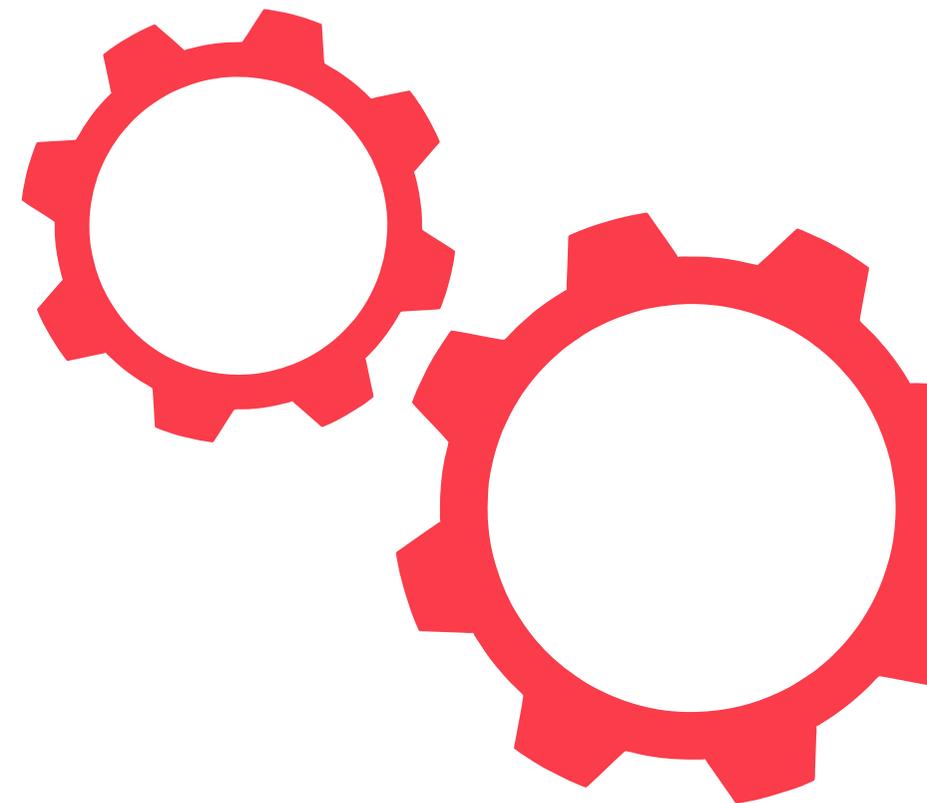
- **Conditions and capacities.** Make necessary resources available, establish an appropriate organizational structure, and create the needed capacities.

◇ *Plan for the analysis and use of the data.* Information is collated and analysed by appropriate project staff. It must be planned at start-up how the data will be organized, how such an analysis will be done, who will do it, and how the data will be used.

Using the M&E matrix

A monitoring matrix is a useful tool to help manage the M&E system and process. When the M&E plan has been agreed, the major components can be placed in a matrix that will facilitate management of the monitoring and evaluation process. Please see an example on Table 5.

- **Critical reflection processes and events:** Plan this from the outset. Critical reflection can occur formally and informally: formally, it can be facilitated during project meetings, workshops with partners and primary stakeholders, or as part of external evaluations; informally, it can occur during ongoing discussions between project stakeholders, but there are several different instances where reflection can be encouraged.
- **Communication and reporting strategy:** Develop from the beginning a detailed communication strategy. Regular two-way communication with the partners on project implementation and achievements is essential for building a sense of ownership and co-responsibility. A more formal element of communication consists in the progress reports.²⁰



²⁰ The standard ILO [Development Cooperation Progress Report](#) can be found on PARDEV's intranet.

Table 5 - Monitoring & Evaluation Matrix (annotated example)

| Performance Indicator | Indicator definition and unit of measurement | Baseline information | Data source | Data collection (method, frequency & responsibility) | Support for data collection | Data analysis (method, frequency & responsibility) |
|--|--|---|--|---|--|--|
| Immediate Objective 1: | | | | | | |
| Write the indicator | Define a) any variables in the indicator b) the unit of measurement | Include the baseline value or, if baseline not available, describe plans for collection | Define the exact data source for the indicator | Elaborate on the data collection methods, frequency and responsibilities | Describe any tools, storing system, training or resources required for data collection. | Elaborate on data analysis, including any events, reports and how data will be shared with partners & constituents. |
| 60% increase in targeted workers who report being aware that a written HIV/AIDS policy exists in their workplace | <p>Definition: Written HIV/AIDS policy = a written set of principles and practices to address HIV/AIDS within the workplace, such as the principle of non-discrimination.</p> <p>NOTE: A policy is not a programme of activities.</p> <p>Unit: workers targeted under 3 project sectors (fisheries, transport and tourism)</p> | To be established following baseline survey (undertaken max. 2 months after project approval) | Worker Survey: question 23 | <p>Questionnaire administered to a random sample of at least 300 individual workers in a purposive survey of 6 of the enterprises receiving assistance from the project. Selection of the enterprises to be surveyed will ensure a diversity of age groups and sex.</p> <p>Survey will be conducted 3 times. Baseline, interim (after 1st year of project implementation) and final (3 months prior to end of project). Data to be collected from workers from the same enterprise for each survey.</p> <p>Survey to be administered anonymously by consultant(s), under the coordination of the project manager.</p> | <p>Hard copy questionnaires will be stored by project manager. Results will be tabulated and analyzed in Excel format by consultant(s).</p> <p>Provision for consultant(s) has been made under project budget.</p> | <p>Summary of data presented to Tripartite Steering Committee meetings.</p> <p>Data analysis to be included in the EOY Technical Progress Reports.</p> |

6.2.5 Creating a project team and organizing project personnel

Terms of reference – Job descriptions

The TOR for project personnel is based on a **responsibility matrix** that is prepared during implementation planning and reviewed at the beginning of the project when revising the workplan (see the section on Developing the work plan above).

The matrix constitutes a summary of individual terms of reference. Each column assigns responsibility for specific tasks, activities, and outputs. This methodology is very helpful in assigning responsibilities to project personnel because it ensures that staff time and expertise are focused on results and each staff member clearly sees their own contribution towards the final outputs.

From a results perspective, the advantage of defining the project personnel's responsibilities is that it increases the sense of motivation and encourages team building and support.

Job descriptions are essential to the recruitment process, and the Project Manager will need to ensure that staff is recruited with the tasks in mind. This is best undertaken by setting out the skills, competencies, experience, and personal attributes required to undertake the tasks of each project team member. Please refer to the pre-implementation section (above), including **guidelines** on

how to write a job description from P1 to P5 positions, as well as **templates** for guidance purposes.

Where there are skills gaps within a team, the project manager should try to fill them using additional resources, or by entering into agreements with partners who can supply complementary expertise. Recruitment guidelines are also inserted in the pre-implementation section.

Management and leadership

Project Managers are both leaders and managers, whose key function is to keep the focus on outputs and results. The results-based planning process set out in this Manual supports this approach and enables them to easily relate inputs and activities to outputs.

Management emphasizes work planning, good practices and procedures, and control mechanisms to achieve results. Leadership focuses on vision, clear direction, collective decision making, communication, teamwork, motivation, recognition, and achievement.

A broad understanding and ownership of a project's objectives and rationale within the project team will encourage teamwork and ensure high morale, even in difficult circumstances. It also encourages high performance, a "can-do" approach and joint problem solving, rather than a "it can't be done" approach focusing on problems with resources and inputs.

A clear organizational structure (chart) of the project is necessary for members of the project team to understand their relationship to other project members, units and partners in project implementation, and the lines of communication.

ILO Performance Management Framework

Performance management aims to enhance the accountability and effectiveness of delivery of the project through work planning, communication, evaluation, and staff development.

Managing performance is an integral part of the work of the Project Manager and the supervisors concerned, all throughout the year. It is a continuous dialogue between staff and their supervisors about the project, its objectives and priorities, the results expected, and contributions made. It involves planning, performance evaluation and feedback.

Each staff member is responsible for carrying out the duties and responsibilities of his/her position to the best of his/her abilities, to meet the performance management standards of the position s/he occupies.

The [ILO Performance Management Framework \(PMF\)](#) builds on regular dialogue and feedback between staff and their managers. The outcomes of this ongoing communication are formally recorded at the beginning of cycle (BoC), at Midterm Review (MTR) and at the end of cycle (EoC).

The PMF is supported by the new online Performance Management and Employee Profile modules of the [ILO People e-tool](#). For more information on the PMF, please consult the [HRD website](#).

Hiring of project personnel (staff categories and skill profiles)

In addition to the guidance mentioned in the pre-implementation chapter phase, there are additional operational aspects as follows. The different categories of human resources and expertise that may be employed on development cooperation projects include:

- Professional and technical experts; internationally recruited: CTAs, Project Managers, grade P4 or P5 Technical Officers (grade P1 to P3) or Technical Specialists (grade P4 or P5); and locally recruited: NPCs grade NO/A or B and National Project Manager (grade NO/C);
- Administrative and other support personnel (locally recruited – grade G1 to G6);
- Consultants (external collaborators/not ILO staff);
- Local experts supplied by a national funding partner agency under a specific arrangement, or Junior Professional Officers (JPO) employed by the ILO under specific bilateral agreements with funding partners.

The appropriate combination of skills and expertise to form the project team must be determined by the requirements of the project, based on the specific project tasks and outputs to be delivered. National expertise should be used as much as possible, with a view to building national capacity as a key objective of the ILO's overall development cooperation programme and approach.

NB: In planning the recruitment of international staff, a time lapse²¹ of four to six months between the request and the actual arrival of the individual to take up the post should be considered. However, there are good practices that could speed up the process and avoid delays – for example, launching calls for expression of interest, obtaining job description cleared by HRD at an early stage, a pool of TC staff about to finish contract obligations, etc. **HRD** requires at least six weeks in order to process the recruitment before the effective date of appointment, i.e. medical clearance, UNLP (United Nations Laissez-Passer), visa issuance for the contract, travel, etc.

For consultancy assignments, local consultants should be favoured whenever possible.

For short consulting assignments, ILO technical specialists (in DWTs or HQ departments) can be considered, based on their expertise, familiarity with and interest in the

²¹ HRD requires at least six-weeks in which to process the recruitment before the effective date of appointment.

project. If this entails periods of four weeks or more, it is appropriate for the project budget to cover the salary and other costs of the official (on temporary assignment). This is also the case of an ILO official performing the role of Project Manager, or when the project requires the direct involvement of ILO technical staff.

For shorter periods, the project pays only the travel and the daily subsistence allowance (mission status). It is sometimes difficult to draw the line between an ILO technical input, which should not be at the expense of regular budget, and general project support work. Direct consultancy inputs from ILO expertise should be included in the project budget (See Chapter 4 – Project Design, Section 4.3.4 - Preparing the budget).

The arrival and on-boarding of new project staff, national or international, deserves close attention. Please refer to the pre-implementation section (above) for more information.

The Project Manager should introduce internal systems for the administration and management of project personnel. These should follow standard ILO practices, procedures, and requirements to ensure that ILO rules and regulations are followed.

Who does what?

- Regional and External Offices have decentralized responsibility for the recruitment and appointment of local project staff (GS and NO category), and for

the processing of their employment contract and entitlements, including grading and classification.

- HRD-HQ, through Staff Operations Branch (HR/OPS), has responsibility for the recruitment of international project staff (P category) as well as the classification of P positions, in liaison with Regional and External Offices and HQ department, and administers their employment contracts and entitlements.
- HR/OPS is also responsible for the recruitment and administration of local project staff (GS category) based at Headquarters, as well as for the recruitment and administration of international development cooperation personnel. Recruitment and administration of local/national project personnel is decentralized to Field Offices. However, the classification of National Professional Officer posts is the responsibility of Regional Offices or HRD.

The necessary administrative tools for the management of project personnel can be obtained from the concerned ILO responsible official or the Field Office. Specific information is also available on the HRD intranet in the Staff Operations Section.

6.2.6 Procuring equipment, materials, and services

Equipment, materials, and services are procured on the basis of the revised project work plan. The requirements are based on the activities in the [work breakdown structure](#), and the timing depends on the project [schedule](#). If the project strategy or work plan needs to be further revised during implementation, the budget and the [resources/inputs plan](#) should also be revised. (See PROCUREMENT Flow Chart [here](#).)

The procurement and acquisition of all goods and services must be carried out according to established policies and procedures.²² It is particularly important that the CTA/NPC be thoroughly briefed on the procedures and templates., during the induction process at Headquarters or the Field Office. The programming officers and administrative and finance staff in the Field Office should also be familiar with the procedures, including the specific functions assigned to them.

- **Procurement of equipment and contracting:** Policies and procedures are found on the [PROCUREMENT intranet](#). Competitive bidding is required for the acquisition of goods and services that cost more

²² Please refer to the PROCUREMENT Manual on Procurement IGDS 239.

than US\$ 50,000 or the equivalent in local currency.²³ Details of procedures covering requests for waivers of competitive bidding requirements can be found on the PROCUREMENT intranet.

Security of ILO staff irrespective of the financing of their contract is of fundamental importance and budgetary provisions must be made accordingly prior to the commencement of any activity. To ensure harmonization of equipment standards and to ensure that security equipment is appropriate for the risks involved, all procurement of security equipment will be approved by ILO Security. Where equipment is supplied centrally, projects will provide an External Payment authorization/Purchase Order (EPA/PO) to cover the cost of the equipment. Urgent needs may be met in advance of the receipt of the EPA/PO.²⁴

- **External collaborators:** An external collaborator is an individual working with the ILO who but is neither a staff member nor an ILO official. External

²³ Pursuant to Financial Rule 10.30, procurement contracts must be awarded based on effective competition. If the cost of a procurement action is expected to be equal to or to exceed US\$ 50,000 or the equivalent, proposals from at least three vendors must be sought through a formal method of solicitation (i.e., invitation to bid or requests for proposals), with use of an advertising process that is appropriate to the circumstances, and that is directed at achieving broad participation from qualified suppliers. The monetary thresholds that apply to procurement are prescribed in the [Office Procedure, Procurement Thresholds, No. 216 \(Version 4\), of 18 May 2017](#).

²⁴ [IGDS 338](#), paragraph 7.

collaboration contracts are task-oriented, linked to a specific output over a defined contract period. They do not involve tasks associated with a continuous process or management, and payment is normally made in full at the end of the contract when the work has been completed, and the output submitted and judged satisfactory. Interim payments may be allowed in conformity with Financial Rule 7.50, subject to satisfactory completion of work in accordance with the payment schedule set out in the external collaboration contract. Regular monthly payments are not normally appropriate, in line with [Office Directive on External Collaboration Contracts, IGDS No. 224 \(Version 1\)](#). No payment will be processed without a request (invoice) having been received from the external collaborator.

- **Seminars and workshops:** Seminars and workshops may be undertaken by the project or by a partner organization. Their aim is usually to strengthen national capacity or enhance the expected outcome of the projects through networking and visibility. Requests to hold seminars should be in line with project requirements and should follow specific procedures (see [IGDS N° 482 \[Version 1\] Seminars, workshops and events funded by the ILO](#)).

The project manager should also follow ILO rules and regulations for the reception of equipment, maintenance of inventories and other asset registries, and the disposal of non-expendable equipment after the project ends.

Information on current policy and procedures on equipment and contracting are provided in the [PROCUREMENT Manual](#), although with the implementation of IRIS some procedures and practices are changing. Updated information on new procedures can be found in the ILO training materials on procurement.

6.2.7 Financial management

Financial clearances

All activities planned during the project directly or indirectly require the disbursement of funds. These activities can

take the form of the procurement of goods and services, or operational expenditures. The administrative procedures required to request approval of such expenditure depend on the nature of the activity and on the expected “product” or “service”. No project inputs can be obtained without the necessary financial clearances.

The Project Manager is responsible for requesting that the ILO responsible official (Director of the office/unit responsible for project implementation) initiate the process of creating obligations (encumbrances/commitments) and issuing the appropriate expenditure authorizations against the project budget.

Expenditure authorizations may take the form of:

- Requisitions
- Purchase Orders (POs)
- Travel Authorizations (TAs); and
- HRD instructions.

The rules governing these different expenditure forms and the process of securing financial and administrative clearances are different, as established in the [Finance Manual](#).

Other direct payments

- *Petty cash*: These are cash advances to the Project Manager to be used for local miscellaneous expenditures, such as vehicle running costs, stationery, postage, etc. The establishment of a petty cash account requires the approval of the Regional Office.
- *Imprest accounts*: Bank (imprest) accounts are opened for the needs of ILO offices in the field, including for DC projects. The opening of bank accounts has been delegated to the Chief, TREASURY and TRES/OPS. The latter is responsible for communicating the necessary instructions to the bank concerned. Requests to open a new ILO bank account or transfer an existing account to a new bank are handled by TRES/OPS

(Treasury Operations Section) at Headquarters. The choice of the bank in which ILO funds are deposited ultimately rests with the Treasurer, who has delegated this responsibility to TREASURY for external office and project imprest accounts. The procurement section of the Financial Rules, which establishes general principles and rules to be considered when exercising procurement functions, also applies to the procurement of banking services.

Financial monitoring

Project managers should plan and monitor the use of financial resources, by tracking the commitment of finances (encumbrances) against allocations, dates and clearances obtained. These records can be compared with official reports from the ILO financial systems. The ILO responsible official should make sure that these reports are made available to those project managers who do not have access to these systems. Discrepancies between the Project Manager's records, and the Office's official reports may occur, due to a time lag or recording processes.

However, any major discrepancy or one that is outstanding over a long period of time must be clarified with the ILO responsible official and BUDFIN.

6.3 Implementation monitoring and reporting

6.3.1 Monitoring implementation

Monitoring is an integral part of the project cycle. It is an ongoing process that tracks project progress, with the primary objective of enabling management to take corrective action. Undertaken at different levels of the project structure, it also provides data for reporting, both within the ILO and externally to funding partners, constituents, and other project stakeholders.

Monitoring is an important management tool that:

- Assesses progress on project implementation.
- Assists in the effective management of resources.
- Detects problem areas.
- Enables management to take early corrective action.
- Provides the basis for good communication with constituents and other stakeholders; and
- Provides the basis for funding partner reporting.

Monitoring implementation addresses the question of whether the project is on track. It has a narrower focus on outputs, activities, and resources, and compares progress against the work plan. It is essentially a tool to be used on an ongoing basis as part of management supervision. Moving further up the project structure to track progress on the use of project outputs by the target groups can also constitute useful monitoring.

For ongoing monitoring throughout a project or programme, you can also conduct an outcome harvesting. As a methodology, outcome harvesting was partly inspired by Outcome Mapping (see chapter 4), and the two are often seen as complementary. In essence, outcome harvesting is designed to collect evidence of change (the outcomes) and then work backwards to assess whether or how a programme or project contributed to that change. It is most appropriate when the focus is on outcomes rather than activities or outputs. For more information on how it works and its differentiated steps, please click [here](#).

Table 6 - Focus for monitoring implementation at different levels of project the structure

| Project structure | Comparison between: | |
|---|----------------------------------|---------------------------------|
| | Planned | Actual |
| <i>Inputs</i> | Resources (planned) | Resources (actual) |
| | Budget (planned) | Expenditure (actual) |
| | ... | Expenditure tracking |
| Activities | <i>Schedule</i> (planned) | Schedule (actual) |
| <i>Outputs</i> | Performance targets (planned) | Achievements (actual) |
| <i>Outcomes</i> (immediate) | Use/uptake of services (planned) | Use/uptake of services (actual) |
| Outcomes (end of project) | Part of the evaluation plan | |
| <i>Impact</i> ²⁵ (long term) | Part of evaluation plan | |

²⁵ Although an intent to investigate impact might be included within an evaluation plan, the planning, management, and funding of IEs are the responsibility of technical departments. For more information refer to [EVAL Guidance Note 13: Impact Evaluation](#).

Evaluation is an assessment, conducted as systematically and impartially as possible, of an activity, project, programme, strategy, policy, topic, theme, sector, operational area, or institutional performance. It analyses the level of achievement of both expected and unexpected results by examining the results chain, processes, contextual factors, and causality using appropriate criteria such as relevance, effectiveness, efficiency, impact, and sustainability. An evaluation should provide credible, useful evidence-based information that enables the timely incorporation of its findings, recommendations, and lessons into the decision-making processes of organizations and stakeholders.²⁶ (see: Chapter 7 – Evaluation).

6.3.2 The monitoring plan

Monitoring involves comparison, measurement, and action:

- **Comparison:** **Monitoring** involves a comparison of actual and planned results. This requires not just measurement of actual results, but statements of planned or intended results. The log frame, the work plans and the budget set out a project's intentions, and these documents form the basis for monitoring progress. However there may be other required reporting documents, such as the funding partner

agreement or the Approval Minute, which may need to be incorporated into the monitoring plan. Without these documents, or equivalent statements of intention, monitoring makes little contribution to project implementation.

- **Measurement:** Monitoring systems generally use indicators to measure progress. Indicators are variables that can be measured and that provide management with an “indication” of progress. **Indicators** measure progress towards outputs, outcomes, and the development objective (impact). In **results-based management (RBM)**, activities are not results, and indicators for them are not mandatory.
- **Action:** The benefit of monitoring arises from the action taken on the basis of monitoring information. The monitoring plan should set out how monitoring data will be used and identify the officials responsible for ensuring that action is taken. Monitoring plans must be designed with both periodicity and accountability in mind:
- **Periodicity:** Monitoring should be based on the periodicity of events (monthly, quarterly, seasonally, annually) and on decision making (corrective action, review meetings, etc.). It should be done in sufficient detail to allow for the accomplishment of activities (or milestones) but should not become time-consuming.
- **Accountability:** Monitoring should lead to action. As a result, data and reporting should be directed at

²⁶ United Nations Evaluation Group (UNEG): Evaluation Norms and Standards, (2016) p. 10.

responsible officials, and should focus on governance structures and accountable offices departments.

The monitoring plan should prescribe a reporting period and unit of reporting that is consistent with the project structure, capture the periodicity of events, and provide information that is useful to project teams, units, constituents, funding partners and other project stakeholders.

The plan should also include communication and reporting plans. Keeping constituents and project stakeholders at the local level informed and involved on progress is essential towards building a sense of ownership and a shared view of planning and monitoring.

The monitoring plan is usually prepared in consultation or shared with project partners. The monitoring plan should set out a schema for data collection (Table 7). This should include: (a) the indicators; (b) the source of data, frequency of collection and responsibility for collection for each indicator; and (c) the report format (unit, level of aggregation, periodicity), and the individual(s) responsible for updating/using it.

The following elements should be included in the monitoring plan:

- *What? Progress indicators, definition, and targets:* **Indicators** define how performance will be measured along a scale or dimension, while the targets identify the planned level of results to be achieved within a given timeframe. Indicators and targets included in the project design should be revised and refined.

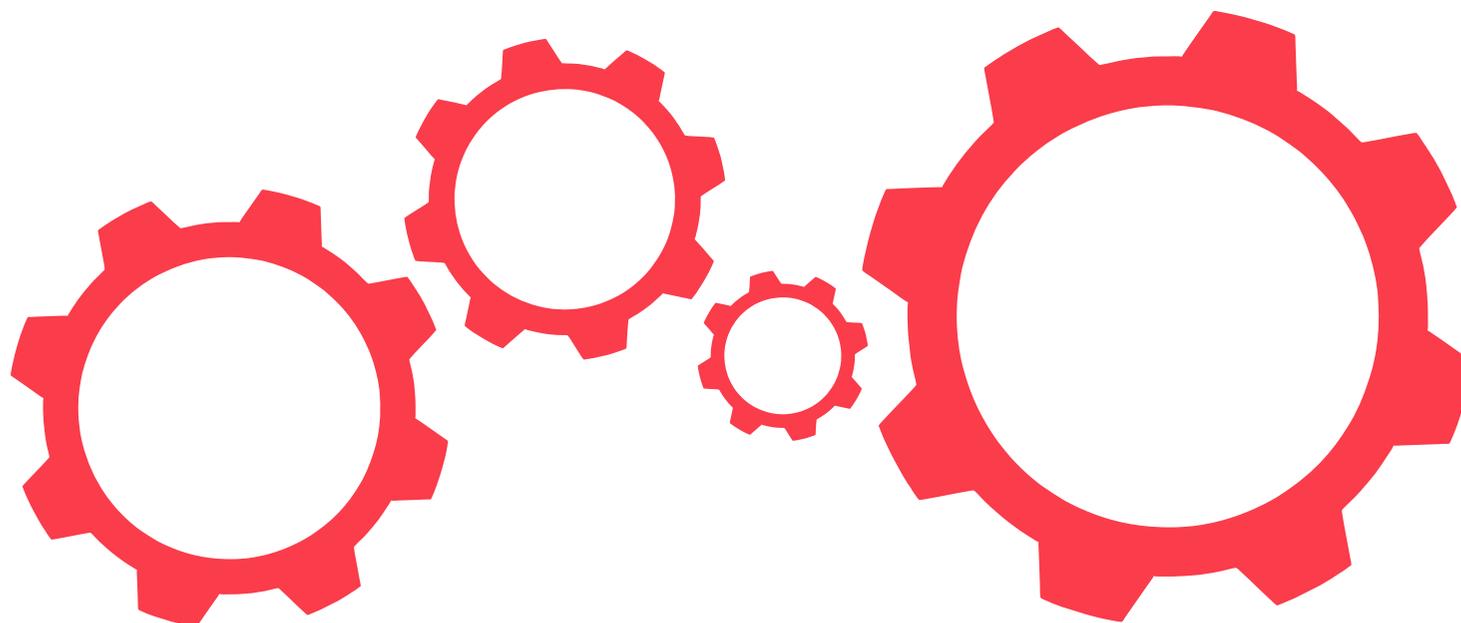


Table 7 - Elements of a monitoring plan

| Project structure | Indicators WHAT? | Data source | | | Report use | |
|-------------------|---------------------|----------------------------------|------------------------------|---------------------------------------|----------------------------------|-------------------------------------|
| | | Frequency of collection WHEN? | Method of collection HOW? | Responsibility for collection WHO? | Format for reporting AS WHAT? | Responsibility for use FOR WHOM? |
| <i>Impact</i> | | | | | | |
| <i>Outcome</i> | | | | | | |
| <i>Outputs</i> | | | | | | |
| <i>Activities</i> | | | | | | |
| <i>Inputs</i> | | | | | | |

- *When? Frequency and schedule for data collection:* Depending on the level (outputs, activities, inputs) it may make sense to collect data monthly, quarterly, bi capacity-development, annually or less frequently. There is no general rule on how often data should be collected. Frequency may also vary by data source.
- *How? Means of verification and data source:* The approach or method of data collection for each indicator should be described; and it should be specified whether it consists of primary data collection (collected directly through feedback or surveys from project beneficiaries), or secondary data collection (from existing sources such as national statistics or reports). The former is both more specific and costly than the latter. Primary data will often be needed to examine project specific outputs or outcomes. Secondary data can often be used to put the results in context, or to benchmark the project results.
- *Who? Responsibilities for acquiring data:* Responsibilities should be clearly assigned to a particular individual, team, or office. However, it is critical that whoever is assigned the responsibility for collecting this data have the appropriate skills.
- *As what? Data analysis plans:* It is advisable to plan in advance not only for the collection of data, but also for data analysis, reporting and use, and to identify analysis techniques and the data presentation formats to be used. It is important to consider the following point when making these plans because certain

audiences will have certain needs when it comes to how data should be analysed and presented.

- *For whom? Reporting and information plans: **Constituents*** and other project stakeholders should be kept informed on progress, either informally through periodic meetings, or through more formal progress reports. Reporting requirements (funding partner reporting, review meetings, governance structures, ILO management) should be taken into account in the monitoring plan.

Table 8 - Output monitoring format

| Reference period: | | | | | |
|-------------------|-----------|---------|--------|----------------------|------------------------|
| Output | Indicator | Planned | Actual | Reason for deviation | Target for next period |
| 1 | 1.1 | | | | |
| | 1.2 | | | | |
| | 1.3 | | | | |

2. Activity monitoring

Activity monitoring is based on the same bar chart used to prepare the project schedule. Underneath each of the scheduled activities, a parallel bar is used to illustrate actual performance (Table 8), which can then be compared with planned start dates and durations.

6.3.3 Monitoring formats

The formats used for monitoring are extensions of the formats required for work planning. There are three types of monitoring: Output monitoring, activity monitoring and budget monitoring.

1. Output monitoring

Output monitoring is based on the performance plan (see Chapter 4 - Project Design).

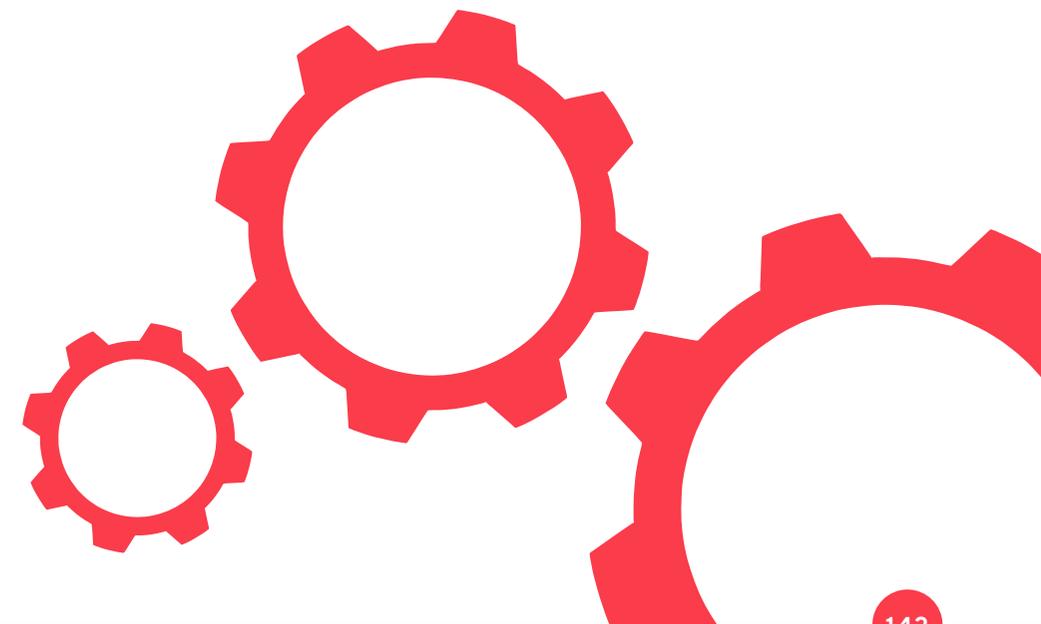


Table 9 - Activity monitoring format

| WBS: Output 1 | | | Schedule | | | | | | | | | |
|---------------|-------|-------------|----------|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| Activity | Task | Plan/Actual | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct |
| 1.1 | 1.1.1 | Plan | | | | | | | | | | |
| | | Actual | | 65% | | | | | | | | |
| | 1.1.2 | Plan | | | | | | | | | | |
| | | Actual | | | | | | | | 95% | | |
| 1.2 | 1.2.1 | Plan | | | | | | | | | | |
| | | Actual | | | | | | | | | | Delay |
| 1.3 | | Plan | | | | | | | | | | |
| | | Actual | | | | | | | | | | |

3. Budget monitoring

Project managers should keep their own records on the use of the project **budget**, monitoring encumbrances (obligations) against allocations in IRIS. The ILO responsible officials also monitor the budget through IRIS, and need to ensure that project managers are regularly informed of the ILO's policies and guidelines as well as any other relevant information such as:

- New and updated Manuals and IGDS from FINANCE, HRD and PROCUREMENT.
- Year-end financial closing instructions.
- DSA figures.

- Official United Nations exchange rates.

See also Financial Monitoring, in the section on Financial Management.

Field visits and project reviews

- *Field visits:* This is another tool that can be used to monitor progress and to collect information on a project's progress. Such visits are usually carried out by ILO Headquarters and field officials, or by funding partner government representatives. Such missions should have been planned in the work plan and included in the budget at the design stage. Mission reports form part of the information used to prepare

the progress reports, and PARDEV's Development Partner's Relations Unit should be informed when the participation of a funding partner is foreseen.

- *Project reviews:* The commissioning of a project review provides project managers with an external perspective on project progress. However, reviews are costly and must be planned and budgeted for during project design.

A useful approach to presenting monitoring results is to tabulate planned and actual results together, present an analysis explaining any deviation, and record the action proposed (see Table 10). An extension of this approach is to use the monitoring results to reset the planned targets for the next period.

Table 10 - Reporting format

| Reference period: Q2 2020 | Indicator(s) | Targets (plan) | Achievements (actual) | Analysis (reasons for difference) | Target (for next period) |
|--------------------------------------|--------------|---------------------------------|--------------------------------|-----------------------------------|----------------------------|
| <i>Development objective/ Impact</i> | | | | | |
| <i>Immediate objective/ Outcomes</i> | | Desired changes in key agencies | Actual changes in key agencies | | |
| <i>Outputs</i> | | Planned targets | Actual achievements | | Revised targets for period |
| Activities | | Planned schedule/ deadlines | Actual progress | | New schedule |
| <i>Inputs</i> | | Budget | Expenditure | | Revised budget |
| Action proposed | | | | | |

6.3.4 Reporting and communicating results

The monitoring plan sets up communication and reporting plans designed to share information and keep partners regularly informed and involved in project implementation. Meetings with constituents and other stakeholders are a good way of giving and receiving feedback on project implementation, as well as allowing them to be active participants.

Progress reports²⁷ are prepared for the governance structure of the project (advisory boards, steering committees, etc.), for ILO management, and for the funding partners.

The purpose of reporting is to:

- Record the knowledge of the project.
- Keep project stakeholders informed on progress, achievements, corrective measures, etc.
- Comply with funding partner reporting requirements (including significant risks identified during the implementation of the project).

Quality reporting fosters two-way communication: reports should take into account the needs of different audiences and be meaningful, concise and issue-focused, reinforce mutual accountability, as well as be interesting to read.

²⁷ The standard [ILO Development Cooperation Progress Report format](#) can be found on PARDEV's intranet.

ILO reporting

The Project Manager has to prepare regular reports on project implementation for the ILO responsible official. The preparation and analysis of the reports require dialogue and consultation among the individuals responsible for the activities and outputs, together with supervisors. It is an opportunity to assess progress, to review the work of the project team, and to become aware of any problem at an early stage.

Reporting frequency is agreed with the ILO responsible official and should occur at least on a quarterly basis. Reports should be shared with the technical backstopping unit and with the respective ILO Field Office, if it is different from that of the ILO responsible official (i.e., in centralized project). The ILO responsible official usually requests inputs from projects to report results achieved at country level to be included in the biennial [ILO Programme Implementation Report](#) and in the [Decent Work Results Dashboard](#).

Reporting frequency is often dependent on the geographical location of the project. If direct communication is difficult and the project site inaccessible, more frequent reporting may be required, as direct control on operations and progress may otherwise be difficult.

A [Reporting workspace](#) has been recently created in [Development Cooperation Management Support module](#). This workspace provides a central repository for donor/partner reporting, including financial statements. It allows

Field Offices, Technical Units and PARDEV to set-up reporting schedules for projects, manage compliance with reporting requirements and upload reports that have been submitted to funding partners.

When a delay of more than 20 workdays is foreseen in the submission of reports to the donor, the donor must be informed in writing of the reasons for the delay and the new due date. Please inform PARDEV of the new due date so that the reporting schedule can be updated.

Funding partner reporting

Funding partner reporting obligations are specified in the signed agreement. The ILO responsible official should ensure that reports are prepared on time and meet quality standards, while the project manager plans reporting obligations. Timely and good quality reporting is not only a contractual obligation, it is essential in maintaining good relations with funding partners and in facilitating support for future funding.

Funding partner reporting includes:

Progress and final reports:

- Preparation of the report according to the progress reporting format: responsibility of the Project Manager.

- Submission of report to technical backstopping units and **ILO responsible official**: responsibility of the Project Manager.
- Clearance of report by technical backstopping units and ILO responsible official: responsibility of the heads of technical backstopping units and ILO Uploading of the report on the DCMS Donor Reporting Workspace: responsibility of the ILO responsible official
- Submission of final report to funding partner by PARDEV: responsibility of PARDEV.
- Submission of the report to the resource partner: responsibility ILO responsible official (locally mobilized resources) or PARDEV.
- Uploading of the submission letter on the **Donor Reporting Workspace**: responsibility of the ILO responsible official (locally mobilized resources or PARDEV).

Certified financial statements and final financial statements: These are prepared by BUD/DC and uploaded on the DCMS reporting workspace by PARDEV, for submission to the resource partner by the ILO responsible official (locally mobilized resources) or PARDEV. Uploading of the submission letter on the DCMS Donor Reporting Workspace is the responsibility of the ILO responsible official (locally mobilized resources) or PARDEV.

Evaluation reports: These differ according to requirements. In the case of independent evaluations, the evaluation manager sends the final report to EVAL for approval. In turn, EVAL will send the report to the Responsible Official who is required to submit it to the funding partner, or by PARDEV as required. Please see Chapter 7 more information.

Consult PARDEV for further information on reporting requirements for individual funding partners, and EVAL for ILO's evaluation requirements.

Progress reports should contain:

- A brief description of the most important activities carried out, and outputs delivered during the period under review, i.e., work done versus plan.
- An assessment of progress towards outcomes.
- Achievement of project outcomes.
- Relevance to target populations.
- Contribution to ILO's objectives and mainstream strategies.
- Contribution to DWCP.
- Alignment to national strategies.
- Analysis of problems or constraints, and remedial action taken; and
- Follow-up action and lessons learned.

The **Final Progress Report** follows the same structure as the mid-term progress reports, but contains an assessment of the achievements of the project during the duration of the intervention and not only the period under consideration. It is more comprehensive and includes a major section on recommendations and lessons learned.

Financial reporting usually follows a 12-month cycle based on a calendar year, although some funding partner require two financial statements per year.

6.4 Project revisions and budget revisions

Taking early corrective action is the main objective of monitoring project implementation, and a major responsibility of project management. Understanding the causes of discrepancies is key to successful corrective action.

Discrepancies and shortfalls may be due to problems or conditions within the project's control, such as project organization, administrative systems, and personnel changes (project managers), or shortages or delays in the provision of inputs. The Project Manager can remedy such problems by instructing personnel to take action, or by making minor modifications to the work plan.

However disappointing results, delays or cost overruns may also be due to situations or changes outside the

control of the project, such as political disturbances, natural disasters, etc.

These external issues may have been specified as assumptions during project design, or they may have emerged at a later stage. In these circumstances, the project staff should monitor the external assumptions affecting the results. The same approach and formats proposed for measuring project results can be used for monitoring external factors and trends. When disappointing results fall outside the control of the project, and the project can no longer hope to achieve the objectives foreseen in the project document, project strategies or implementation, arrangements need to be adjusted. Alternatively, in the event of a delay, a project extension may allow the achievement of results, without modifying the **PRODOC**.

Because project revisions entail budget revisions, they always require funding partner approval.

6.4.1 Budget revisions

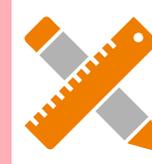
If budget revisions are required in the course of project implementation, a **Budget Revision Request Form** needs to be submitted for clearance to PARDEV and BUD/DC.

There are five types of budget revision requests:

- *Change in the work plan:* A budget revision request may be submitted after revision of the work plan, during

the year. This revision should be accompanied by a **Budget Revision Request Form** explaining the proposed changes.

- *Project extensions:* This entails prolonging project activities beyond the original end date established in the agreement between the funding partner and the ILO, and therefore requires funding partner approval, which should be requested by PARDEV. A no-cost extension request should be submitted in time to enable PARDEV and the funding partner to process it before the end of the project. Three months before the expected project end is the minimum time necessary. To initiate a project extension, the ILO responsible official needs to submit a detailed justification of the need for the extension, a revised budget, and a revised work plan to PARDEV (after consultation with the technical backstopping unit). In the case of locally mobilized resources, the ILO responsible official may submit the request directly to the funding partner, after consultation with PARDEV, BUD/DC and the technical backstopping unit.



RULE

Project extension and budget revision requests require funding partner approval, and must be submitted to PARDEV and BUD/DC. All require a justification.

budget as approved by the funding partner, and requires funding partner approval, depending on the contractual requirements. Budget changes beyond a certain percentage of the budget as approved by the funding partner normally always require prior funding partner approval. For the purpose of the calculation of the threshold, budget revisions are cumulative. Therefore, the PARDEV desk officer will always compare the proposed revision with the latest version of the budget approved by the funding partner. Please consult PARDEV on specific funding partner requirements.

- **Budget rephasing:** Immediately after the year-end closing of accounts (usually mid-February), the project budget must be rephased, unless the project is being closed.
- *Final revisions* involving budget changes at the end of the project, at the time of financial closure and of preparation of the financial statement.

All budget revision requests should include the proposed new budget (using the ILO budget revision template), an overview of changes compared to the budget as approved by the funding partner, and a justification for the proposed changes in the [Budget Revision Request Form](#). This is particularly important if modifications entail funds being transferred from project activities to staff lines, or if important modifications on the project strategy or scope are being proposed. Without appropriate justification, PARDEV cannot clear the revision request (see [BUD/DC's Results-based budgeting guide](#) and [PARDEV's Budget Revisions Requests \(BRR\)](#)).

6.5 Completion and financial closure

Project completion and closure are determined by the dates indicated in the original agreement signed with the funding partner, or in subsequent approved project extensions. The project manager and ILO responsible official should be aware of the provisions of the agreement, as they are responsible for complying with them (see [Reviewing project design](#)).

The end dates of the project are communicated to the ILO responsible official by PARDEV in the Approval Minute and constitute the basis for the initial revision of the work plan, the subsequent updates, and the final planning, including the final evaluation activities (see [Chapter 5 – Appraisal and Approval](#)). PARDEV issues a project closure minute, approximately three months before the project end date. The project closure minute provides information on the key requirements for a smooth conclusion.

The timely ending of activities and closure of projects require the key managerial roles of the ILO responsible official and ILO office Directors, together with well-coordinated action by all support units concerned. It is of utmost importance to plan the end of activities and financial transactions of the project in line with the established end dates of the proposal and funding partner agreement, in order to maintain good working relationships with funding partners.

6.5.1 Project completion

It is important to differentiate the completion of activities of a project from financial closure. A project is considered completed when:

- All operational activities have ended.
- No further encumbrances will be raised.
- The [final progress report](#) has been prepared; and
- The final evaluation report has been approved (as per requirements) and the management response to recommendations have been completed by the line manager.²⁸

The Final Report is prepared by the Project Manager and sent to PARDEV by the ILO responsible official, following consultation and clearances with the respective technical backstopping unit. For information and a [template for the final report](#), see the section on Monitoring and reporting.

The Final Evaluation Report is prepared (as required)²⁹ by an independent or internal evaluator and submitted to PARDEV for transmission to the funding partner. In the case of independent evaluations, the final evaluation report is approved by EVAL before it is sent to PARDEV.

²⁸ For requirements on [evaluation](#) please refer to Chapter 7 – Evaluation, [EVAL’s page](#), and the approval minute and agreement of the project in question.

²⁹ See above footnote.

6.5.2 Financial closure

Initiating the process of financial closure

Once project activities have been completed, the ILO responsible official initiates the process of financial closure by informing BUD/DC through PARDEV that project activities have ended and that no further encumbrances against the project will be raised.

In cases where contractual project end dates have expired and project financial closure has not been initiated, PARDEV consults with the respective unit/office, and initiates the process of closure, jointly with BUD/DC.

Any encumbrances and expenditure that are initiated after the project end dates are charged directly to the regular budget allocations of the responsible office. A project is considered financially closed when:

- Funds have been received;
- **Encumbrances** have been paid and liquidated;
- Expenditure has been recorded;
- The final budget revision has been carried out;
- The final financial statement has been prepared and submitted to the funding partner;
- The final balance has been refunded or transferred in line with funding partner instructions; and
- BUD/DC has changed the status of the project to “financially closed” in **IRIS**, and the award is closed.

BUD/DC is responsible for preparing the Final financial statement for submission by PARDEV to the funding partner, while BUD/DC is responsible for the financial closure of the project once all necessary information has been provided by the Responsible Office and PARDEV.

The agreement signed between the ILO and the funding partner usually contains provisions concerning unspent allocations and accrued interest. When this is not the case, interest will be allocated to PSC.

The ILO responsible official also initiates action with respect to the following matters:

- **Cessation of service for project personnel:** This entails coordinating with HRD (for international experts) and the respective field offices and the project manager (for national personnel) the process of ending contracts for project personnel and preparing and initiating international expert departure formalities and debriefing schedules. For decentralized projects, it entails debriefing national and international staff in the field with the field offices concerned. As per the applicable ILO Administrative Tribunal jurisprudence, proper notice of non-extension should be given to the staff member concerned at least two months before the contract's expiry date.

The reason for the non-extension due to the end of the project or for budgetary reasons should be clearly outlined even when this coincides with the proposed end date of project/programme activity. The notice of non-extension letter should be signed

by the manager having the appropriate delegated authority. Without prejudice of the authority given to the Director of the Human Resources Development Department or the designated officials, Directors of external offices, Director of Development Cooperation Programs and Chief Technical Advisers of Development Cooperation Projects have delegated authority and accordingly the responsibility to notify staff within their programs or projects of the non-extension of their appointments.

The staff member concerned should acknowledge receipt of the letter by dating and signing it. A copy should be sent to all parties involved for record purposes and follow up if/when necessary. Where it is not possible to provide adequate notice prior to the date of expiration of the contract, payment of a sum corresponding to the amount of salary and allowances for the period of notice may be substituted for it.

HRD has developed templates and guidelines for ease of reference. These guidelines apply to both international and locally recruited staff members. Bearing in mind the delivery of the project and confidentiality, it is important to liaise as soon as possible with the relevant entities including HRD to examine potential redeployment possibilities within the ILO. This is particularly valid for staff members who have been working on TC contracts for more than five years at the international or local level.

NOTE: Any decision concerning non-extension or termination of contract for performance related

reasons cannot be taken without completion of the appropriate performance appraisals and review by the Reports Board. Always liaise with HRD and the Regional HR coordinator in such situations.

For any further clarification please contact HR/OPS, your respective HR Partner or the responsible Regional HR Unit (for locally recruited staff). For information on procedures and formalities regarding the end of contracts, please refer to HRD's intranet page. For any queries, HRD should be consulted.

- **Disposal of equipment and other assets:** The final destination of equipment, furniture and other assets is often stipulated in the agreement, or can be agreed and negotiated between the ILO, the funding partner, and the national counterpart prior to the end of the project,³⁰ and PARDEV should be consulted in the latter case.

As a general rule, project equipment purchased with project funds is transferred to the project beneficiary at the conclusion of the project. However, communication equipment (walkie-talkies, satellite phones, GPS units) must be returned to [ILO Security Services](#) for “security cleaning” prior to their delivery to the beneficiary.

³⁰ [IGDS No. 281 \(Version 1\)](#), dated 9 May 2012. ILO Field Offices are responsible for maintaining an inventory of security equipment allocated to their offices and to projects within their geographical area of responsibility. The furniture and equipment management system (INI) should be used for this purpose.

Vehicle communication equipment (VHF, UHF) should not be transferred to the beneficiary but returned to the country office or regional office for future use, so as not to undermine UN-wide security communications. For more information, please refer to the office guidelines on [Financing Security Requirements for extra-budgetary projects and personnel, IGDS No. 338 \(Version 1\)](#) and the [Procurement Manual](#).

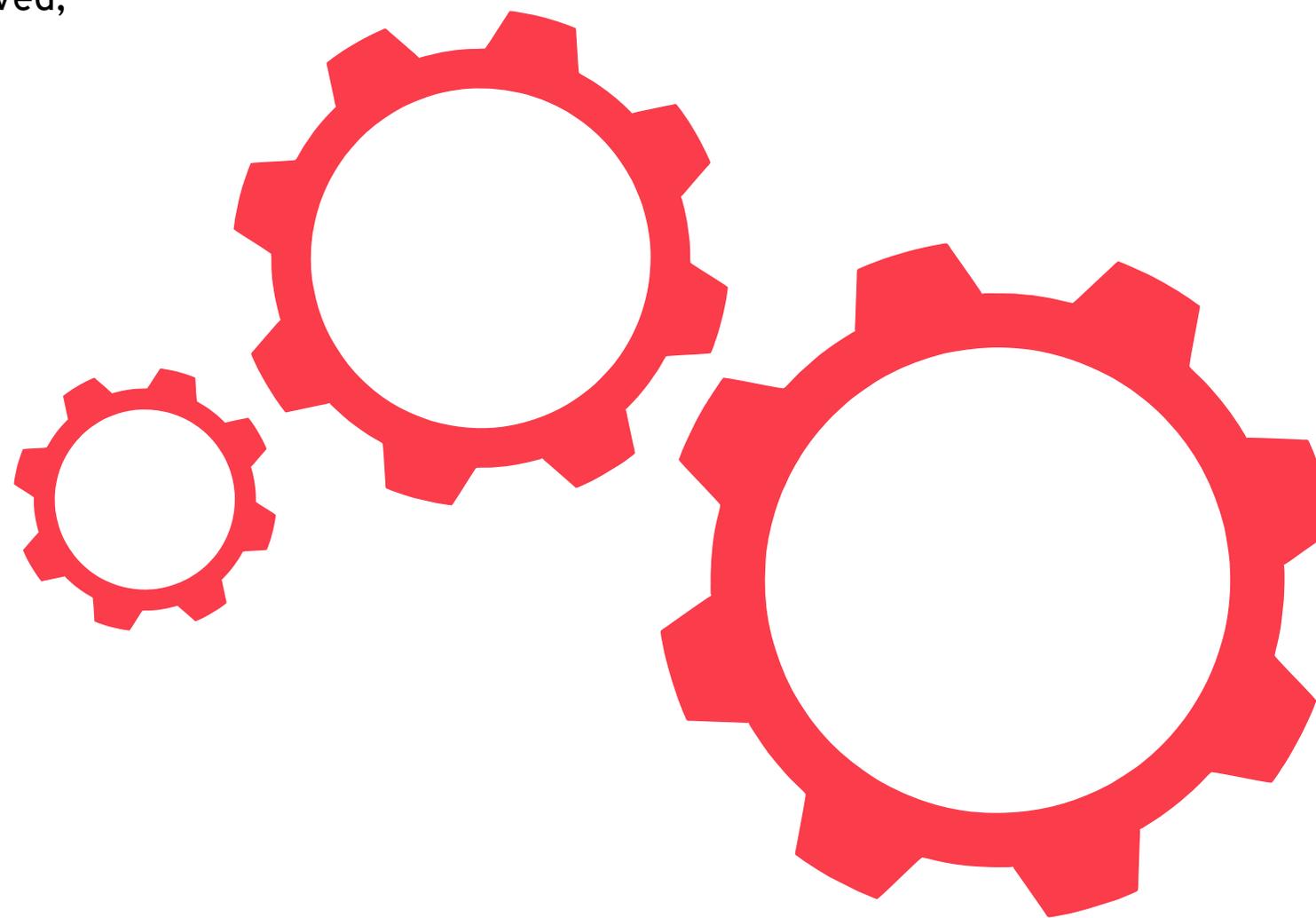
6.5.3 Project extensions at the end of the project

Depending on the terms of funding partner agreements, no-cost extensions of the project deadline may be approved, although funding partner approval will still be required.

No-cost extensions requests should be submitted in time to enable PARDEV and the funding partner to process them before the end of the project, which means three months before the expected end. **Extensions** should be justified objectively with an explanation of why the project schedule suffered a delay. The process to follow is that of a budget revision, and a revised project budget should be approved in accordance with the different funding partner policies.

Project extensions entailing new funding (new project phases) are usually treated as new project proposals. Therefore, they should be negotiated well in advance, to ensure that resources are still available, and activities can continue without major disruption.

Delays in obtaining approval for the new project phase or in securing funds have serious implications regarding contract extensions for both international and local staff, because the use of regular budget funds is usually not authorized. It is very important to liaise with the relevant entities, including HRD, so that options can be explored. In some cases, FINANCE may authorize the continuation of activities and contracts before payment of the new contribution, on the basis of the funding partners written assurance that the new project phase has been approved, and that the funds will be secured.







Evaluation

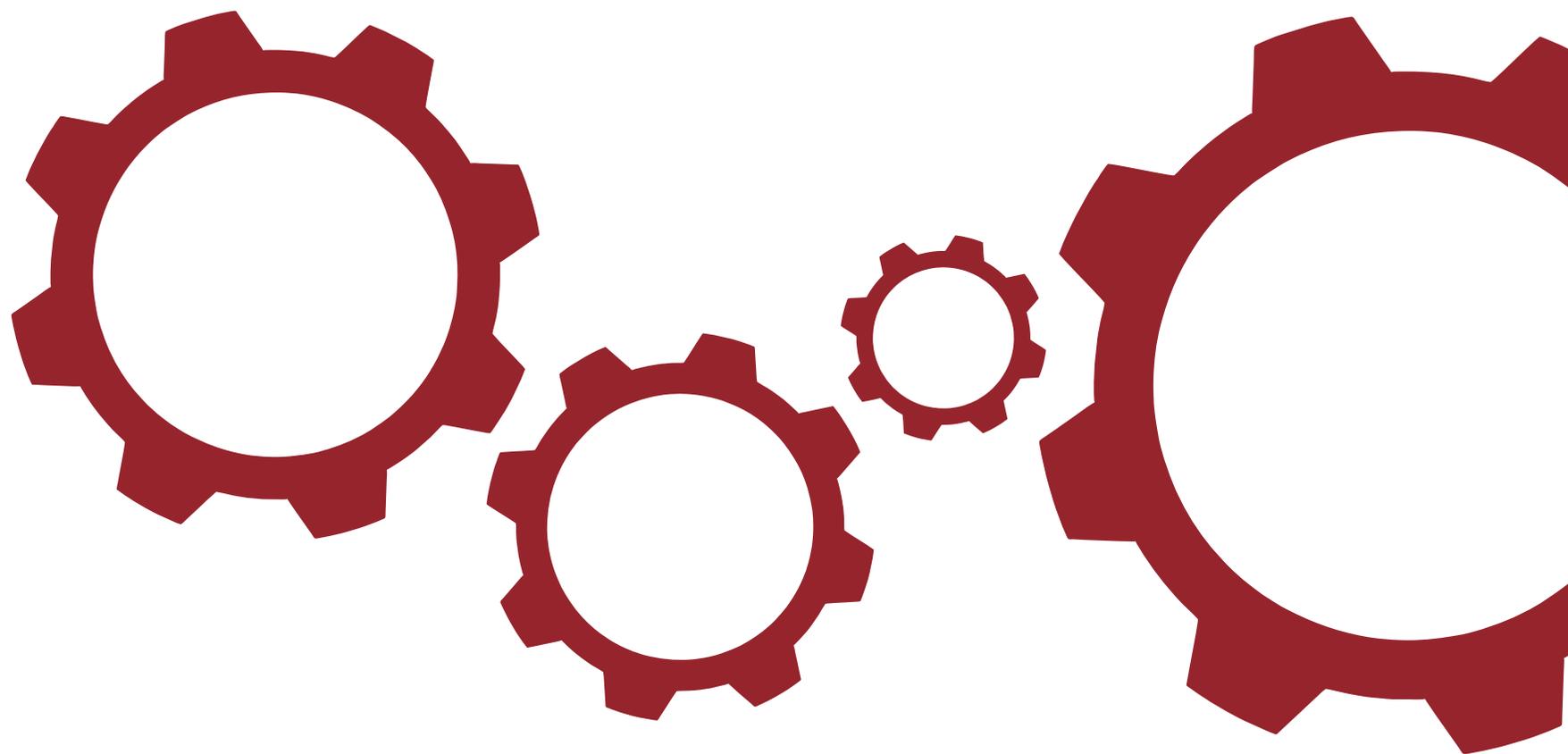
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This chapter explains the ILO's evaluation policy and management, and indicates how evaluation results can be used for organizational learning

The ILO Evaluation Office (EVAL)¹ is governed by the [ILO evaluation policy 2017](#) and the [ILO evaluation strategy 2018-21](#). These are the two key governance-level documents that define the ILO's organizational approach and results-based framework for evaluation. EVAL is mandated to manage the evaluation function and ensure proper implementation of the evaluation policy. EVAL's structure and modalities of operation are designed to protect its independence. Evaluation in the ILO is used as an accountability and organizational learning tool to help ILO constituents and staff members support decent work and social justice.

Evaluation is a critical means to improve decision-making, generate knowledge in the organization and provide verifiable evidence of relevance, coherence, effectiveness, efficiency, impact, and sustainability. An evaluation provides a performance assessment of a particular intervention, focusing on what works, what does not work, and why this is the case. All planned and completed evaluations, in addition to their related summaries, lessons learned, good practices, recommendations and management responses are made publicly available on [i-eval Discovery](#).

¹ For detailed information on EVAL's governance structure, evaluation policy guidelines, studies, communication, and knowledge products and more, please visit EVAL's public website and policy guidelines. A summary is provided below.

Evaluation topical updates

The rapid pace at which conditions may change on the ground for evaluation require flexibility and agility. During periods of crises, such as pandemics, natural disasters and serious economic hardships, evaluation remains even more relevant but may require adjustments in procedures. For this reason, EVAL created “evaluation topical updates” for real-time updates on adapted guidance and resources for evaluation managers, project officers and donors.

There are specific tools and mechanisms in place to encourage ILO staff and implementing partners to learn throughout the evaluation process, and once the work has been evaluated. Considerations for evaluation should start at the project design and appraisal stage, and carry through to project implementation, as noted in Chapter 6. Thinking of evaluation early in the process ensures that lessons from previous projects are taken into account, leading to improved design. It also optimizes the potential for generating meaningful and relevant findings at the evaluation stage. Furthermore, involving key actors² at the different stages increases their interest and participation, leading to a higher quality response to recommendations by management.

² Please refer to [Guidance Note 4.5](#).

This chapter provides an overview of the ILO's evaluation policy and operational approach to project-level evaluations, guided by the [ILO policy guidelines for evaluation](#). It presents the different types of evaluations undertaken within the ILO, clarifies the roles and responsibilities of different key actors, how to plan and manage evaluations, and discusses the use of evaluation results in the project cycle. Particular attention is given to independent project evaluations. Throughout the chapter, references are made to existing guidance, checklists and tools developed by EVAL.

7.1 Project evaluation requirements

The ILO policy on project evaluation requirements states that all ILO XBDC - funded projects are subject to evaluation. A minimum of 2 per cent of total project funds should be set aside for evaluations. In addition, ILO policies also recommend that a minimum of 3 per cent of the total project budget be set aside for monitoring, collecting baseline data, reporting, and conducting evaluability assessments. EVAL will help you make a real-cost estimation, to ensure that adequate resources are provided for M&E. See the [EVAL/PARDEV note](#) on process of quality control in line with EVAL's policy guidelines and guidance for results-based evaluation.

The type and timing of these evaluations depend on the budget and duration of the project, as shown in Table 1 below. A single evaluation may be conducted to

cover several projects that are clustered by theme or geographic focus, provided that the evaluation (1) applies a scope, purpose and methodology comparable to what would be used for an individual evaluation; (2) has funding partner consent; and (3) is approved by an EVAL officer in HQ or the appropriate regional office, for projects with a budget over US\$ 1 million. All evaluation reports must be submitted to EVAL for archiving and dissemination purposes. These include self-evaluations, internal evaluations, and independent evaluations.

Table 1: ILO policy requirements for project evaluations³

| Project US\$ | Under 18 months | 18 to 30 months | Over 30 months | Multiphase projects |
|------------------------------------|---|--|---|---|
| Over 5 million | Initial M&E appraisal by EVAL see Evaluation Tool: M&E plan appraisal tool, Independent Mid-term and Final independent, Recommended: <i>evaluability assessment</i> | Initial M&E appraisal by EVAL, , independent mid-term and final independent. Recommended: <i>evaluability assessment</i> | Initial M&E appraisal by EVAL, mid-term independent, final independent, Recommended: <i>evaluability assessment</i> | Once project has passed the various time thresholds, the requirement for that timeframe kicks in. |
| Over 1 million and below 5 million | Final independent evaluation | Mid-term (self or internal) & final independent evaluation | mid-term (self or internal), final independent evaluation | Once project budget reaches US\$ 1 million an independent evaluation is required. |
| Between 500,000 and 1 million | final internal evaluation | final internal evaluation | mid-term internal, final internal evaluation | -- |
| Below 500,000 | Final self-evaluation | final self-evaluation | mid-term self, final self-evaluation | -- |

³ Please note that the information presented above reflects the ILO's minimum requirements; one can go beyond this subject to circumstance. External evaluations can be accommodated however the ILO prefers independent evaluations given the value placed on evaluation to contribute to organizational learning and improved organizational practices.

The ILO policy for project evaluation requires that all projects with a budget of:

- over US\$ 5 million, must undergo an initial monitoring and evaluation appraisal (an evaluability assessment within one year of start-up is required), and both the midterm and final evaluations must be independent.
- over US\$ 1 million and below US\$ 5 million must undergo one internal midterm evaluation and one final independent evaluation.
- between US\$ 500,000 and US\$ 1 million, must undergo a final internal evaluation.
- Below US\$ 500,000 self-evaluations are to be conducted as a minimum requirement. Self-evaluation reports are merged with progress reports using a [specific template](#).

The ILO policy for project evaluation is also based on the project's duration. For projects with a duration of less than 18 months a final evaluation (internal or independent depending on budget size) is required. Meanwhile, projects with duration of more than 18 months but below 30 months require a final evaluation.

Furthermore, a mid-term internal evaluation and a final independent evaluation, are required for projects over 30 months.

The roles and responsibilities of ILO staff vary according to the type of evaluation and their level of involvement in the intervention being evaluated. The degree of independence when managing and/or conducting an evaluation is a function of the project budget and duration, the conditions of which are stipulated in the PARDEV project Approval Minute. ILO officials can thus participate in evaluations in different capacities: as evaluation managers, as evaluators (who conduct the evaluation) and as contributors of information. The role of EVAL is to focus on quality control and technical support to departments and regions, as and when requested, and to delineate evaluation results and share experiences to promote organizational learning.

Table 2: ILO decentralized evaluation approaches

| Evaluation type | Evaluation management | Evaluation implementation (evaluators) | Degree of independence | Financial costs to the ILO | Organizational Learning |
|--------------------------|---|--|------------------------|----------------------------|-------------------------|
| 1 Self-evaluation | ILO | ILO (including project management) | Low | Low | High |
| 2 Internal evaluation | ILO (including project management) | ILO (project management works with external evaluation consultant or ILO internal evaluator) | Medium | Medium | Medium |
| 3 Independent evaluation | ILO (excluding project management) with evaluation process overseen by EVAL and its network | External | High | High | Medium |
| 4 External evaluation | External | External | Medium to high | Low | Low |

7.2 Project evaluations

In the ILO a distinction is made between governance-level evaluations and decentralized evaluations. Governance-level evaluations aim to generate insights into organizational-level performance, and contribute towards high-level decision making about policies, strategies, and accountability. These evaluations are directly managed and conducted by EVAL and include [independent strategy and DWCP evaluations](#). In some instances, EVAL also undertakes thematic evaluations when there is a substantial request.

Decentralized evaluations focus on programmatic areas funded from extra-budgetary resources, such as development cooperation projects and to a certain degree the implementation of country programmes. Project evaluations can take different forms and be carried out at different points in the project cycle, depending on the budget and duration of the project under consideration. Their direct management – including resourcing – is the responsibility of departments and regions, but EVAL remains responsible for quality control and ultimate oversight.

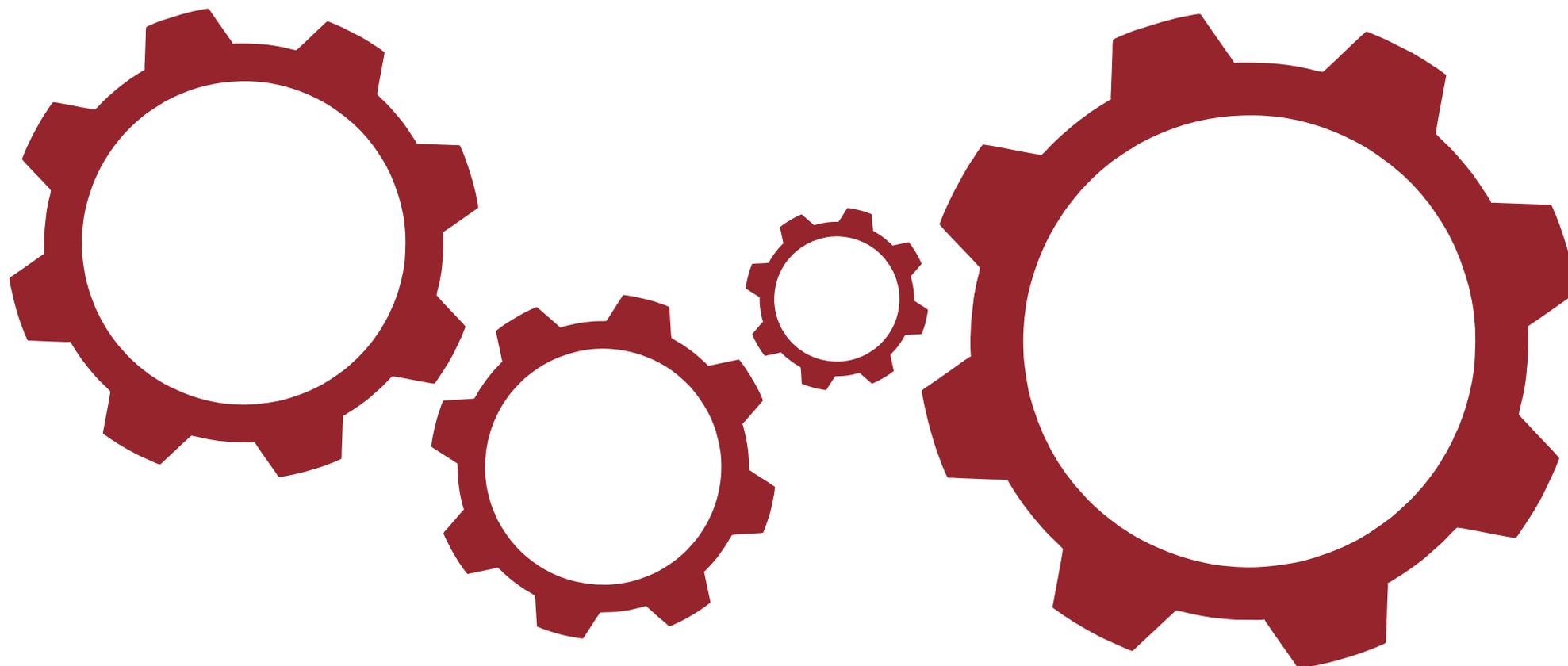
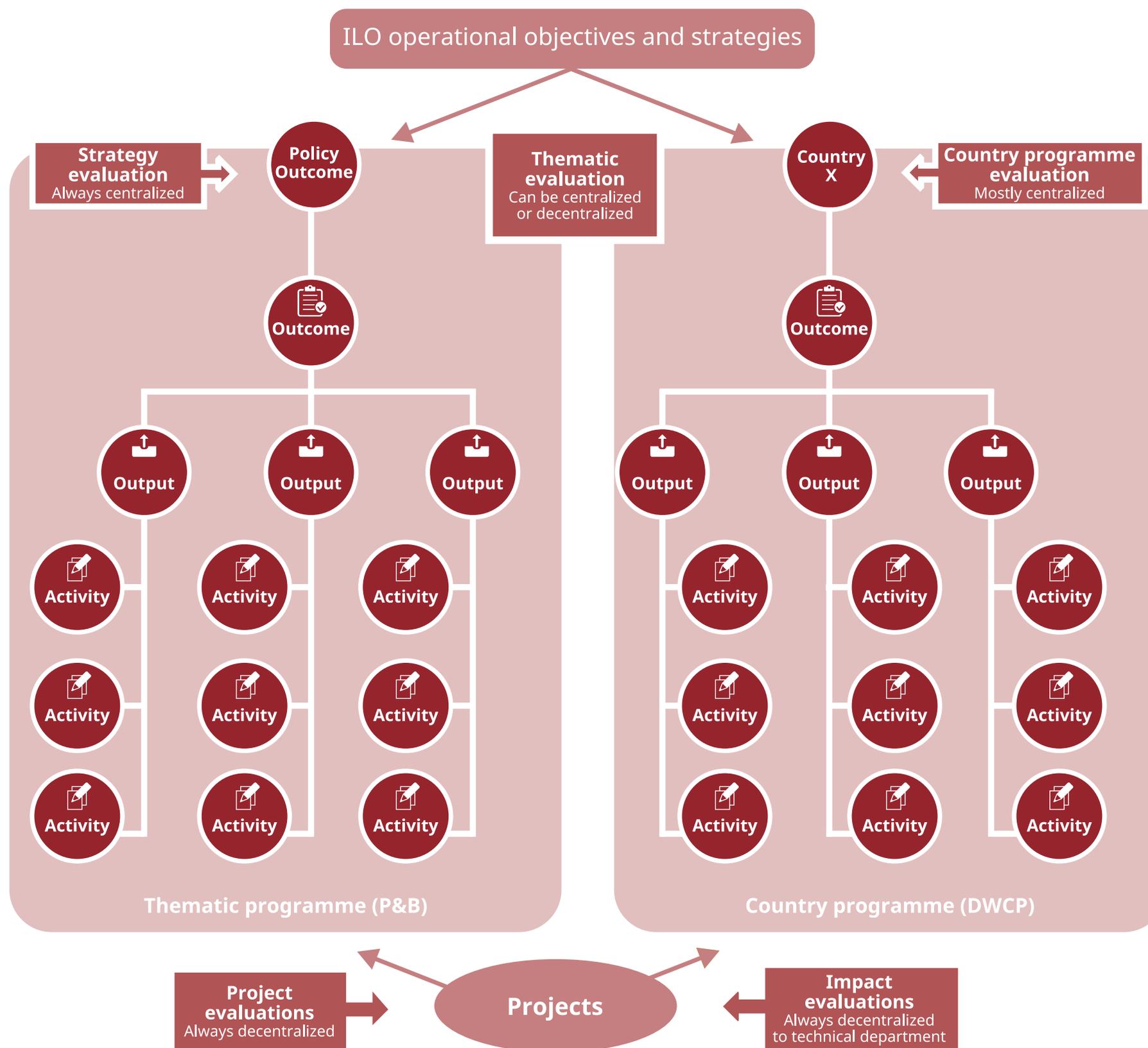


Figure 1 - Evaluations and the ILO's results-based framework



Box 1: Stakeholder participation⁴

Involving stakeholders in project evaluations is one means to further empower local actors and move the decision-making processes closer to national partners. In the context of project implementation, the evaluation process provides space for reflection about how the ILO and its national partners can better support each other to achieve the desired development results.

Project evaluations aim to assess the relevance of project design as it relates to the ILO's strategic and policy framework. They can be used to improve project performance and contribute towards organizational learning.⁵ Evaluations also add value by helping managers make decisions to enhance a project's ability to achieve results for development. Depending on their timing, project evaluations assess the effectiveness of planning and of managing for future impacts during the project cycle. They can also serve accountability purposes, by systematically investigating into whether a project has been implemented with fidelity, whether it was done efficiently, and whether it achieved its intended outputs and outcomes.

Projects should not only be evaluated to determine how well they achieved the objectives contained in their

⁴ Please refer to [Guidance Note 4.5: Stakeholder engagement](#).

⁵ As noted in Chapter 4, section 4.2.1 and assessed during the [appraisal mechanism](#), project proposals should check and cite evaluation reports and associated lessons that have been incorporated into the project design.

logical frameworks. Likewise, during appraisal, project proposals should check and cite evaluation reports and associated lessons that have been incorporated into the project design.

Project evaluations should also determine the extent to which a project contributed to Decent Work Country Programme outcomes and to the UN Sustainable Development Cooperation Framework where applicable. This approach is in line with the ILO's commitment to results-based management approach.

7.2.1 Types of project evaluations

Project evaluations can take the form of self-evaluations,⁶ internal evaluations, independent evaluations, or external evaluations. These types of decentralized evaluation are associated with different actors and varying degrees of impartiality and costs. The difference between these types of evaluations is detailed below, with appropriate links to [EVAL guidance](#).

Self-evaluations are required for all development cooperation projects under US\$ 500,000. They are produced in the form of a final progress report that include self-evaluation components. These are used to reflect on whether (a) they are doing the right thing; (b) they are doing things in the right way; and (c) there

⁶ Final progress reports that include evaluation components be can be submitted in lieu of a separate self-evaluation.

are better ways of achieving the intended results. See [EVAL Guidance Note 2.2 Self & internal evaluations](#).

Internal evaluations

follow a formalized evaluation process but are managed by project staff, and may be conducted by a qualified ILO official, or an external consultant. If done by an internal ILO official, no ties or conflict of interest should exist with the management of the project. In the case of a mandated internal evaluation for projects over US\$ 1 million, it is strongly recommended that an evaluation consultant be hired. If internal evaluations are conducted halfway through the project, as midterm evaluations, recommendations should be put forward where appropriate for project correction. Click [here](#) to examine an example of an internal evaluation. Budgets for these more formalized internal evaluations should be set aside at the project proposal stage. See [EVAL Guidance Note 2.2. Self & internal evaluations](#).

External evaluations are carried out by entities outside ILO following other institutional requirements and procedures. This normally occurs whenever funding



RULE Quality standards

In all cases, project evaluations should adhere to the United Nations Evaluation Group (UNEG) and OECD/DAC Norms and Standards, and focus on the following criteria: relevance, effectiveness, efficiency, sustainability, and impact.

partners want to conduct evaluations of programmes or projects they have funded. The ILO evaluation policy allows for such external evaluations of ILO activities by partners funding those activities as long as they are not at the expense of evaluations managed and organized according to ILO evaluation policy.

Joint evaluations are evaluations where ILO partners with another entity to jointly manage and implement an evaluation. These are often of a joint project/programme as foreseen in the relevant programming documents or donor agreements, and to which different partners contribute through funding, specific components and/or joint activities. See [guidance note 2.3 on joint evaluations](#).

Independent evaluations are managed by independent ILO officials designated as evaluation managers and overseen by EVAL. They are carried out by external evaluators who have no previous links to the project. Other independent ILO officials may participate in the evaluation as team members. The roles and responsibilities for managing and implementing an independent project evaluation are outlined in [EVAL's Guidance Note 4.1: The Evaluation Manager: Role and Function](#).

Cluster evaluations (the clustering of evaluations) is included in the GB approved evaluation policy and results-based strategy and gradually institutionalized as the preferred modality of evaluations whenever possible. Clustered evaluations are an envelope of evaluations of projects combined into a single evaluation based on results or strategic, thematic, or geographical

area of scope. The evaluations to be clustered can be a combination of different types of evaluations, provided timelines and stage of implementation of activities to be evaluated allows for coverage by a single clustered evaluation. Other conditions to be met include compliance with mandatory evaluation requirements for the individual components and donors' agreement. See [EVAL Guidance Note 3.3](#).

Impact evaluations aim to assess the “positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended” (OECD/DAC 2002). They aim to assess the contribution or attribution of a specific intervention(s) to an outcome. See [EVAL Guidance Note 2.5: Impact evaluation](#).

7.2.2 Timing of project evaluations

Evaluations can also be categorized based on their timing within the implementation process. The requirements for these depend on both the budget and the duration of a project.

Midterm Evaluations (MTEs) aim to assess the continued relevance of an intervention, and progress made towards achieving its planned objectives. They also provide an opportunity to make modifications to ensure the achievement of these objectives within the lifetime of the project. In addition, MTEs provide an opportunity to ascertain whether the intervention is still aligned with



RULE Oversight responsibilities

The Evaluation Office provides final oversight of the evaluation of decentralized projects through appropriate quality control. Regional and departmental evaluation networks, in the form of regional evaluation officers and departmental evaluation focal points, support the planning and implementation of evaluation activities for development cooperation projects with help from certified evaluation managers and certified internal evaluators.

the ILO's strategic objectives, is relevant and useful to the key stakeholders, and is being conducted in an efficient manner according to ILO standards and the agreed project document. Midterm evaluations can be independent or internal – depending on the budget and duration of the project under review. They should take place approximately halfway through the implementation of a project and are most useful when several planned activities have been delivered, and a considerable percentage of funds has been spent. See [EVAL's Guidance Note 2.1 Independent midterm & final evaluations](#).

Final evaluations focus on the outcomes of projects and to what extent they have achieved the intended results. These evaluations provide an opportunity for in-depth reflection on the strategy and assumptions guiding the intervention. They assess progress made towards achievement of the intervention's objectives and

recommend adjustments to the type of project strategy for the future. They are also a means by which to assess how well intervention-level actions link to and support higher level ILO strategies and objectives, as articulated in **DWCPs** and the P&B.

Ex-post evaluations take place after completion of the project, with the aim of assessing the longer-term effects of specific interventions. They can be part of strategy/policy, thematic or country programme evaluations that also consider linkages between different interventions and longer-term development outcomes. The budgets for these are usually not linked to the original development cooperation project but can be part of follow-up DC projects or budgets and are therefore managed by the administering department with oversight over the technical subject addressed and under evaluation. With pooling of evaluation funds now recommended in ILO's new evaluation policy the possibility of undertaking ex-post evaluations using pooled evaluation funds becomes a stronger possibility.

Additional tools for projects with a budget of over US\$ 5 million

As shown in Figure 1, additional mechanisms are used to assess and improve performance of projects with a budget of over US\$ 5 million. These take the form of monitoring and evaluation appraisals, and mandatory evaluability assessments.

The M&E appraisal process is part of the ILO's quality assurance process and applies to all project proposals with budgets above US\$ 5 million, as described in more detail under the appraisal mechanism. It is required that an evaluability assessment is conducted within the first year of these large projects, to ensure that a sound monitoring system is in place, and that the evaluation design and data collection mechanisms are appropriate and on track.

- [EVAL Tool 1.1 Evaluability assessment tool for DWCP and projects](#)
- [EVAL Tool 1.2 M&E plan appraisal tool \(over \\$5 million\)](#)
- [Guidance Note 1.3: Evaluability](#)

7.3 Evaluation management

7.3.1 Evaluation work plans in regions and departments

Twice a year EVAL takes a comprehensive approach to planning decentralized evaluations, involving ILO Departmental evaluation focal points (DEFPs) at HQ and Regional evaluation officers (REOs) in the regions.

Box 2: Planning upcoming work using i-eval Discovery

When a new project is approved and requires an evaluation, EVAL enters a planning record into its database which is then publicly displayed in [i-eval Discovery](#) under the tab “planned evaluations”. These planning records serve as a searchable placeholder to help administrative and technical backstopping offices plan for upcoming evaluations. When the evaluation is completed, the final report and the recommendations are accessible via [i-eval Discovery](#), including all internal evaluations of projects with budgets above US\$ 500,000.

REOs and DEFPs develop annual plans for decentralized evaluations using the evaluation planning records held in the [i-eval Discovery](#). EVAL ensures plans are broadly consistent with GB- approved organizational-level programme of work and include clustered evaluations to evaluative insights on systematic changes.

Regions and departments submit annual reports to EVAL on implementation of work plans, along with all evaluation reports and additional documentation. EVAL ensures that the timing, scope, and orientation of evaluations respond to the evaluation requirements stipulated in the Project Approval Minute issued by PARDEV, are consistent with the interests of upper management and constituents, are relevant, and adequately addressing accountabilities for performance.

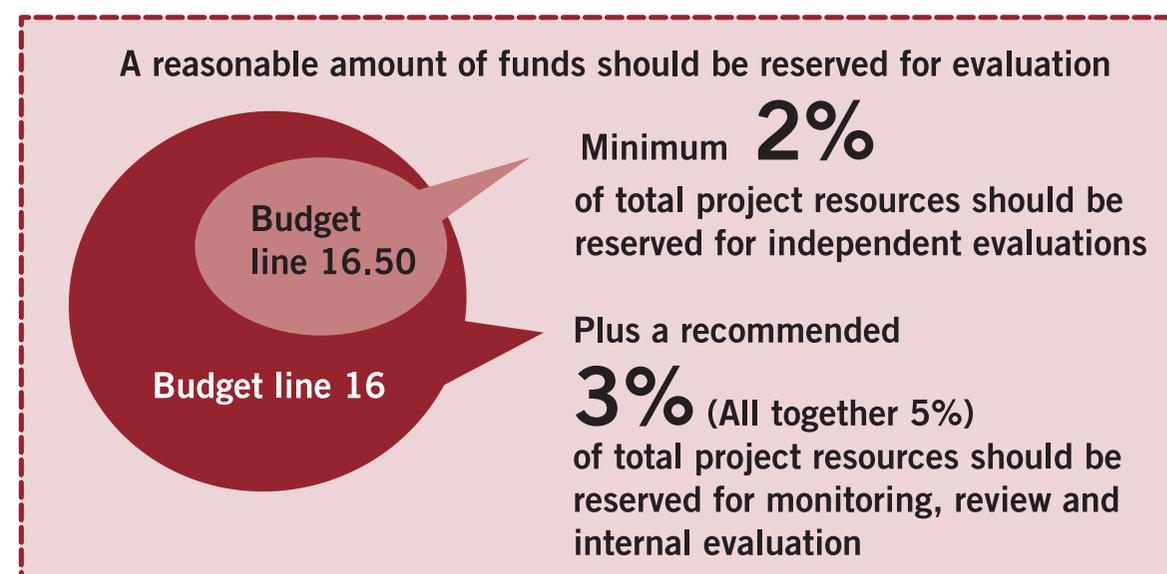
In addition, regions are also responsible for developing evaluation plans for interventions funded by the RBSA, which are reviewed and approved by EVAL. These plans

indicate how the proposed activities will complement the existing evaluation work of regions during the biennium.

7.3.2 Evaluation budget

ILO evaluations of XBDC funded programmes and projects are financed from their budgets. As per the [ILO evaluation policy](#), a minimum of 2 per cent of total project funds should be reserved for mandatory evaluations. In addition, ILO policies also recommend that resources be set aside for monitoring, collecting baseline data, and reporting, and conducting evaluability assessments.

Figure 2 - Required funds to be set aside for evaluations



On a case-to-case basis, EVAL may exceptionally allow a lower percentage dedicated for evaluations upon approval of a detailed cost estimate for evaluation.⁷

⁷ [ILO policy guidelines for evaluation: Principles, rationale, planning and managing for evaluations.](#)

Departmental evaluations focal points and regional [evaluation officers](#) can be consulted to help arrive at a realistic cost estimate. In results-based budgets, monitoring costs should be included within the project management and oversight outcome, using the same principles described above.

Evaluation costs – such as costs to conduct an independent evaluation– should be integrated, since in the ILO evaluation is part of oversight.

7.3.3 Regular Budget Supplementary Account (RBSA) for monitoring and evaluation

To ensure adequate capacity to oversee use of the RBSA, a minimum of 5 per cent of total RBSA resources are held in reserve in a special account to fund oversight, monitoring, and evaluation activities: 0.4 per cent of total RBSA resources are allotted to audit, while 4.6 per cent is allocated to evaluation - most of which is allocated to the regions, with EVAL providing oversight of the use of resources, and quality control.

The existing ILO evaluation policy applies to RBSA-funded initiatives, meaning that those initiatives with budgets approaching US\$ 1 million require an independent evaluation, while initiatives with smaller budgets will be required to carry out internal evaluations or self-evaluations. Initiatives funded through **RBSA** can also be monitored and evaluated as parts of other related (clustered) development cooperation activities. Performance of RBSA-funded initiatives is regularly monitored by ILO Regional Offices, as part of DWCP outcomes.

When there is a clear need for additional or expanded monitoring or evaluation activities or capacities as a result of RBSA-funded interventions, the RBSA reserve account can be used to support and supplement ongoing monitoring and evaluation activities related to **DWCPs** and P&B outcomes. Regional biennial RBSA M&E work plans are developed by the regional evaluation officers and overseen by EVAL for this purpose (see Section 7.3.1).

Further details on the scope of the RBSA M&E reserve can be consulted at [ILO Office Procedure No. 63](#).

7.3.4 Planning and managing decentralized evaluations

The planning and management of decentralized evaluations is delegated to the regions and departments that are responsible for their implementation. For quality control purposes, these decentralized evaluations are supported by DEFPs or REOs with certified evaluation managers, whose responsibilities are separate from those of project managers. Final accountability and approval for all evaluation reports, including decentralized project evaluations, rest with EVAL.

A clear division of roles and responsibilities for decentralized evaluations is an important element in ensuring that the ILO's guiding principles of evaluation are observed. These are summarized in Table 3 below.

Table 3 - Key roles and responsibilities within the ILO for independent decentralized evaluations

| Actor | Roles and responsibilities |
|--------------------------|---|
| RD and DD | <ul style="list-style-type: none"> • Ensures principles supporting the evaluation function apply to all evaluations falling within their domain • Ensures compliance with Office policies, including required self-evaluation, internal evaluation and independent evaluation of programmes and projects • Promotes a culture of evaluation across regions and departments to inform organizational learning, transparency, and accountability |
| ILO responsible official | <ul style="list-style-type: none"> • Ensures that sufficient funds are secured for evaluations at the intervention design stage • Provides administrative and technical support throughout the evaluation process • Provides comments on the draft report • Provides a management response to evaluation recommendations from independent evaluations according to ILO evaluation policy • Sends the report to the funding partner unless otherwise agreed with PARDEV. Includes PARDEV and EVAL in copy in such communications • Follows up the evaluation and disseminates lessons learned |
| EVAL | <ul style="list-style-type: none"> • Provides standards and guidance on evaluation procedures and methodologies • Assures quality of reports meet international standards • Monitors compliance with ILO evaluation policy • Approves independent evaluation reports • Stores and make publicly available all evaluation reports, including their summaries, lessons learned, recommendations and management responses in <i>i-eval</i> Discovery • Initiates the management response to evaluation recommendations exercise for independent evaluations • Reports annually to the GB on the evaluation function against the evaluation strategy |
| REO | <ul style="list-style-type: none"> • Provides support in the planning of evaluation for the region. This includes the submission of annual RBSA plans to EVAL for approval and implementation of the regional evaluation work plan. • Provides support in the case of evaluability studies or scoping missions • Identifies and briefs the evaluation manager on roles and responsibilities |

| Actor | Roles and responsibilities |
|---------------------------|---|
| | <ul style="list-style-type: none"> • Works with evaluation manager to select an evaluation consultant • Approves the selection of evaluator (REOs should consult the evaluation consultant database) • Approves the final version of the TOR • Consults with EVAL, as required • Reviews the final evaluation report and completes the relevant submission documents before sending it to EVAL |
| DEFP | <ul style="list-style-type: none"> • Provides support in the planning of decentralized evaluations for the department • Provides support in the case of evaluability studies or scoping missions • Works with evaluation manager to select an evaluation consultant • Approves the selection of evaluation consultant; DEFP should consult the evaluation consultant database. Approves the final version of the TOR and consults with EVAL as required • Reviews the final evaluation report and completes the relevant submission documents prior to submission to EVAL |
| Evaluation manager | <ul style="list-style-type: none"> • Drafts TOR in consultation with stakeholders (including donors) • Submits draft TOR to stakeholders for additional comments, revises the TOR then submits TOR to respective REO or DEFP for approval • Selects an evaluator and submits to respective REO or DEFP for approval. EVAL should be consulted as necessary. • Once evaluator is approved, negotiates terms and finalizes evaluator arrangements including briefing • Works with project staff to ensure evaluator is provided with adequate documentation, access to data and other support when necessary • Reviews first draft of inception and evaluation report • Circulates the draft report to stakeholders for comments • Consolidates comments received from stakeholders and sends them to the evaluator • Reviews final evaluation report to ensure quality • Submits final report package (including the submission form and evaluator review form) to respective REO or DEFP for initial approval and then sends to EVAL HQ for formal approval. • Once approved by EVAL, the evaluation manager endorses payment to the evaluator |

| Actor | Roles and responsibilities |
|---|--|
| Project/ Programme Manager and staff | <ul style="list-style-type: none"> • Provides input to TOR • Ensures evaluator has adequate documentation, assists in data gathering and logistical support • Arranges meetings and coordinates exchanges between the evaluation team and partners • Participates in evaluation workshop and provides input to evaluation manager on the draft report |
| Evaluation consultant (evaluator) | <ul style="list-style-type: none"> • Undertakes the evaluation according to the agreed TOR • Prepares and submits inception report, draft, and final evaluation reports to evaluation manager • Is always an external individual for all independent evaluations, but may be aided by an internal ILO evaluator independent of the project • Must be independent and has sole responsibility for the substantive content of the final evaluation report which must adhere to EVAL quality requirements and formats |
| PARDEV | <ul style="list-style-type: none"> • Ensures adequate resources for monitoring (minimum of 3% of the total project budget) and evaluation (minimum of 2% of the total project resources) are foreseen in the project proposal and budget document • Ensures that the correct and agreed upon (consistent with donor agreement) evaluation requirements, including clustering if appropriate, are entered into an evaluation paragraph in the Approval Minute. • Ensures that all Approval Minutes, Approval Corrigenda and Close-out emails are copied to EVAL for registration or discussion. • Submits draft TOR and the EVAL-approved final evaluation report to donor (if instructed in Approval Minute) |

Specific guidance has been developed to delineate the main duties and responsibilities of independent evaluation managers and guide them in their work. This includes defining the focus, scope, and clients of an evaluation; planning the evaluation process; agreeing

on the evaluation budget; drafting and circulating the Terms of Reference; involving stakeholders; and selecting and managing consultants. (See ILO's evaluation policy guidelines for results-based evaluation.)

Box 3: Evaluation Manager Certification Programme

To raise the quality of evaluation management and recognize the important contribution that voluntary evaluation managers make to evaluation within the ILO, EVAL designed and introduced the ILO Evaluation Managers Certification Programme (EMCP) in 2013. Since that time a partnership has grown up between EVAL and the International Training Centre in Turin, with strong support from HRD/Talent Management.

Given the responsibilities associated with the task of managing an evaluation, the training aspect of their certification is only the first step in the process. A supervised practicum is required – in which they manage an evaluation from start to finish – to become a certified ILO evaluation manager. For more information on the application and nomination requirements, please contact: EVAL@ilo.org

Box 4: Internal Evaluation Training Programme

In 2017, EVAL launched the Internal Evaluation Training Programme (IETP) in order to increase the frequency and enhance the quality of internal evaluations, improve their utility, and contribute to organizational learning. The specific objectives of the training programme are to: provide participants knowledge on the fundamental concepts, processes, and methods which define programme and project evaluations; enhance participants' technical skills in designing and conducting evaluations of ILO programmes; understand the importance of using soft skills in engaging evaluation stakeholders and join a community of practice made of ILO staff who promote the use of evaluations in the Organization. For more information on the training programme, please contact: EVAL@ilo.org

Box 5: Gender-responsive, Environmental sustainability and evaluation

Specific guidance on integrating gender equality (and human rights) into ILO evaluations has been developed by EVAL, with inputs from the ILO's Gender, Equality and Diversity Branch and the United Nations Evaluation Group. The document provides guidance for integrating gender at different stages of the evaluation process, including when: drafting the TOR; recruiting the evaluation team; conducting the evaluation; writing and reviewing the evaluation report; undertaking dissemination and knowledge sharing; and preparing and assessing management follow-up. The Guidance Note also lists gender-oriented questions associated with common evaluation criteria. See [EVAL Guidance Note 3.1 Integrating Gender Equality in Monitoring & Evaluation of Projects](#).

Likewise, EVAL and the Green Jobs Unit are developing specific guidance on integrating environmental sustainability in ILO evaluation checklists, with a particular focus on the evaluation of project design.



Box 6: International labour standard, social dialogue, and evaluation

Everyone who has professional contact with the ILO must be aware – or be made aware – and understand, the quintessence of tripartism and standards for the Organization’s mandate. EVAL developed a guidance note which explains why it is important to systematically integrate social dialogue (SD) and normative context in ILO monitoring and evaluation. It explains how to go about doing this. It presents the subject in a way that is intended to be useful for both an intervention designer and an evaluator. This Guidance Note was needed to realize the policy imperative to improve ILO monitoring and evaluation in respect of the SD and normative mandates that are and have been at the heart of ILO’s mandate since its foundation in 1919. See [EVAL Guidance Note 3.2 Adopting evaluation methods to the ILO’s normative and tripartite mandate](#).

phase and links to specific guidance note, templates and checklists to guide and support the conduct of the evaluation.

Phase 1 - Inception report:

- It is good practice to ask evaluators for an inception report before the evaluation begins (i.e. field missions or in country data collection), to ensure that the TOR is understood, to clarify potential challenges, and to make certain that outputs will be delivered as expected. Once the inception report is accepted, the evaluation can begin.

Phase 2 - data collection and analysis, Phase 3 - conclusions and recommendations and Phase 4 - lessons learned & good practices.

- To strengthen the credibility and usefulness of evaluation results, most ILO evaluations use a mix of data collected from diverse sources using multiple methods.
- Once data have been collected and analysed, and the findings presented and discussed, accurate conclusions should be drawn from the findings. Conclusions provide summary judgements about the strengths and weaknesses of the evaluated intervention, which should be fair, impartial, and supported by evidence.

7.3.5 Conducting decentralized evaluations

A good overall look at the process, and at interaction between the responsible officials, can be found in the [ILO’s Evaluation Policy Guidelines](#).

Evaluations are conducted in five phases: Phase 1 - The inception report / Phase 2 - Data collection and analysis / Phase 3 - Conclusions and recommendations / Phase 4 - Lessons learned & good practices / Phase 5 - Reporting and disseminating results. The [ILO Evaluation Policy Guidelines](#) includes a detailed description of each

- Recommendations are “proposals aimed at enhancing the effectiveness, quality, or efficiency of a development intervention; at redesigning the objectives; and/or at the reallocation of resources” (OECD/DAC 2002) and should meet the requirements in preparing the evaluation report. Recommendations should also: be aligned with the conclusions; be clear, concise, actionable, and time-bound; they should specify who is called upon to act and distinguish the priority or importance; and acknowledge whether there are resource implications.
- Each ILO evaluation report should contain lessons learned, which summarize knowledge or understanding gained from experience related to the intervention under evaluation.
- Emerging good practice should demonstrate clear potential for substantiating a cause-effect relationship and may also show potential for replicability and broader application. It can derive from comparison and analysis of activities across multiple settings and policy sources or emerge from a simple, technically specific intervention.

Phase 5 - Finalization and dissemination of the report:

- For each evaluation report, a draft and a final version must be prepared. The draft version provides stakeholders with an opportunity to provide feedback prior to the preparation of the final evaluation report. As stated in the Director-General’s announcement on

Evaluation in the ILO (ILO 2011d), officials are expected to fully respect the confidential nature of draft evaluation reports and to strictly follow the guidelines established for handling such documents.

- The precise structure of an evaluation report depends on the specific focus, needs and circumstances of the project or programme and its evaluation. However, certain elements should be addressed in every evaluation report. These should meet ILO evaluation quality standards, which are consistent with the Norms and Standards for Evaluation (UNEG 2016).
- All independent⁸ evaluation reports approved by EVAL are in addition to real-time quality control subject to an ex-post quality appraisal by an outside third party. The results of the quality control are used to make real time improvements in the evaluation reports while the ex-post appraisals allow for an ex-post assessment of global, departmental, and regional trends in quality and systemic issues that may need to be addressed.
- Final evaluation reports are disseminated in accordance with the [ILO policy on public information disclosure \(ILO 2008b\)](#). For independent project evaluations, all key project stakeholders (i.e., the funding partner, the national constituents, and key national partners as well as concerned ILO officials) receive a copy of the evaluation report via mail or email from PARDEV once it is finalized and approved by EVAL.

⁸ Internal evaluations are ex-post quality controlled on a sample basis.

7.4 Using project evaluation results

Evaluations are expected to highlight useful lessons learned and emerging good practices, which can be replicated to other interventions in the same technical field and/or geographical area in an effort to improve programming and contribute to organizational learning. ILO officials should consult previous evaluation reports, including the lessons learned and emerging good practice, whenever developing technical tools and whenever designing new projects (see [Guidance Note 5.5](#)).

7.4.1 At the design stage: Inputs to new project proposals

One fundamental use of evaluative information, such as lessons learned, good practices and recommendations, is as input to the drafting of new project proposals.

At the design stage, anyone developing a new project proposal should review the publicly accessible [i-eval Discovery dashboard](#) for relevant evaluations of similar projects. From this review they may incorporate and cite relevant lessons learned from past evaluations. Evaluation reports and their related recommendations, lessons learned, good practices, summaries and management responses are regularly made available for analysis, citing on a range of thematic areas, such as project design, delivery and implementation.

7.4.2 During project implementation

If evaluability assessments or mid-term evaluations are conducted, their findings on a project's relevance, coherence, effectiveness, efficiency, sustainability, impact, and achievements should be used for project improvement in the next phase. It is important not only to identify implementation issues, but also whenever possible to consider the underlying theory of change driving a project, and the lessons related to policy-level concerns.

7.4.3 Post-evaluation: Management response to recommendations⁹

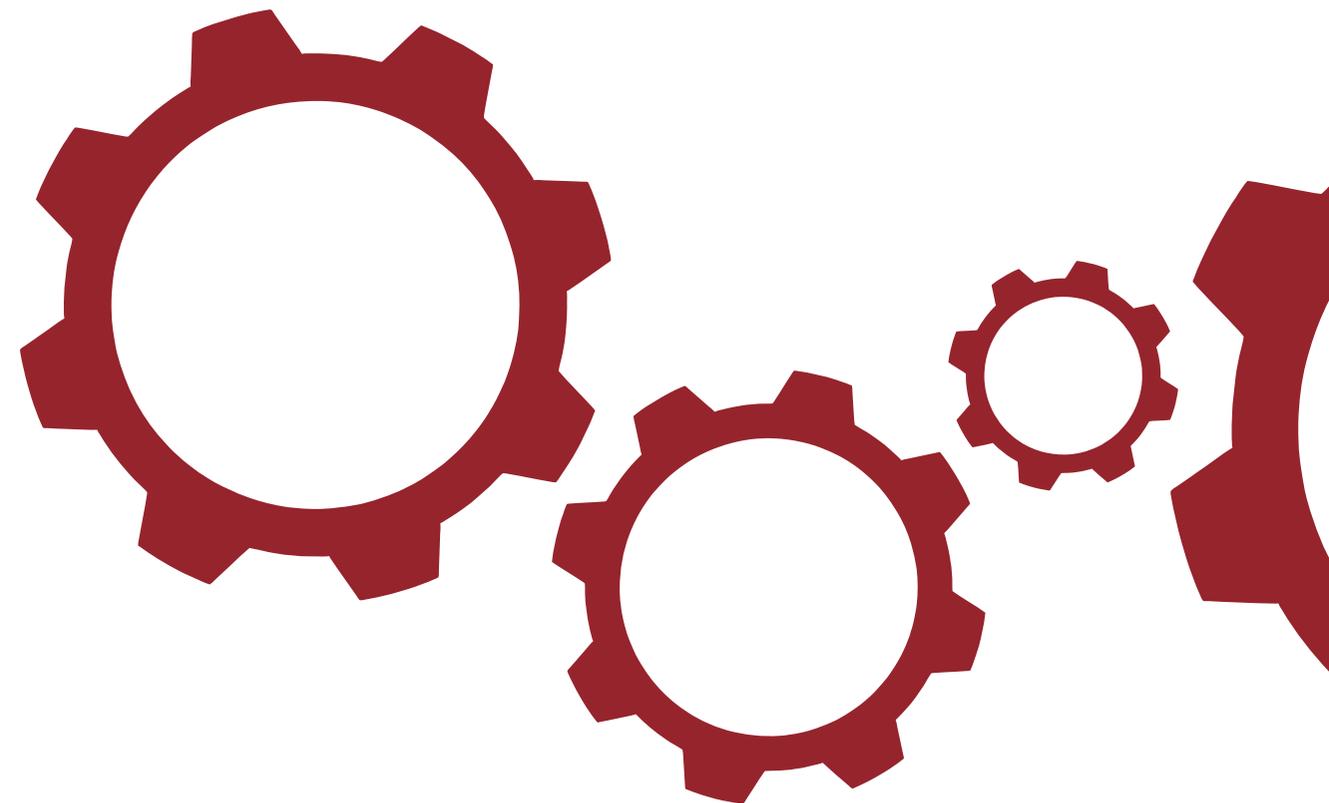
Evaluations lead to organizational improvements if recommendations are given systematic follow-up by line management. The management response follow-up to recommendations strengthens the use of evaluation findings, organizational learning and accountability from evaluation results and thus contributes to improved project design and delivery. For decentralized evaluations, active and routine follow-up of recommendations is initiated by EVAL and carried out by management, following a specific workflow. Management response to evaluation recommendations is completed via the [Automated Management Response](#)

⁹ For more information on management response to evaluation recommendations, see chapter 5 of the [ILO policy guidelines for evaluation](#).

[System \(AMRS\) EVAL](#) collects management response data and reports to the GB during its final Session of the year on project recommendation follow-up in its [Annual Evaluation Report](#).

All line managers are accountable for ensuring proper use of relevant evaluation findings, lessons learned, good practices and recommendations. The process for reuse focuses on encouraging and promoting results that have been screened and validated through the evaluation process.

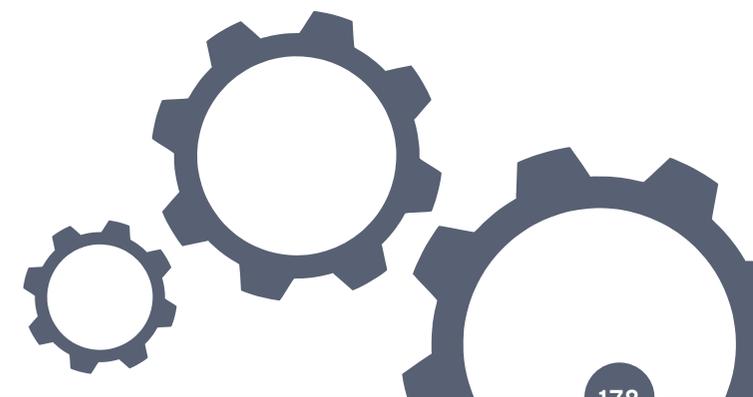
This provides management with knowledge to effectively support organizational objectives, by repeating successful outcomes and avoiding unsuccessful efforts. [EVAL Guidance Note 5.4 Management follow-up to recommendations from independent evaluations](#).



Glossary

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| Accountability | An obligation to demonstrate that work has been conducted in compliance with agreed rules and standards, or to report fairly and accurately on performance results vis-à-vis mandated roles, plans or contracts. | Beneficiaries | The individuals, groups or organizations, whether targeted or not, that benefit, directly or indirectly, from the development intervention. Related terms: reach, target group. |
| Administrative Backstopping Unit | The field office, regional office, or technical unit responsible for managing a project's inputs and resources. Its principal functions might include disbursement of funds, activation of office financial clearances, and payment authorizations. | Budget | An itemized summary of estimated or intended expenditure for a given period, along with proposals for financing it. It is based on the resource plan. |
| Appraisal | An overall assessment of the relevance, management, feasibility, and potential sustainability of a project proposal occurs after consultations have taken place, at the end of the project design stage and prior to a funding decision. | Budget rephasing | Budget re-phasing involves a budgetary modification that is not considered a budget revision request. Annual rephasing, for example, usually takes place in October of each year, after a real assessment of the project delivery situation, and involves the rescheduling of the work plan and the transfer of allocations that will not be spent before the end of the current year, to future years. Mandatory re-phasing occurs early in a year and adjusts allocations to reflect the actual expenditure of the previous year; it carries over any unspent allocation balance to the current or later years. |
| Assumptions | An assumption is an assertion about some characteristics of the future that underlies the current operations or plans of a project. An assumption is important if its negation would lead to significant changes in those operations and plans. | Budget revisions | The purpose of budget revisions is to transfer allocations from one calendar year to the next, transfer allocations between budget lines, and increase or reduce total allocations. |
| Attribution | The ascription of a causal link between observed changes (or changes expected to be observed) and a specific intervention. Attribution refers to what is to be credited for the observed changes or results achieved. | Capacity assessment | Capacity assessments contribute to making sure that interventions are not only based on satisfying short-term demands, but also respond to real and sustainable institutional needs. Capacity assessments are the foundation for developing a capacity development response. |
| Audit | An audit is an independent and objective assurance activity designed to add value and improve the ILO's operations. It helps the Office accomplish its objectives by bringing a systematic and disciplined approach to assessing and improving the effectiveness of risk management, control, and governance processes. | | |

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| Capacity development | A “process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time”. It is necessary to distinguish between technical and functional capacities (human resource development), organizational capacity (the internal mechanisms, tools and procedures) and institutional capacity (constituents’ involvement in social dialogue and the tripartite governance of the labour market). Capacity development methods include training, knowledge sharing, research, experiential learning, coaching and mentoring, and exposure. (GB.309/TC/1 and UNDP: Capacity development: A UNDP primer (New York, 2009). | Constituents | The ILO’s constituents are the governments, employers’ organizations and workers’ organizations. The ILO is a tripartite organization. |
| Collaborating unit | Units that cooperate with other ILO units and offices in delivering project outputs. | Country Office | Country offices cover one or more countries, and are responsible for all ILO activities in the countries covered. Staff in country offices carry out the principal functions under the day-to-day guidance and leadership of Country Office Directors, such as: Programme planning and implementation; programme monitoring, evaluation and reporting; relations, partnerships and development cooperation; knowledge management and sharing; advocacy and communication; governance and oversight; and management and administrative support. |
| Communication for development | Communication for results. It is a tool, as well as a process, for the effective delivery of development programmes, which emphasizes the role of communication throughout the project cycle, as opposed to its visibility or dissemination function. | Country Programme Outcomes | CPOs establish specific commitments under the country programme priorities, and contribute to the achievement of the outcomes that are set out in the P&B. CPOs should be understood as significant changes that are intended to be achieved by constituents, with the Office’s support. |
| Competitive bidding | It is an invitation to bid and/or request for proposals, which applies to all purchases of goods and/or contract for services exceeding the threshold of US\$ 50,000, pursuant to ILO Financial Rule 10.30, through paragraphs 10–11 of Office Procedure, Procurement Thresholds, No. 216 (Version 4), of 18 May 2017. | Direct recipients | The group or entity that will be positively affected immediately by the project at the project output level. |
| Competitive bidding for a call for proposals | A situation where the ILO is competing for funds with other applicants, in response to specific terms of reference provided under a call for proposals. Specific formats are prescribed for applications, and specific financial and administrative parameters must be used. | Decent Work Agenda | Promoting jobs and enterprise, guaranteeing rights at work, extending social protection and promoting social dialogue are the four pillars of the ILO Decent Work Agenda, with gender equality and non-discrimination as a cross-cutting objective. |



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| Decent Work Country Programmes | Decent Work Country Programmes are the main vehicle for delivery of ILO support to countries. DWCPs are based on the priorities of ILO constituents and specify the planned support of the Office to the achievement of results. They are aligned with national development priorities and with the United Nations Sustainable Development Cooperation Frameworks, representing the ILO's contribution to the achievement of the 2030 Agenda and the SDGs. The planned results of the DWCP are formulated as Country Programme Outcomes linked to the Programme and Budget outcomes. DWCPs are funded through all resources available to the ILO, including XBDC. | Effectiveness | The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance. |
| Departmental evaluation focal point | Designated evaluation focal persons are responsible for coordinating evaluation activities within their given departments. They are appointed by departmental management. | Efficiency | A measure of how economically resources and inputs (funds, expertise, time, etc.) are converted into results. |
| Development objective | The intended impact contributing to physical, financial, institutional, social, environmental or other benefit to a society, community or group of people, via one or more development interventions. | Encumbrance/commitment | An encumbrance represents a specific reservation of funds for a particular purpose. Encumbrances must be raised for planned expenditure and must exist before creating an obligation or incurring expenditure. An encumbrance can be in the form of a Purchase Order an external collaboration contract, or a service contract when created in IRIS. |
| Disability mainstreaming | Disability mainstreaming is at once a method, a policy and a tool for achieving social inclusion, which involves the practical pursuit of non-discrimination and equality of opportunity. Mainstreaming disability is about recognizing persons with disabilities as rights-holding, equal members of society who must be actively engaged in the development process irrespective of their impairment or other status, such as sex, race, social origin or sexual orientation. | Evaluability | The extent to which an activity or a programme can be evaluated in a reliable and credible fashion. Evaluability assessment calls for the early review of a proposed intervention in order to ascertain whether its objectives are adequately defined and its results verifiable. |
| Effect | Intended or unintended change due directly or indirectly to an intervention. Related terms: result, outcome. | Evaluation | An evaluation is an assessment, conducted as systematically and impartially as possible, of an activity, project, programme, strategy, policy, topic, theme, sector, operational area or institutional performance. It analyses the level of achievement of both expected and unexpected results by examining the results chain, processes, contextual factors and causality using appropriate criteria such as relevance, effectiveness, efficiency, impact and sustainability. An evaluation should provide credible, useful evidence-based information that enables the timely incorporation of its findings, recommendations and lessons into the decision-making processes of organizations and stakeholders. UNEG: Norms and Standards for Evaluation, (2016) p. 10. |

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| Ex-post evaluation | Evaluation of a development intervention after it has been completed. It may be undertaken directly after or long after its completion. The intention is to identify the factors for success or failure, to assess the sustainability of results and impacts, and to draw conclusions that may inform other interventions. | Gender mainstreaming | Mainstreaming a gender perspective is the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in any area and at all levels. It is a strategy for making the concerns and experiences of women as well as of men an integral part of the design, implementation, monitoring, and evaluation of policies and programmes in all political, economic and societal spheres, so that women and men benefit equally, and inequality is not perpetuated. The ultimate goal of mainstreaming is to achieve gender equality (Economic and Social Council, 1997). |
| External evaluation | An external evaluation is commissioned, managed and conducted by entities and/or individuals outside the funding partner and implementing organizations. | Global products | Each global product consists of a series of specific outputs that, taken together, deliver a major ILO product or package of services. These are global in nature and are not directed to any specific country or series of countries. A global product is costed upfront, delivered using all ILO means of action with the combined resources of Headquarters and field units, as well as those of global projects. |
| Extensions (project) | Extension of project activities beyond the original end date established in the agreement between the funding partner and the ILO. Both no-cost and cost extensions require a justification as well as funding partner approval. | Goal | The higher-order objective to which a development intervention is intended to contribute. Related term: development objective. |
| External collaborator | An external collaborator is an individual working with the ILO, but who is neither a staff member nor an ILO official. External collaboration contracts are task-oriented and linked to a specific output over a defined contract period. They do not involve tasks associated with continuous processes or management. | ILO Responsible official | This is the Director of a Field Office, Regional Office or Policy Department or Branch with overall responsibility for a development cooperation project. |
| Extra-budgetary Development Cooperation (XBDC) | Extra-budgetary development cooperation (XBDC) is composed of lightly and fully earmarked voluntary contributions from ILO's funding partners to support a specific development project or programme or outcome with a clear timeline and often a pre-defined geographical and/or thematic focus. | Immediate objective | The expected or achieved effects of the combined outputs of a strategy. These are the intended changes in development conditions that result from project interventions. They describe positive changes in the target group as the direct consequence of products and services (i.e. outputs) produced by the project. Related term: Outcome. |
| Gender | Gender refers to the socialized expectations about the responsibilities, duties and capabilities of women and men, based on their sex. These stereotypes intersect with other factors – such as disability, HIV status or indigenous or tribal people's identity – that result in multiple discrimination, including in labour markets. Unless initiatives including development cooperation integrate a formal, consistent and visible gender-responsive approach at every phase, these will perpetuate unequal power relations and women's and other groups' and even exacerbate their marginalization and low status. | | |

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| Impact / Impact assessment | Positive and negative, primary and secondary, long- term effects produced by a development intervention, directly or indirectly, and intended or unintended. A type of assessment that focuses on measuring the broad, longer term effects of a development intervention, positive or negative, primary or secondary, direct or indirect, and intended or unintended. | Indicators | A quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect changes connected to an intervention, or to help assess the performance of a development actor. It does not indicate the direction of change. Indicators should be specific, measurable, attainable, realistic, and time-bound (SMART). |
| Implementation | Implementation of a project is the step where all the proper planned activities are put into action. Implementation starts when the project has been approved and the budget activated, and ends when the project is financially closed. | Input-based budget | An input-based budget format is designed to identify project cost by their type. This format is based on a series of budget lines identifying specific types of monetary inputs. |
| Implementation plan | The implementation plan is a managerial tool covering the whole project period to determine resource and personnel requirements, identify particular procurement needs, estimate the project budget, and ensure that the project is managerially feasible within resources and time constraints. | Inputs | The financial, human and material resources used for the development intervention. |
| Inception phase | The phase where the preliminary arrangements for the functioning of the project are set in place. These include establishing the accountability, management and governance structures of the project, both inside and outside the ILO, appointing the Project Manager, setting up office systems for finance and administration, and opening communications with ILO units and national constituents and partners. This is also referred to as the pre-implementation phase. | Institutional mapping | The institutional analysis, or mapping, provides a study of formal and informal relationships between the stakeholders. The institutional mapping must include the most relevant actors identified during the stakeholder analysis. This comprises the ultimate beneficiaries, the direct recipients, the governing and oversight agencies, the implementing agencies and the social partners. |
| Independent evaluation | An independent evaluation is managed by and carried out by entities and persons free of the control of those responsible for the design and implementation of the development intervention. | Internal evaluation | Internal evaluation follow a formalized evaluation process but is managed by project administration, and may be conducted by an ILO official as well as an external evaluation consultant. If an internal ILO official is used, no ties or conflict of interest should exist with the management of the project. In the case of a mandated internal evaluation for projects over US\$ one million, it is recommended that an independent external consultant be used. |
| | | Integrated Resource Information System | IRIS is a combination of software and technologies based on the underlying Oracle e-business software suite. It facilitates decision making, supports financial stewardship and enables the application of results-based management of the ILO's work. It is used for Strategic Management, Cash Management, Human Resources and XBDC projects. |

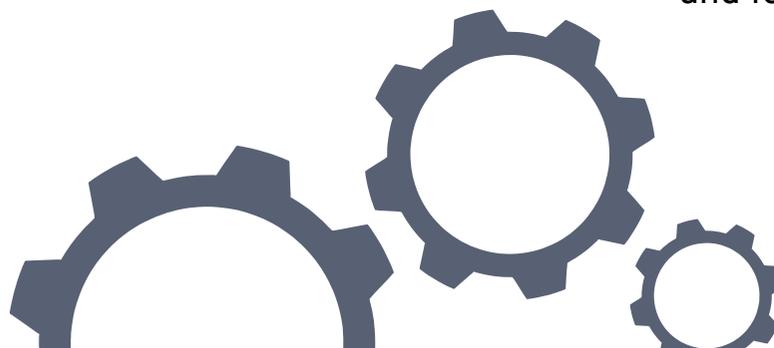
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| Joint evaluation | Joint evaluations are evaluations where ILO partners with another entity to jointly manage and implement an evaluation. These are often of a joint project programme as foreseen in the relevant programming documents or donor/partner agreements, and to which different partners contribute through funding, specific components and/or joint activities. | Outcome | The likely or achieved short-term and medium-term effects of an intervention's outputs. Outcomes represent changes in the institutional and behavioural capacities, for development conditions that occur between the completion of outputs and the achievement of goals. Related terms: result, outputs, impacts, effect. |
| Logical Framework | The project logical framework (or "log-frame" or "results framework" or "project design matrix") is the tool used to organize all the main elements, including the objectives, outputs, activities, indicators and assumptions. The logical framework is a planning tool that shows the results chain of the project: how activities are undertaken to produce outputs, how outputs are delivered to achieve objectives, and how assumptions influence each level of the results chain. It also contains the indicators that will be used to measure progress, and the means through which evidence will be obtained. | Outcome-Based Work plans | OBWs are biennial workplans that specify how Office-wide resources are used to support the effective and efficient achievement of results under each P&B outcome. Outcome-Based Work Planning is about prioritizing work as a means to clarify the intended strategy with which to achieve the expected direct result attributable to ILO cooperation. |
| Means of verification | The means of verification provide a precise reference to the sources of information to be consulted in order to verify the project's performance and results. | Output | The products and services that result from a development intervention, which may also include changes resulting from the intervention that are relevant to the achievement of outcomes. |
| Monitoring | A continuing function that uses the systematic collection of data on specified indicators with which to provide management and the main stakeholders in an ongoing development intervention with indications of the extent of progress and the achievement of objectives and progress in the use of allocated funds. | Partners | The organizations that collaborate to achieve mutually agreed objectives. The concept of partnership connotes shared goals, common responsibility for outcomes, distinct accountabilities and reciprocal obligations. Partners may include governments, workers' and employer's organizations (also called "social partners") non-governmental organizations, universities, professional and business associations, multilateral organizations, private companies, etc. |



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| Partnerships | Partnerships are voluntary and collaborative relationships among various actors in which all participants agree to work together to achieve a common goal or undertake specific tasks. Partnerships may serve various purposes, including advancing a cause, implementing normative standards or codes of conduct, or sharing and coordinating resources and expertise. They may consist of a specific single activity, or may evolve into a set of actions or even an enduring alliance, by building consensus and ownership with each collaborating organization and its stakeholders. | Policy Department | A technical department within the policy portfolio. ¹ The portfolio is a flat structure comprising six major technical departments (employment policy, enterprises, social protection, governance and tripartism, conditions of work and equality, and sectoral activities) as well as International Labour Standards, Research, Statistics and Knowledge Management departments. |
| Performance | The degree to which a development intervention or a development partner operates according to specific criteria/standards/guidelines, or achieves results in accordance with stated goals or plans. | Procurement plan | This is an overall projection of a project's procurement needs for a defined period of time. DC project procurement planning should commence at the project appraisal stage, in order to be able to include specific requirements resulting from procurement planning analysis in the project document. The responsible project official (e.g. the Chief Technical Adviser) must also identify changing procurement needs during the project lifetime, as part of ongoing procurement planning. |
| Performance indicator | A variable that allows the verification of changes in the development intervention or shows results relative to what was planned. Related terms: performance monitoring, performance measurement | PRODOC | PRODOC stands for Project Document. It provides the information with regards to project strategy, log frame, implementation, monitoring and evaluation, such as sufficient information for project managers and ILO responsible officials to implement the project, report on its progress and evaluate its outcomes. |
| Performance plan | A performance plan breaks down the final project outputs and immediate objectives into annual and sub-annual targets. The identification of indicator targets, along with related baselines and milestones, provides the key link between project design, implementation, monitoring and reporting. Specifically, the performance plan allows project designers to: identify realistic targets for their project; facilitates results-based rather than resource-based project management; allows projects to be appraised for feasibility; enables effective M&E for outputs and immediate objectives; and allows for credible and evidence-based reporting on progress towards outputs and immediate objectives. | Programme | A programme is a coherent time-bound framework of action to achieve precise results. It may include several projects the objectives of which are linked to the achievement of higher level common objectives/ outcomes. It may apply a multidisciplinary approach and comprise separate sets of activities grouped under different components. It may reach across sectors and/or geographical areas. |

¹ Please refer to DG's Announcements [No. 322 – Reform of the HQ organizational structure and staff movements](#), and [No. 331 – Departmental structures](#).

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| Programme and Budget | The P&B establishes both a programme of work and a budget for a biennium. It describes what the ILO is expected to do and achieve, and how activities are to be financed. | Project imprest accounts | Bank (imprest) accounts are opened for the needs of ILO offices in the field, including for DC projects. The opening of bank accounts has been delegated to the Chief of TREASURY and TRES/OPS. The latter is responsible for communicating the necessary instructions to the bank concerned. Requests to open a new ILO bank account or transfer an existing account to a new bank are handled by TRES/OPS at Headquarters. The choice of the bank in which ILO funds are deposited ultimately rests with the Treasurer, who has delegated this responsibility to TREASURY for external office and project imprest accounts. |
| Programme Support Costs | PSCs are indirect costs included in each project budget. ILO policy normally fixes support costs at a rate of 13 per cent. These costs are expressed as a percentage of project expenditure, are centrally managed, and contribute to the cost of supporting the implementation of extra-budgetary projects. | Project originator | The project originator is the field office or technical unit that develops the project proposal and reworks the proposal according to comments received through the appraisal process. They are also responsible for designing a project proposal and are accountable for consulting the relevant Field Offices, technical units, Outcome coordinating teams (OCT), the cross-cutting technical units (Gender, Equality and Diversity Branch/ GED, International Labour Standards Department/ NORMES), and ACTRAV and ACT/EMP. They are also responsible for ensuring that proposals with substantial capacity building components are designed jointly with ITCILO. |
| Project | A project is the main instrument used in the planning of development cooperation activities. It comprises interrelated and coordinated activities designed to achieve clearly defined objectives/ outcomes, ranging from policy change to practical direct action. It contributes to solving a specific problem within a given budget and timeframe. | Project results chain | The causal sequence for a development intervention, which stipulates the necessary sequence with which to achieve desired objectives, beginning with inputs, moving through activities and outputs, and culminating in outcomes, impacts and feedback. |
| Project Concept Note | The PCN for development cooperation projects is an initial document prepared during the identification and design phases of development of a project. The PCN should provide enough information to enable the ILO and other stakeholders to be able to assess the strategic appropriateness of any proposal. | | |
| Project design | Design is the starting point of the project cycle and consists of three main stages: project identification, project formulation and project operational planning. Project design provides the structure for the outcomes that have to be achieved, how the project is to be implemented, and how progress will be verified. | | |



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| Project support income | PSI ² is generated by charging programme support costs to extra-budgetary financial contributions in accordance with agreements with funding partners. It is allocated by the Director-General to support the effective delivery of development cooperation projects and programmes. The level of PSI depends on the level of extra-budgetary expenditure | Regional evaluation officer | Designated evaluation officers within each ILO regional office are responsible for overseeing evaluations within their given regions. They oversee and advise on the process of planning, managing and following up on DWCP reviews and project evaluations. They are evaluation professionals dedicated to supporting the evaluation work of the ILO. |
| Provision for Cost Increases | PCIs are added to guard against contingencies that may require more funds. In the ILO, the provision is calculated at 5 per cent of the total allocations for direct costs. This percentage is allocated to the project: if it lasts more than one year; when there are high ILO personnel costs and when the contribution is made in a currency other than US\$, and in several payments, as this could result in exchange rate risks. | Regional Office | Offices that have overall responsibility for the operations of the ILO's network of Country Offices, DWTs, and other representations in their regions. Staff in Regional Offices carry out the principal functions listed in the DG's Announcement IGDS No. 212 (Version 1) under the day-to-day guidance and direction of Regional Directors, and under the authority delegated to them by the Director-General in accordance with the responsibilities corresponding to their appointments. |
| Quality assurance | Quality assurance encompasses any activity that is concerned with assessing and improving the merit or the worth of a development intervention, or its compliance with given standards. Examples of quality assurance activities include appraisal, RBM, reviews during implementation, evaluations, etc. Quality assurance may also refer to the assessment of the quality of a portfolio and its development effectiveness. | Regular Budget | The assessed contributions from the ILO's 187 member States are provided by virtue of their membership, with the exact amount per State set every two years by the International Labour Conference. |
| | | Regular Budget Supplementary Account | The Regular Budget Supplementary Account (RBSA) is a voluntary fund financed by some ILO member states to complement the ILO's Regular Budget (RB). As un-earmarked core funding, it allows the ILO to allocate funds flexibly when and where most needed. RBSA resources are allocated to ODA-eligible countries only. |
| | | Relevance | The extent to which the objectives of a development intervention are consistent with beneficiary requirements, country needs and global priorities, as well as partner and funding partners policies. |
| | | Results | The real and observable effects (intended or unintended, positive and/or negative) of a development intervention. Related terms: Outcome, impact. |

² PSI calculations are based on estimates of PSI income in the current biennium available for the subsequent one, prepared by FINANCE, and on extra-budgetary delivery rates, produced by PARDEV for the most recent year. The cost of support functions is determined, and thereafter delivery rate percentages are applied for determining allocations to regions and offices and for HQ departments. See [PROGRAM's Intranet](#) and [Office Procedure IGDS No. 16 \(Version 1\)](#).

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| Results-based Budgeting | RBB is primarily concerned with the cost of the resources/inputs needed to complete project activities and predefined outputs, in a bottom-up estimating technique. A breakdown of the activities is required and it is therefore important to prepare a budget using the WBS or implementation plan as the starting point. | Scheduling/ Schedule | Scheduling is a way of focusing managerial attention on the time factor, on critical events, and on priorities, as time is important in any planning process. The scheduling calendar states when each activity starts, how long it lasts, and when it will be completed. This is usually presented in the form of a bar chart, which sets out the sequence of activities and links them to critical events or milestones. |
| Results-based Management | RBM is a management approach that directs organizational processes, planning, and the management of resources, activities, products and services towards the achievement of clearly observable changes or results in the real world. | Self-evaluation | Self-evaluation is conducted and managed by project management, with little or no budget being required. The self-evaluation should include assessments of relevance, effectiveness, efficiency, impact and sustainability. Sometimes considered a part of regular project reporting, a self-evaluation should address issues of project accountability to the extent possible, as well as offer insights into how future projects might benefit from knowledge gained through the self-evaluation. |
| Resource plan | A resource plan sets out the requirements and costs for all necessary inputs: personnel, basic office premises or facilities, equipment and materials, or services such as special subcontracting supplies, training workshops and other miscellaneous inputs. | | |
| Responsibility matrix | The purpose of this template is to assign departments or individuals to activity categories, define role responsibilities and the relationships between groups. This matrix should be completed early in project planning, before detailed resource allocating or scheduling takes place. | Stakeholder analysis | An analysis that aims to identify the stakeholders that are likely to be affected by the activities and outcomes of a project, and to assess how those stakeholders are likely to be impacted by the project. |
| Review | An assessment of the performance of an intervention, periodically or on an ad hoc basis. Frequently “evaluation” is used for a more comprehensive and/ or in-depth assessment than “review”. Reviews tend to emphasize operational aspects. Related term: evaluation. | Stakeholders | Agencies, organizations, groups or individuals that have a direct or indirect interest in the development intervention or its evaluation. |
| Risks | The effect of uncertainty on the achievement of objectives. An effect is the deviation from the expected – positive and/or negative. Uncertainty is the state, even partial, of deficiency of information related to, understanding or knowledge of a risk event, its impact or likelihood. | Strategic Management Module | The Strategic Management Module is an integral part of the IRIS system. It allows line managers to consolidate information across IRIS modules to present a consolidated strategic view of resource information (including finance, human resources and project management). The module supports results-based budgeting by allowing managers to view and manage programme narratives, resources (staff and non-staff) and result indicators, all in one place. |

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| Supplies and materials | All the consumable items required in the day-to-day running of the project (e.g. stationery and office supplies) and for any construction activities (e.g. cement). | UNCF | The UN Sustainable Development Cooperation Framework, (the ‘Cooperation Framework’), is the central step at the core of the cycle, co-designed and co-signed by the UN development system and the Government. |
| Sustainability | The continuation of benefits from a development intervention after major development assistance has been completed. In the 2030 development agenda, sustainability encompasses social, economic and environmental aspects. | Validity | The extent to which the data collection strategies and instruments measure what they purport to measure. |
| Target group | The specific individuals or organizations for whose benefit the development intervention is undertaken. | Value for Money | Value for money (VFM) is about striking the best balance between the “three E’s” – economy, efficiency and effectiveness. It is not a tool or a method, but a way of thinking about using resources well. A fourth “E” – equity – is now also sometimes used to ensure that value-for-money analysis accounts for the importance of reaching different groups. |
| Technical backstopping unit | This is the technical or Decent Work Team that provides operational advisory, mentoring, training, and support services to the ILO administrative unit/ office responsible for overall implementation of a project. | Work Breakdown Structure | A WBS defines the scope of a project in terms of hierarchy of deliverables and the activities/inputs required to achieve the results. A work breakdown structure is used to prepare the plan of operation. |
| Thematic evaluation | Thematic evaluations assess specific aspects, themes and processes, and can also focus on specific sectors, issues or schemes. Thematic evaluations provide a means for ILO technical programmes to explore in depth the effectiveness and impact of major means of actions and interventions. | Workplan | Whereas an Implementation Plan is prepared during the design phase and covers the whole project period, a workplan is prepared at the beginning of implementation (pre-implementation phase or inception phase) and is a more comprehensive yearly plan covering sub-activities and tasks. |
| Ultimate beneficiaries | Those who benefit in any way from the project. Distinction may be made between: (a) direct beneficiaries: the group entity that will be immediately and positively affected by the project at the project output level; (b) final beneficiaries: those who benefit from the project in the medium term at the level of the outcome/ immediate objective of the project; and (c) indirect beneficiaries: those who will benefit through the contribution to the overall objective of the project in the long term at the level of the society or sector. | | |

