

**REPORT OF THE DIRECTOR-GENERAL
MEETING OF THE ASSEMBLY OF PARTIES
November 20-21, 2018**

This report is submitted by the Secretariat to the Assembly of Parties in advance of its annual meeting on November 20-21, 2018, for information.

Members of the Assembly of Parties who may have questions of a technical nature regarding this document are invited to contact the Secretariat.

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I. INTRODUCTION

This year marked the 30th anniversary of IDLO's establishment as an intergovernmental organization. It was also the mid-point of *Strategy 2020*, IDLO's Strategic Plan 2017 – 2020. It was a momentous year, not without its challenges.

The rule of law and human rights came under intense pressure in the face of entrenched conflicts, large-scale population movements, rising authoritarianism, growing inequalities and economic uncertainties. Against this background, IDLO's mission gained greater relevance as demand for our support and assistance grew.

Although insecurity, political volatility and narrowing civic space presented significant challenges in several countries, IDLO was able to implement its programs in 2018 without major disruption and achieved some notable results, thanks to the dedication of its employees.

While remaining focused thematically within the bounds of *Strategy 2020*, IDLO continued to diversify its programs geographically, expanding its presence in Africa, Asia, Central America and Eastern Europe. Our experience in fragile and conflict-affected contexts underscored the critical contribution of the rule of law to sustaining peace and sustainable development. Our growing programs in middle-income countries underlined the significance of the rule of law to economic development and social inclusion.

Leveraging IDLO's convening power, strategic partnerships and presence at high level international forums, and drawing on lessons learned from our programs, we championed the 2030 Agenda for Sustainable Development at national and international levels, highlighting the essential role that Goal 16 plays in the achievement of all other Goals. I believe our policy advocacy added value to the international community's efforts to advance the SDGs.

As the number of programs increased, so did the operational complexities. In order to be able to respond effectively and in a timely manner to a dynamic and varied external environment, IDLO ramped up internal reforms. It strengthened financial systems and business processes, enhanced learning and accountability and took steps to improve program design, monitoring and results reporting. A major achievement was the roll out of the New Employment Model, aligning IDLO's human resource policies and processes to the needs and demands of a field-focused, results oriented organization.

Approaching the end of 2018, IDLO is financially stable and, with a robust pipeline, well-positioned for further growth in 2019. However, I must draw your attention to a serious vulnerability: the imbalance in IDLO's income streams. While program revenue in 2018 is likely to be higher than anticipated - and projected to grow even more next year –

unrestricted revenue has remained stable since 2017 and is significantly lower than what it was in 2015. Furthermore, the donor base remains narrow.

We need more flexible funding to invest in innovation, research, learning, program development and further improvement of systems in order to ensure that the growth we are experiencing can be sustained. We also need to increase the number of our financial partners, including from within our membership. Only seven Member Parties provided financial support to IDLO in 2018. I joined the IDLO President and two Vice Presidents in a written appeal to all Member Parties “to support the Organization financially through voluntary contributions in accordance with their capacity”, in line with the amendment to the Establishment Agreement adopted by the Assembly in November 2017.

Although we intensified our efforts to mobilize resources, improving the flexibility and predictability of funding and expanding the donor base proved to be IDLO’s most intractable challenge in 2018.

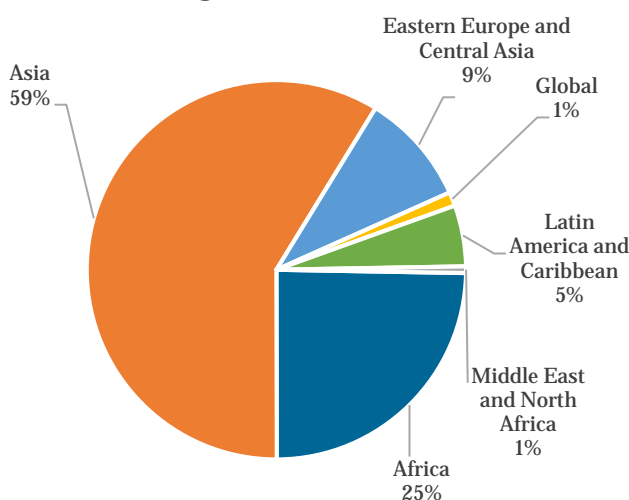
II. PROGRAMS, RESEARCH AND ADVOCACY

The aim of our 2018 Management Plan was to consolidate the program portfolio. We have exceeded that expectation. Not only have some programs been consolidated, many are showing signs of healthy growth. All indications are that the program revenue will exceed the amount approved in the 2018 Budget, and that the growth trajectory will gain strong momentum in 2019.

Geographic trends

The strategy of geographic diversity continued successfully in 2018, reinforcing IDLO’s relevance in all regions of the world, and providing an increased level of operational stability. Although our work in middle income countries has expanded, the bulk of our operations continue to be in fragile and post-conflict contexts where the demand for institution-building and access to justice remain high.

Program Portfolio distributed by regions in 2016



Program portfolio distributed by regions in 2018

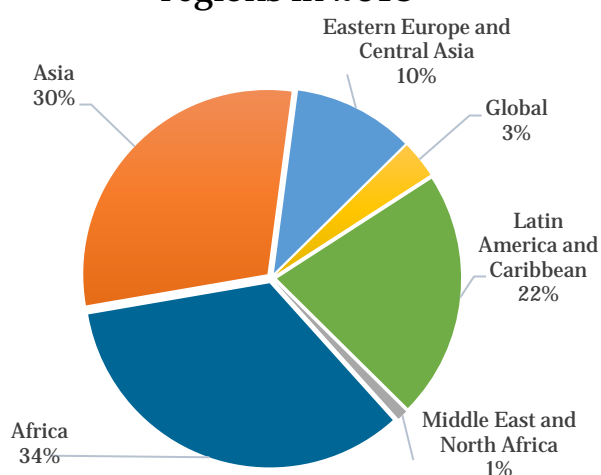


Diagram 1 : Comparison of Program Portfolio in 2016 and 2018.

Africa. Africa became the largest and fastest growing region of IDLO's operations, overtaking Asia. It represents about a third of the totality of our programs in 2018, up from 25% in 2016 when the previous Strategic Plan ended (see Diagram 1 above).

Although we were obliged to close our office in Juba in April 2018 due to lack of donor support connected to the political circumstances in South Sudan, IDLO's operations elsewhere in Africa expanded, notably in Somalia and Uganda, and were consolidated in Kenya, Mali and Liberia. As part of our focused approach, IDLO's work is concentrated largely in West, East and Horn of Africa, and includes both fragile and non-fragile contexts.

The Africa Initiative, a multi-stakeholder consultation process launched by IDLO in Dar es Salaam in 2016, has become a useful platform for networking and peer learning on access to justice issues. One important achievement in 2018 was the regional meeting of legal aid and legal service providers in Nairobi with a view to sharing good practice and expanding access to justice.

Asia. IDLO's work in Asia has long been dominated by Afghanistan but that is now changing with more programs emerging in the ASEAN region. While the completion in 2017 of the Justice Training Transition Program - the largest single program ever implemented by IDLO - reduced the size of our portfolio in Afghanistan, it still remains our largest country operation, thanks to two new programs. Our strategy in 2018 in Asia was to consolidate our work in Afghanistan, while seeking to build our presence in Southeast Asia, namely Indonesia, Philippines and Myanmar. In 2018 Asia represented just under a third of IDLO's program portfolio.

Latin America. IDLO expanded its presence significantly in Central America, with the launch of a large program on police capacity development in Mexico and consolidation of our work in Honduras. Thanks to the Mexico operation, the proportion of the portfolio devoted to this region has increased from 5% in 2016 to almost a quarter in 2018.

Eastern Europe and Central Asia. Thanks to the partnership agreement with the European Bank for Reconstruction and Development (EBRD), the number of countries in Eastern Europe where IDLO is working has continued to grow, the latest being Moldova. Ukraine and Kyrgyzstan are two sizeable operations in the EECA region, with smaller projects in other countries.

Middle East and North Africa. Leveraging our partnership with EBRD and the Kuwait Fund (KFAED) we invested time and resources to expand our work in the region and expect to see concrete results in the course of 2019.

Thematic priorities



Diagram 2 Extract of Strategy 2020 Map showing impact and action goals.

IDLO's thematic priorities in 2018 followed the goals of *Strategy 2020*, shown above. The 2018 Management Plan approved by the Assembly committed IDLO to:

- Empower people, with a special focus on
 - access to justice for women and girls
 - support to civil society and
 - engagement with informal justice systems;
- Strengthen institutions with a special focus on
 - criminal justice in peace-building contexts
 - institution building in the justice sector
 - anti-corruption and
 - economic development.

We made good progress in each of those areas in 2018 within the overall context of a growing program portfolio. The paragraphs below describe the achievements, challenges and the lessons learned.

1. Advancing justice for women and girls

One of IDLO's most impressive achievements in recent years has been its work to advance gender equality. Thanks to its effective programs and policy advocacy, IDLO is widely seen today as a strong, credible champion for women's access to justice.

Since the launch of our first **Gender Strategy** in 2015, our work to advance the rights of women and girls has grown significantly through specifically dedicated projects as well as the mainstreaming of a gender perspective across the program portfolio. As of December 2017, the mainstreaming has been systemized by requiring all projects to undergo a gender analysis at the design stage.

IDLO's largest gender programs are on the eradication of **sexual and gender-based violence (SGBV)**. An important lesson from our programs is that accountability and response to survivors is significantly improved when the justice chain is defined broadly and the linkages among them are strengthened through better coordination and capacity building. Another key lesson is that specialized institutions to combat SGBV are effective only if they are given a strong mandate and backed by political will and sustained support. That is a clear call for stronger investment by governments and the international community in justice for women – a point that we are making in our policy advocacy at national and global levels.

IDLO's most significant and longest-running program to combat SGBV is in **Afghanistan**, combining gender responsive institution-building with empowerment of women's groups and benefitting thousands of survivors of SGBV over the years. In 2018 IDLO continued its support to the specialized prosecution units in the Attorney General's Office and to the network of Women's Protection Centers run by women's groups. Key achievements included strengthening the capacity of the specialized prosecution units to track over 12,000 cases in 27 provinces and establish victim and witness assistance programs in seven provinces, as well as assisting the Women's Protection Centers to develop a Confidentiality Network that empowered SGBV survivors by providing protection and security while preserving their agency to re-build their lives.

In **Mongolia**, IDLO's objective is to improve the inter-agency response to domestic violence. Defining the justice chain broadly to include not only the police, prosecutors, judges, bailiffs and forensic experts but also, social workers, shelter workers, advocates and civil society organizations, IDLO encouraged the various actors to participate in consultative and participatory training which improved coordination, enhanced their cross-sectoral response and helped them to establish a common, survivor-centered understanding of domestic violence.

In **Liberia** IDLO worked to enhance the efficiency, transparency and accountability of Criminal Court E, a specialized court established to prosecute sexual offenses. To get the best results, it identified and addressed gaps in the whole justice chain, supporting a professional advancement program for female police officers and partnering with civil society organizations working with SGBV survivors. Capacity development and improved coordination among law enforcement, the court and service providers led to significant progress on the quality, speed and numbers of prosecutions, with a forty-five percent increase over two years in cases proceeding to trial.

IDLO also worked during 2018 to promote **social and economic empowerment** of women and girls in a number of countries.

Of particular note was the project in **Uganda** and **Tanzania** to empower adolescent girls and young women at risk of HIV/AIDS because of their vulnerability to gender-based violence and discrimination and their lack of knowledge, voice and power to claim their rights. IDLO used an innovative blend of legal empowerment and social accountability, including paralegals to support the women and girls, training service providers on legal aspects of HIV and gender sensitivity, and introducing mechanisms by which the women, girls and their communities could hold the service providers accountable. The program will be completed at the end of this year. Given its innovative nature, IDLO is preparing a Lessons Learned Brief to share with partners and will use the findings to inform other initiatives on empowerment of women and girls.

In 2018 IDLO promoted women's economic empowerment through a research project to identify and analyze legal and other barriers faced by women entrepreneurs in **Jordan**. This work was carried out in partnership with the European Bank for Reconstruction and Development (EBRD) and will inform a program to support women entrepreneurs in the MENA region.

2. Strengthening civil society to promote inclusive governance

At a time when human rights and civic space are under pressure in many countries, it is important to acknowledge and strengthen the crucial role of civil society in promoting public trust through inclusive governance. IDLO partners with a broad sector of civil society – from the legal community and academia to women’s organizations, advocacy groups, legal and other service providers, and community-based organizations.

In 2018 IDLO engaged with NGOs, legal professional organizations and civil society networks in countries as diverse as Ukraine and Uganda, Indonesia and Rwanda.

Our engagement varied from strengthening the capacity to provide **legal aid and legal services** to working at community levels to empower people to hold state institutions to account. Leveraging its ability to work closely with both civil society and state institutions, IDLO has promoted **multi-stakeholder dialogue and participatory processes** for policy-making, strengthening public trust in institutions through **inclusive governance**.

In **Honduras**, IDLO’s program in San Pedro Sula seeks to **reduce violence and improve services** for victims and survivors by strengthening collaboration between state institutions and civil society. In 2018 it worked with the municipal government to develop policies on intrafamilial violence and children in conflict with the law through a process that emphasized **grassroots engagement and multi-stakeholder consultations**. IDLO also supported the newly established National Torture Prevention Mechanism (CONAPREV) to promote a national dialogue on prisoners’ rights. Preliminary findings of the mid-term evaluation of the program in 2018 showed strong prospects for impact and sustainability of those components where the program goals and government priorities intersect but underlined the need to generate more political will to sustain other reforms.

Myanmar: The **Rule of Law Centres (ROLCs)**, first launched by IDLO in partnership with UNDP in 2015, have brought together communities and local government to explore and find solutions to local justice issues, benefitting some 14,000 people. The ROLCs have provided **training on laws, rights and local justice** issues to more than 2,500 lawyers and civil society members, that has helped to spawn dozens of local NGOs, broadening and strengthening civil society in Myanmar. Following an independent evaluation that affirmed the value of ROLCs in strengthening dialogue and rights awareness, IDLO focused its attention in 2018 on stepping up **community outreach** and promoting sustainability through greater linkages between ROLCs and local authorities.

Indonesia: IDLO’s engagement with civil society is in the context of **grant-making** for rule of law projects, selected through a competitive process for implementation by non-governmental organizations often in cooperation with state institutions. In 2018 IDLO supported 12 impactful, scalable interventions in subjects of concern to local communities, including environmental protection, paralegal assistance for land tenure disputes and use of electronic evidence in corruption trials. IDLO backed up the grants with targeted **capacity development of grantees**.

3. Enhancing access to justice through informal systems

Most people in the world, especially poor people, use customary and informal justice (CIJ) systems because they are cheaper, faster and more easily accessible than formal legal

systems. However, CIJ often lacks procedural safeguards and can be biased against women, children and marginalized groups.

IDLO has a strong record of **research** over the past decade and a growing portfolio of programs related to CIJ. Building on that, in 2018 IDLO developed several knowledge products for publication and dissemination in early 2019.

We also expanded our **programmatic engagement** with CIJ systems in order to promote peacebuilding and social cohesion in fragile contexts, address justice gaps at the community level in some other countries and bring them in line with national and international standards.

In **Somalia**, IDLO built on a pilot started in 2017 to establish three Alternative Dispute Resolution (ADR) Centers in Benadir Region and Puntland State where elders can meet, access resources and adjudicate appropriate cases under the *Xeer* system. IDLO also worked to strengthen the capacity of communities to support the reintegration of low risk former combatants and to increase awareness of the effects of violent extremism. At the High-Level Event on Somalia at the UN in September, I highlighted the positive outcomes of our program. An external evaluation commended IDLO's flexible, adaptive approach, and encouraged us to improve knowledge transfer to the government and strengthen monitoring mechanisms. We are incorporating these lessons into the follow-on support to the Federal Government's engagement with the traditional *Xeer* system.

Following a program inception period, IDLO established a multi-year Community Justice Program in **Uganda** in 2018 to address gaps in access to justice. The program seeks to improve the performance of state justice institutions at the local level, and also strengthen the linkages between informal and formal justice by creating a network of community justice workers. It will also contribute to a national strategy to reform customary dispute resolution systems through a consultative process.

4. Supporting peace-building through criminal justice

Functional justice systems are essential for stabilizing fragile situations by reducing crime and preventing violence. In recent years our work to strengthen criminal justice in conflict affected countries has grown. A key feature – and challenge - is to build local ownership to ensure sustainability.

In northern **Mali**, where crime and impunity are major destabilizing factors, IDLO is implementing a multi-year program to strengthen the criminal justice chain and build local ownership and public trust using an innovative and highly participatory approach. Partnering with the UN mission in Mali (MINUSMA), in 2018, IDLO continued to convene and facilitate four Cadres de Concentration or Consultation and Coordination Groups (CCGs) in Mopti, Gao, Segou and Timbuktu. The CCGs bring together police, local prosecutors, prison officials and magistrates together with civil society, local and traditional authorities to identify justice concerns, design solutions, support implementation and assess results to make corrections as necessary.

Building on the positive results in Mali and coordinating closely with national and international actors in the region, IDLO has developed a proposal to expand its work to other countries in the **Sahel region**, initially Niger and Burkina Faso, to address cross-border

crime which is a key driver of violence and instability in the region. It will be a key part of the 2019 Management Plan.

In **Somalia**, IDLO's program expanded significantly in 2018 to strengthen the core functions of justice institutions and build their capacity to tackle complex crimes. We supported the Attorney General's Office to establish a Unit to prosecute extremist violence, corruption, money laundering and SGBV in line with international fair trial standards. We are working with Somali justice institutions and the national Parliament to reform the outdated Somali Penal Code through an inclusive and consultative process.

In **Liberia**, IDLO worked to strengthen capacity and increase coordination of police and other law enforcement agencies to address trafficking in persons.

In **Afghanistan**, having recently completed a major multi-year initiative to establish training capacity in the key criminal justice institutions, we followed that up in 2018 by launching a program to support the roll out of the new Penal Code. In a positive sign of local ownership, with our support the institutions are taking responsibility for developing their training and financial plans and engaging with the national budget process.

5. Building institutions to gain public trust

Building effective and accountable institutions is a predominant component of our program portfolio both in conflict affected countries as described above, as well as middle-income countries, described below. The institution-building takes many forms, from **constitutional and legal reforms** to capacity development of and technical assistance to strengthen the **capacity, integrity and independence of the judiciary and other justice sector actors**.

In **Kenya**, over the past decade IDLO played a major role in supporting the implementation of the 2010 Constitution. Working with all three branches of government, it helped to advance such key priorities as judicial transformation, devolution of powers to local government and implementation of constitutional commitments on gender equality. In addition to providing critical support to these issues, in 2018 IDLO assisted the judiciary to improve its services to justice seekers, supported the national human rights institution on strategic planning and strengthened legislative capacity on non-discrimination and equality.

IDLO has supported judicial capacity building in **Kyrgyzstan** for a number of years. During 2018 our work focused on improving public perception of the judiciary through increased transparency, including online publication of judicial decisions, public outreach and performance monitoring. A report on e-justice in Kyrgyzstan was produced to draw attention to the role of technology in enhancing judicial transparency and effectiveness.

IDLO's work on institution-building took on a new dimension when in late 2017 we launched a large multi-year program in **Mexico** to support capacity development of law enforcement officials at State and municipal levels to implement the new adversarial justice system. The multi-year country-wide program became operational in 2018 and will commence its activities in a number of states of Mexico as of early 2019.

6. Fighting Corruption

Corruption erodes trust and confidence in institutions, affects investment and economic development, and retards social development by depriving poor people of much needed

resources and access to services. IDLO's work to advance institutional integrity and fight corruption has been expanding over the past two years.

In **Ukraine** IDLO has taken a multi-faceted approach to anti-corruption, promoting institutional integrity and transparency of public processes, building the capacity of specialized institutions to investigate and prosecute corruption, and supporting civil society to play a monitoring and advocacy role. In 2018, in coordination with other development partners, IDLO provided technical assistance for the establishment of the High Anti-Corruption Court, the most significant anti-corruption reform in Ukraine since 2015. Preliminary findings of an independent evaluation of IDLO's work in the Ukraine indicate "prospects for a lasting impact" and suggest some improvements, which IDLO will incorporate in the new program cycle.

In 2018 IDLO helped the Office of the Ombudsman in the **Philippines** to handle corruption complaints against public officials. In the next phase of this program IDLO has been requested to expand its assistance to the Philippines Justice Academy and the Anti-Money Laundering Commission.

In **Somalia**, IDLO supported the establishment of an Anti-Corruption Coordination Unit in the Office of the Prime Minister and is helping to develop a National Anti-Corruption Strategy. It is also implementing a project to develop an effective and high-performing financial intelligence unit capable of detecting, preventing, and deterring money laundering and terrorist financing in Somalia's financial systems.

IDLO also recently launched a new multi-year program in **Kenya** to improve the capacity of justice institutions to fight corruption and foster transparency and accountability.

7. Promoting Inclusive Economic Development

IDLO's economic development program showed significant growth over the past year, as a result of strategic partnerships with European Bank for Reconstruction and Development (EBRD), Kuwait Fund for Arab Economic Development (KFAED) and the UN Office of the High Representative for LDCs (UN-OHRLLS).

Under the Framework agreement signed with EBRD in July 2017, IDLO expand its programs on judicial and legal capacity development in **Eastern Europe, Central Asia** and the **MENA** regions. In 2018 projects were initiated in **Romania** (on commercial law training for judges), in **Bulgaria** (on enforcement of tax legislation), in **Montenegro** (on protection of competition) and in **Tunisia** (on intellectual property law). In **Kyrgyzstan** and **Tajikistan** IDLO supported capacity development of bailiffs to improve enforcement of court decisions and strengthened mediation as a means of resolving commercial disputes. It established a new field operation in **Moldova** to promote alternate dispute resolution.

IDLO renewed its longstanding partnership with KFAED to strengthen legal and judicial capacity on commercial law in developing countries with a focus on MENA and sub-Saharan Africa.

The geographic scope of the economic development expanded to Africa in 2018, with IDLO launching its first large commercial law project to strengthen the capacity of the judiciary in **Kenya**.

The **Investment Support Program (ISP)** for Least Developed Countries (LDCs), launched in late 2017, is an innovative public-private partnership, designed jointly by IDLO and the Office of the UN High Representative for Least Developed Countries. Its objective is to provide technical legal assistance and capacity development on investment related negotiations and dispute settlement, at the request of LDCs, using largely pro-bono expertise from private law firms and companies. During 2018, IDLO identified some 25 law firms and experts ready to partner in this project, reviewed requests from two LDCs and raised awareness of the project among LDCs, donors and potential private sector partners. The ISP is expected to ramp up implementation in 2019.

As part of its commitment to strategically increase its programming in the areas of **food security, sustainable use of land**, and the preservation of **biodiversity**, during 2018 IDLO supported the **Food and Agriculture Organization (FAO)** to promote responsible investment in agriculture in Honduras and Guatemala. We intend to continue to explore other opportunities for partnership with the Rome-based Agencies.

8. Championing the Rule of Law

In line with the 2018 Management Plan and the goals of *Strategy 2020*, IDLO's policy advocacy, backed by research based on IDLO's programmatic experience, focused on three major themes in 2018:

2030 Agenda for Sustainable Development: We championed SDG 16 and highlighted its essential value in advancing progress on all SDGs. IDLO supported the initiatives of the UN Secretary General and the President of the UN General Assembly to highlight linkages between peace and sustainable development pursuant to the twin UN Security Council and General Assembly resolutions. With support from our office in New York, I participated in the Doha Regional Forum and the High-Level Meeting on Sustaining Peace and Sustainable Development at the UN. In my statements I drew on evidence from our programs to highlight the essential relationship of the rule of law to both sustainable development and sustaining peace.

IDLO actively contributed to the **UN Global Alliance** and the **Taskforce on Justice**, co-chaired by Argentina, Sierra Leone and the Netherlands under the auspices of the **Pathfinders Initiative on SDG 16+** to build support for implementation and reporting of SDGs with a focus on access to justice and rule of law, in preparation for the High-Level Political Forum in July 2019 and the Quadrennial Review of the SDGs in September 2019.

We participated in meetings of the **Committee on World Food Security** in Rome and in side events to highlight the relationship between sustainable development, food security and the rule of law. We continue to explore opportunities for greater cooperation with Rome-based agencies to further sustainable development.

As part of efforts to widen our outreach among academics and policy makers on SDGs, IDLO signed a Memorandum of Understanding with the School of Public Policy and Management of **Tsinghua University, China**.

With a view to strengthening knowledge and understanding of the rule of law and sustainable development among policy makers, IDLO signed a partnership agreement with the **UN Institute for Training and Research (UNITAR)** to support and participate in the training of diplomats and officials from G-77 countries.

Justice for Women: In line with our growing Gender Program we increased our policy advocacy on access to justice for women and girls. We raised our voice in support of gender equality at the **UN Commission on the Status on Women** and other international, regional and national forums.

An important initiative, under the auspices of the Taskforce on Justice mentioned above, is a **High-Level Group (HLG) on Justice for Women**, co-convened by IDLO, the World Bank and UN Women. The objective is to highlight the relationship between SDG 16 and SDG 5 and their collective impact on the achievement of all other SDGs and make a strong case for greater investment to accelerate justice for women. The report of the HLG will be launched at the Commission on the Status for Women in March 2019, and it will also inform the High-Level Political Forum in July 2019.

IDLO's partnership with **UN Women**, based on a MOU signed in April 2017, continued to expand. In addition to co-convening the High-Level Group, we are also participating in "Levelling the Law for Women and Girls by 2030: A Multi-stakeholder Strategy for Accelerated Action" – a global partnership led by UN Women to repeal gender discriminatory laws and enact laws that protect the rights of women and girls.

With the objective of advancing **women's participation in the justice sector**, we strengthened our cooperation at individual and institutional levels with women judges at national, regional and international levels. IDLO organized a high-level event on the sidelines of the **UN Human Rights Council**, supported the global **GQUAL campaign**, partnered with the **International Association of Women Judges**, and published a report, titled Women Delivering Justice: Contributions, Barriers, and Pathways, to be launched at the IDLO Partnership Forum in November 2018.

Independence of the judiciary: As authoritarian trends put pressure on judicial independence, IDLO combined policy advocacy to influence governments with concrete support to strengthen solidarity among the judiciary. At the international level, we supported the work of the UN Special Rapporteur on the Independence of Judges and Lawyers by amplifying his findings and recommendations through our advocacy at the UN Human Rights Council, including its High-Level Segment, as well as through our partnership with the Council's Rule of Law Group.

At the regional level, in 2018 IDLO concluded a memorandum of understanding with the **East African Community (EAC)** to strengthen networking among the judiciary of the member countries (Burundi, Kenya, Rwanda, South Sudan, Tanzania and Uganda). We organized a Regional Forum for East African Chief Justices to increase collaboration, share experiences and encourage peer learning.

Focusing on the relationship between judicial independence and **electoral democracy**, we signed a Memorandum of Understanding with the **Mexican Electoral Tribunal** and with their participation, organized an event to highlight our program experience on judicial resolution of electoral disputes. Through our partnership with the Mexican Electoral Tribunal we are also supporting the **Global Network of Electoral Justice**.

9. New Initiatives

Health and the rule of law. IDLO's Health Law Strategy identifies Non-Communicable Diseases (NCDs) as a priority in the context of fighting poverty and exclusion through the

rule of law. In 2018 IDLO signed an agreement with the World Health Organization and the Canadian International Development and Research Centre to strengthen legal capacity and regulatory framework in some selected countries to tackle the factors leading to the rise in NCDs. As the program develops in 2019, IDLO is seeking to strengthen its cooperation with international food agencies in Rome on the issue in line with the outcome of the Second International Conference on Nutrition. At the Ministerial Meeting on NCDs and at the side event organized by the Friends of the Inter-Agency Taskforce of which IDLO is a member, we underlined the importance of the rule of law in the prevention of NCDs, as a clear demonstration of the essential contribution of SDG 16 to other SDGs, in this case SDG3.

Refugees. In line with its commitment in the 2018 Management Plan to identify opportunities to address refugee problems, IDLO signed a Memorandum of Understanding with the **UN High Commissioner for Refugees** to explore collaboration on rule of law and justice issues confronting refugees, returnees, internally displaced persons and stateless people.

IDLO also recently launched a project that seeks to improve the protection of refugees, returnees and internally displaced persons in Somalia by supporting the Prime Minister's Office to develop a policy to promote rights-based, sustainable and durable solutions for these groups.

III. MAJOR ORGANIZATIONAL REFORMS

Strategy 2020 sets out 8 Major Initiatives for institutional investment and reform, listed in the diagram below. The 2018 Management Plan translated each of the Major Initiatives into concrete deliverables, some of them to be delivered over a two-year period. The following paragraphs report on the progress and outputs achieved on Major Initiatives 1 - 4 and 7 and 8. (Major Initiatives 5 - 6 are covered in the next Chapter on Mobilizing Political and Support).

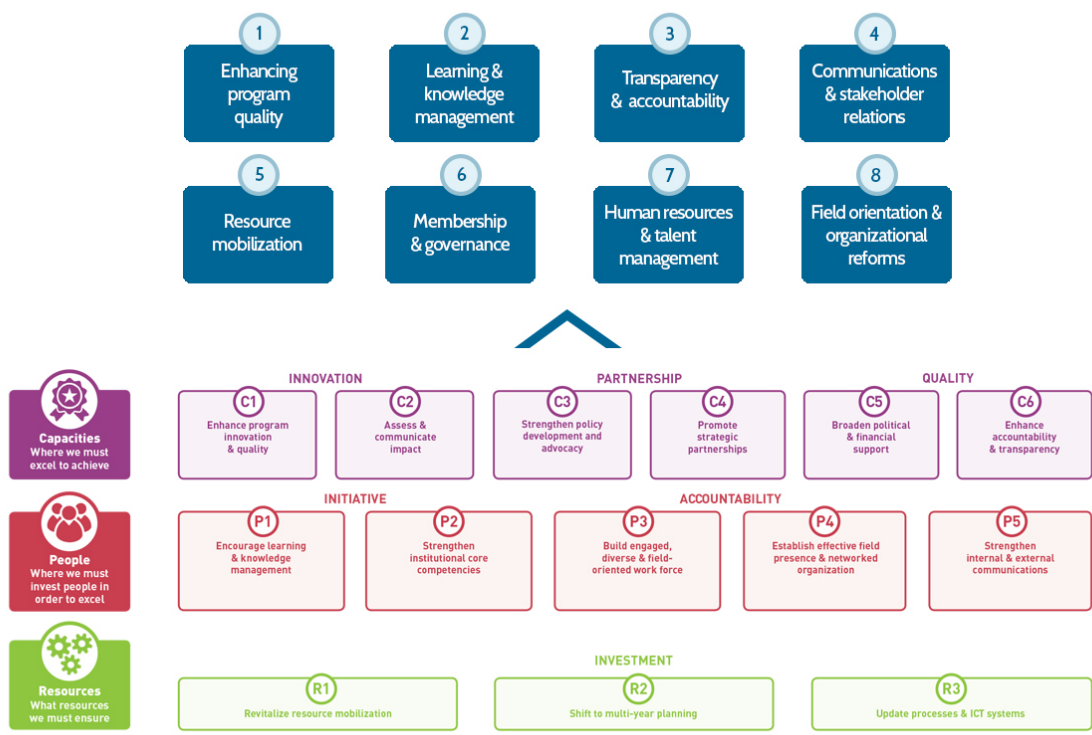


Diagram 3: Major Initiatives and Organizational Goals of Strategy 2020

Major Initiative 1: Program quality

The most significant achievement in 2018 was the development of a Programs Results Framework (PRF) to measure IDLO’s programmatic achievements against the goals set out in *Strategy 2020*. Alongside the PRF, IDLO reviewed its project monitoring system and is establishing a new monitoring framework and guidelines to be rolled out in 2019. The new monitoring system will be results based and will strengthen project management, impact assessment and organizational learning.

IDLO also rolled out a series of guidelines and tools, collectively called the Program Quality Framework, developed over the last two years, to improve program design and implementation. They are being incorporated into a consolidated manual covering the whole program cycle.

Major Initiative 2: Learning and knowledge management

Recognizing the link between research, learning, knowledge management and improved program outcomes, IDLO analyzed its learning and knowledge management needs, and developed a plan to create, retain and use knowledge more to help share knowledge across the organization and further develop its internal expertise on the subject.

An internal community of practice on customary and informal justice was piloted in 2018 to promote horizontal learning and develop internal expertise on the subject across the Organization. The lessons learnt from it will help to shape other further such initiatives in 2019.

IDLO’s **evaluation plan for 2018** covered 20 projects with a total value of 53 million euro, representing roughly one-third of our program portfolio.

An independent evaluation of the **Gender Strategy** (2015-2018) will be completed before the end of the year and its findings and recommendations will inform a new Gender Strategy to be adopted in early 2019.

Major Initiative 3: transparency and accountability

IDLO is committed to maintaining high levels of transparency and accountability by demonstrating its impact and efficient management of resources to retain the trust and confidence of key partners and to attract new ones.

In 2018, IDLO continued to strengthen its reporting on programs and institutional impact to internal and external stakeholders including through the development of the Program Results Framework in consultation with external and internal stakeholders. IDLO continued to report in line with the International Aid Transparency Initiative (IATI).

Timely financial reports were produced on a quarterly basis against the 2018 output-based budget. A proposed 2019 output-based budget was prepared and submitted for consideration to the Assembly of Parties.

IDLO strengthened its management oversight and internal financial controls by appointing an Internal Auditor and setting up an Internal Audit Committee under my leadership. Several internal audits were carried out in 2018.

Major Initiative 4: Communications and Stakeholder Relations

A key focus of our communications in 2018 was IDLO's **30th Anniversary**. As financial constraints left no budget for the celebrations, IDLO colleagues made up for it through their enthusiasm and creativity. Globally, IDLO marked the milestone with *#ChampionsofJustice* and IDLO@30 digital campaigns to raise awareness about the rule of law, celebrate our achievements over the last three decades and garner support for our work.

The Anniversary was used strategically by IDLO offices to draw attention to their work. For example, in Honduras IDLO used its anniversary to bring national level visibility to “Pixels of Life,” an innovative project to reduce violence through photography, while in the Philippines, IDLO organized a joint 30th Anniversary event with the Office of the Ombudsman to draw attention to the issue of corruption.

In 2018 IDLO further improved its outreach across all platforms including direct mailings (25 percent), Facebook (20 percent), Twitter (13 percent) and the IDLO website (10 percent) by strengthening the quality and level of its engagement with key stakeholders and audiences.

Major Initiative 7: Talent Management

A major achievement this year was the successful roll out of the New Employment Model (NEM) and Rules, bringing IDLO employees at Headquarters and all offices under the same policy framework, standardizing salary and benefits and streamlining HR processes. Some of the new Rules with cost implications are being implemented in a phased way to take account of the availability of financial resources.

On International Women's Day, I approved an organization-wide **Policy on the Prohibition of Sexual Harassment**. It is based on best practice and is being translated

and widely disseminated to all employees, who are being given training through a customized e-learning course.

In the 2019 Management Plan IDLO is proposing an **Integrated Learning Program** to embed organizational change by making a commensurate investment in its people. The first step towards it was taken in September this year with a Learning Workshop for all Country Managers.

Major Initiative 8: Organizational reforms

As part of improvements to increase accuracy, transparency and efficiency of its business processes and to better support its field operations, IDLO rolled out the financial module of its **Navision ERP system** to all offices. It will roll out other functionalities of the ERP next year 2019 in line with the 2019 Management Plan.

The Standing Committee adopted a **new Cost Policy Statement** to more accurately and transparently identify and allocate costs in its project budgeting and reporting. To help implement the new policy a **timekeeping system** is being piloted in 2018 before it is rolled out across all IDLO offices in 2019.

Among the steps IDLO took to better manage its operational and financial risks was the conclusion of **Host Country Agreements (HCAs)** with Jordan, Mali and Somalia. HCAs in several other countries are also being actively pursued. IDLO also improved management of its treasury and foreign exchange transactions to reduce foreign exchange losses.

IV. REVITALIZING POLITICAL AND FINANCIAL SUPPORT

Resource Mobilization (Major Initiative 5)

As a fully voluntarily funded organization, IDLO’s biggest challenge is to mobilize adequate resources on a sustainable basis. Although restricted program revenue is growing and is better distributed among countries and regions in 2018 than in previous years, the amount

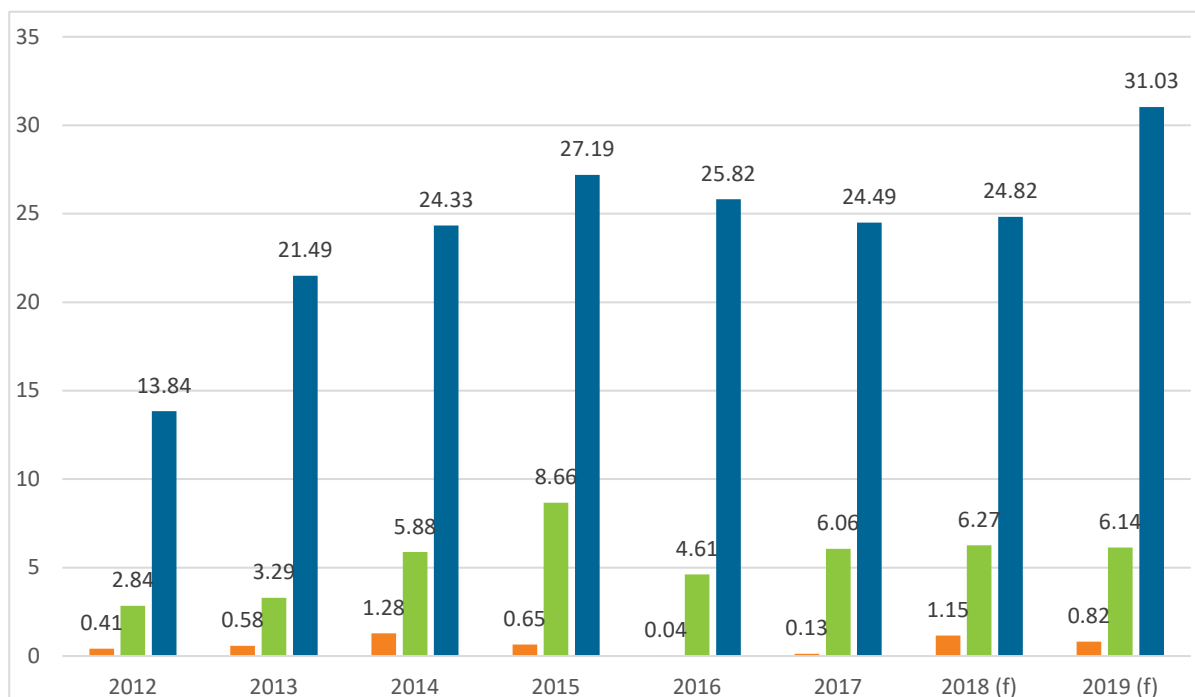


Diagram 4 Revenue Trends 2012-2019 (in euros million)

of unrestricted funding has remained largely unchanged, compared to 2017, as can be seen in Diagram 4. The **imbalance between unrestricted and restricted revenue** is a vulnerability as it could affect our ability to sustain growth through investment in capacity, systems, research, learning and innovation.

Another vulnerability is our **narrow donor base**. In the past year IDLO received voluntary contributions of unrestricted funds from only six Member Parties. I would like to thank Italy, Sweden, and the United States in particular for their generous unrestricted funding, and the Netherlands and Kuwait for soft earmarked funds. I am pleased to report that we signed a multiyear agreement with Kuwait earlier this year.

In line with the **Resource Mobilization Plan** adopted in 2017, the 2018 Management Plan called on IDLO to engage with sovereign donors, philanthropic foundations and the private sector. However, limited capacity and resources compelled us to make some hard choices. We decided to concentrate our attention in 2018 on sovereign and multilateral donors.

We selected a number of **bilateral donors** whose priorities match with ours, developed engagement strategies and implemented them in a coordinated way with support from all relevant parts of the organization, including our field offices. We attracted program funds from **two new donors** this year, and I am optimistic that our efforts will produce more concrete results in the coming year.

Although IDLO's greatest need is for unrestricted funds, such funds are increasingly in short supply in the development sector. Therefore, we are seeking to attract a blend of unrestricted, soft earmarked and program funds. To achieve that aim and proactively approach donors, IDLO designed three **Thematic Programs** in line with Strategy 2020: Institutions for Justice and Peace; Justice for Women and Girls; and Economic Growth, Development and the Rule of Law.

The Thematic Programs were launched at the annual **Consultation on Strategic Partnerships** in October 2018, to which 14 current and prospective donors were invited. The Consultations were well attended and led to substantive constructive discussions around shared priorities and opportunities for funding. IDLO is following up on the positive feedback with the relevant capitals. We are grateful for the support and guidance we received on the Consultations from members of the Standing Committee, especially Italy and the United States.

To broaden the donor base and in line with the recent amendment to the Establishment Agreement, IDLO's President, the two Vice Presidents and I issued a **joint appeal to Member Parties** "to support the Organization financially through voluntary contributions in accordance with their capacity." I hope Member Parties will give serious consideration to the appeal.

The 2018 Management Plan called for IDLO to set up policies and processes to receive in-kind contribution including staff secondment and JPO schemes. In 2018 the **Italian Ministry of Foreign Affairs and International Cooperation** and IDLO signed a JPO agreement for young Italian professionals to gain experience in the international development sector with IDLO.

Membership and Governance (Major Initiative 6)

As an intergovernmental organization, IDLO relies on its Member Parties for political support and robust governance. Having a broad and engaged membership is therefore a key priority.

IDLO has enjoyed healthy membership growth in recent years from 26 Member Parties in 2012 to 34 in 2018. Montenegro became IDLO's newest Member Party earlier this year while Liberia's membership is in the process of being finalized. A number of other States are also pursuing membership applications. The growth of IDLO's membership reflects the constructive relationships that IDLO has built with a wide range of governments through its work and solid results.

IDLO is committed to continued increase of its Membership and is actively pursuing membership discussions with countries with which it has a strong relationship through programs or financial partnerships. In doing so, we are conscious of the need to ensure that IDLO's membership maintains a good balance between regions and between OECD and non-OECD status countries.

During the year, IDLO Secretariat provided support to IDLO's governing bodies to carry out their functions, including the implementation of governance reforms adopted by the Assembly in November 2017. I participated, together with senior managers and other relevant staff, in all meetings of the Standing Committee and the annual meeting of the Board of Advisers. The Director of Finance and Support Services and his colleagues attended meetings of the Audit and Finance Committee.

V. CONCLUSION

As we come to the end of 2018, IDLO is in a good state financially and programmatically with a solid record of concrete achievements. The results of 2018 indicate that we have overcome the financial difficulties we faced in the first year of Strategy 2020 and are now firmly set on a positive trajectory. We could not have achieved what we have without the strong support of our partners and the dedication and hard work of IDLO employees around the world and at Headquarters. I am very grateful to both and look forward to working with all of you to continue to meet the goals of *Strategy 2020*.