

# Review of the RBSA funding modality

9 March 2020

Philippe Egger

Consultant<sup>1</sup>

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<sup>1</sup> Philippe Egger is a former staff of the ILO which he left in December 2014 when his position was head of Strategic Programming and Management

## Executive Summary

### Main findings

#### A highly appreciated funding modality

Based on interviews of ILO staff in the regions and at Headquarters conducted for this review, there is little doubt that the RBSA funding modality is highly appreciated for its flexibility and relatively low-cost procedures.

#### Areas of strong, variable and weaker performance of RBSA interventions

Reports produced by the ILO Evaluation Office, including evaluation reports produced by ILO regions, enable the formulation of some broad conclusions concerning the performance of RBSA funded (wholly or substantially) country programme outcomes.

The performance of RBSA interventions (based on a sample of evaluation reports for the period 2013-17) is comparable to ILO development cooperation as a whole. On average the same patterns of stronger and weaker elements appear relative to other meta-analysis. In particular RBSA interventions:

- Were highly relevant and contributed effectively to achieving country outcomes,
- Promoted the ILO's core agenda,
- Added-value in relation to capacity-building, legislative and policy reforms, and knowledge products,
- Recorded variable performance regarding implementation management,
- Displayed significant shortcomings in the design of proposals and in reporting, monitoring and evaluation effectiveness.

These performances are not specific to RBSA although the shortcomings were slightly more severe in the case of the RBSA relative to the other two meta-analysis samples. Whilst broadly comparable the sample of RBSA evaluations recorded somewhat weaker average scores for the evaluation criteria on implementation management and efficiency of management and resource use.

#### Programming procedures and performance

The programming guidance for the RBSA is broad. A strong point has been the continuity of linking RBSA resources to country programme outcomes within the framework of Programme and Budget outcomes.

The size of the RBSA is relatively small relative to other ILO funds and to the potential number of country outcomes. In addition RBSA funding has declined in the last two biennia in aggregate terms and relative to other voluntary (earmarked) funds available to the ILO.

The RBSA is comparable in relative size and operating modalities to similar funds in other UN agencies. The combination of flexible (un-earmarked) allocations and reporting included in Organization-wide biennial reports is a characteristic across such funds operating in different UN agencies.

The programming guidance, especially regarding financial thresholds, has both broadened the range of options (higher maximum per allocation) and limited the number of proposals regions can submit.

The continuing refining of this guidance has limited the flexibility of RBSA in financing country outcomes.

To some extent programming guidance has superseded strategic guidance, with greater ex ante requirements and processes and fewer ex post ones. This logic should be reversed and greater emphasis placed on learning from RBSA achievements. However this should not compromise the flexible quality of RBSA.

Procedures in place to formulate and appraise RBSA proposals are broadly appreciated. However the weaker performance on reporting, monitoring and evaluation calls for revising current procedures regarding these requirements. The template used for the submission of RBSA proposals should be revisited in order to strengthen the results framework.

### A broad RBSA strategic guidance and multiple strategies

The strategic or thematic guidance of RBSA is also broad. The overall framework is given by the Programme and Budget outcomes. This has allowed regions and country offices to apply multiple strategies adapted to the characteristics of each region and country retained for RBSA funding. At the same time it has weakened the overall strategic profile of the RBSA.

The expenditure patterns of RBSA do not show any discernible trend nor is there any particular pattern in relation to voluntary earmarked funding. RBSA resources are used across ILO Programme and Budget outcomes and across a broad range of ODA-eligible countries with low, medium and high access to voluntary (earmarked) funding.

There is a tendency for RBSA to be expended in a limited number of countries, which are often the same as those receiving larger earmarked funding. There are good examples of significant resource leveraging although data do not allow for a comprehensive assessment of the extent of leveraging and co-financing of country outcomes. Likewise one Programme and Budget outcome (More and Better Jobs) draws three times the average allocation whereas allocations to other outcomes are close to the average.

The paucity of information available on results achieved makes it difficult to draw any firm lessons that could feed into refining the strategic guidance and sharpen the value added of the RBSA modality.

Based on the information available it is not possible to say where RBSA is best placed to make a difference. There are many examples of strong performance but no comprehensive assessment. A key objective for the future would be to strengthen the learning from RBSA use and achievements.

The strategic focus of RBSA is set by the outcomes of the Programme and Budget. Given the size of the fund this is admittedly a broad framework. Sharpening the focus of RBSA can only derive from a strong dialogue between regions and Programme and Budget outcome coordinators, especially at the outcome planning stage, from a stronger and more transparent appraisal mechanism and from a greater emphasis on learning from actual experience. Such measures would enhance the sharing of information, transparency and accountability.

### Deepening the strategic partnerships with RBSA donors

Donors are broadly satisfied with the functioning of the RBSA. The efforts made to forge a special relation with RBSA partners are appreciated.

RBSA donors would appreciate more determined efforts by ILO management to broaden the number of contributors to the fund. This would suggest greater involvement of top management in promoting the use and the achievements of the RBSA fund.

They would also appreciate further deepening the strategic informal conversations around the RBSA so as to gather more insights into the actual performance of the fund and contribute to outlining strategic options.

## Recommendations

Three main recommendations are proposed, namely to:

- Strengthen the RBSA learning capacity,
- Simplify the programming procedures, and
- Further promote and expand the RBSA fund.

### 1. Strengthen the learning capacity of the RBSA funding modality

A learning exercise is required in order to collect adequate information on the results achieved through the RBSA. A key objective would be to answer the question: where and how can RBSA be used to achieve maximum effect? This should be done through an empirically verifiable method both for past and present RBSA interventions and for future ones.

For completed and present RBSA allocations, a compilation and analysis of the results achieved for a sample of RBSA interventions should be carried out, especially those with allocations lower than US\$ 500,000 not subject to a formal evaluation. In parallel a stronger results framework would allow for a better regular assessment of RBSA achievements.

As more RBSA evaluation reports are produced, including by the regions, it is increasingly important to feed key findings, conclusions and recommendations into the learning exercise of RBSA interventions.

Beyond the results achieved of any particular RBSA intervention, this learning capacity should be able to shed light on some key strategic questions, such as:

- How is RBSA used to enhance interdisciplinary work across ILO technical areas and between regions and headquarters?
- How is RBSA used to promote ILO contributions to the “United Nations Sustainable Development Cooperation Framework”?
- In which technical areas is the value addition of RBSA greatest?
- Is there any relationship between size of allocations and achievements of results?

### 2. Refine the allocation, appraisal and monitoring and reporting procedures of the RBSA in the following ways:

- a) Re-assert the roles and responsibilities of RBSA use as defined in existing statements and place the focus on ex-post learning and accountability for results of RBSA use rather than on ex-ante requirements,
  - b) Revise the template used for the formulation of RBSA proposals, in particular to strengthen the logical framework and the results indicators, avoiding however turning this into a “project” requirement,
  - c) Introduce a formal scoring matrix in the appraisal checklist that would enable a fully transparent assessment of proposals,
  - d) Introduce a light end-of-allocation/intervention results statement obligation based on a standard template, accessible through and compiled in an on-line facility,
  - e) Strengthen the outcome planning procedure to introduce financial commitments of RBSA and other ILO funds available to better assess the feasibility of a particular target of the Programme and Budget,
  - f) Relax the minimum threshold of allocations to US\$100,000,
  - g) Consider releasing annual tranches for allocations above US\$ 500-700,000, possibly with some conditionality of expenditure,
  - h) Introduce a biennial RBSA “challenge modality” of some US\$ 5 million open to any proposal, without relaxing the link to country programme outcomes and ODA-eligibility. The terms of reference of such a fund would emphasize new ideas and ways of operating to further key ILO objectives.
3. Enhance measures to promote the RBSA fund among development cooperation partners and ILO constituents and grow its size:
- a) The ILO should enhance efforts to promote the RBSA funding modality among development cooperation partners and ILO constituents. A dedicated section in the biennial Programme Implementation Report should highlight major achievements of the RBSA as well as lessons learned.
  - b) The informal exchanges between development cooperation partners of the RBSA and the ILO should be continued and deepened. Exchanges should focus on lessons learned and strategic options.
  - c) ILO senior management should be proactive in promoting the RBSA among development cooperation partners and ILO constituents with a view to convincing more donors to join the fund and raise the size of the RBSA. An ambitious but justified target would be an increase of 50 per cent to US\$ 45 million by end 2022 from the US\$ 30 million planned for 2020-21.

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