Management Plan & Budget 2015

(Draft for presentation to the Assembly of Parties)

IDLO

Creating a Culture of Justice

Management Plan 2015

1. The draft 2015 Management Plan is the third yearly plan under the framework of IDLO's Strategic Plan 2013-2016. It is based on an analysis of external trends, an assessment of our organizational strengths and weaknesses, and lessons learned from our programs and other activities.

2. At international and national levels, the rule of law is increasingly being acknowledged as an essential element for advancing peace and stability, improving the economy and building inclusive societies. The debate surrounding the Sustainable Development Goals and the post-2015 development agenda has given fresh impetus to this realization and a higher profile to IDLO. Our assumption is that the heightened interest in the rule of law and access to justice, and the wider appreciation of IDLO's mission and achievements will create significant new opportunities for our programs, research and policy advocacy in 2015 and beyond.

3. Foreseeing these opportunities, in the past year we took advantage of the generous contribution of flexible funds from the Netherlands and the establishment of the Branch Office in The Hague to enhance our capacity; improve our competencies, including our specialist expertise, communications skills and infrastructure; expand our partnerships; and initiate institutional improvements to better support our operations and activities around the world. We believe these measures, as well as those that we will introduce in 2015, will enable us to consolidate our growth and put the Organization on a firm footing for longer-term financial sustainability.

Diagram 1. *IDLO's direct program implementation and unrestricted revenue 2010 – 2014*

4. Having grown rapidly and significantly in the past few years, (see diagram 1 above), the aim now is to stabilize the Organization at a viable level. Our largest program, the US-funded Justice Training and Transition Program in Afghanistan (JTTP), will be completed in late 2015. Furthermore, the political volatility and insecurity which challenged IDLO's operations in post-conflict countries and constrained our delivery in 2014 are likely to persist in 2015. The proposed 2015 Management Plan takes these realities into account and proposes a range of measures to stabilize organizational growth, manage and mitigate risks, and create a more balanced program portfolio, as well as increase the level of flexible funds and financial reserves.

5. We have designed our 2015 Management Plan using the same formula as used for the 2014 Management Plan, including:

- a set of **"Critical Strategic Initiatives" (CSIs)** that communicate clearly our priorities for the year, drive our resource allocation and ensure progress towards the 2015 Strategic Goals;
- a list of concrete **outputs** aligned to the goals of the Strategic Plan; and
- a balanced **budget** to resource the Management Plan.

The CSIs, described below, build on those pursued in 2014. **Annex 1** sets out the outputs of the 2015 Management Plan, and **Annex 2** presents the proposed budget.

Critical Strategic Initiatives

6.   Based on our experience to date in 2014, and our assessment of challenges and opportunities in 2015, we have identified the following CSIs for 2015:

CSI 1: Build a balanced portfolio

7.   After a rapid expansion of our program portfolio from 34 million euro in 2012 to 79 million euro in 2013, the program portfolio has reached 87 million euro in the last quarter of 2014. We expect it to remain at approximately the same level in 2015.

Diagram 2. *IDLO's program portfolio 2010 – 2014*
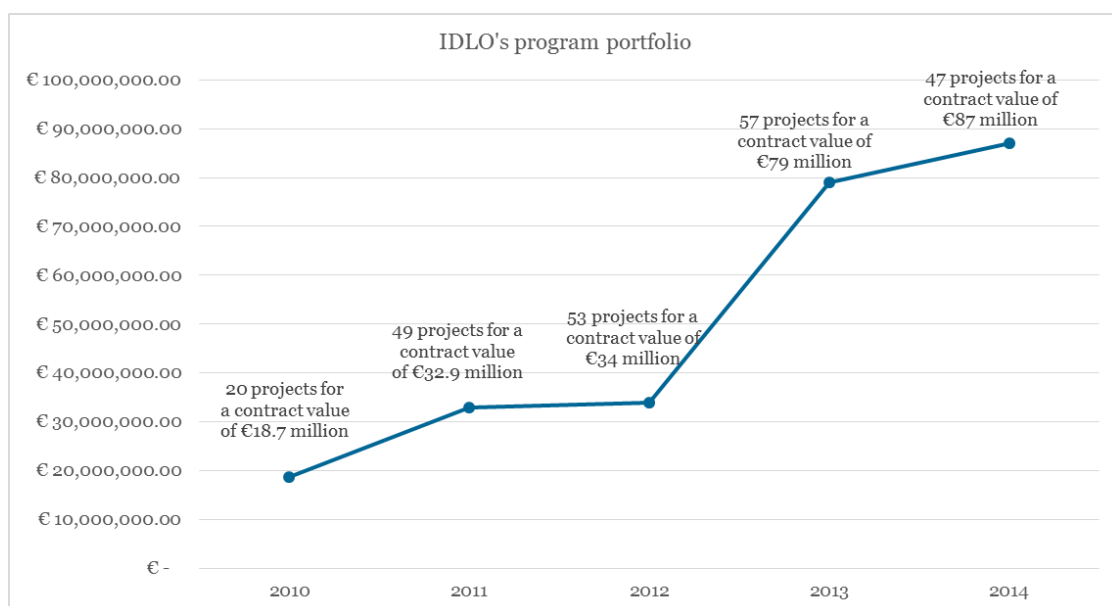
8. Beyond 2015, with the completion of the large JTTP Program in Afghanistan, our aim will be to improve the quality and stability of our portfolio. We recognize our comparative advantage in peace-building and intend to continue to make a valuable contribution to promoting peaceful societies. However, an overwhelming majority of our work is in a small number of post-conflict countries, which exposes the Organization to high risks. Therefore, we will pursue greater geographical balance in our portfolio. Furthermore, most of our work is concentrated on only one of the three themes identified in our Strategic Plan, namely institution-building. To meet the goals of the Strategic Plan, and build a more stable and diverse portfolio, we need to expand our work on the other two themes: access to justice and legal solutions for sustainable development.

9. The need for a better balanced program portfolio was recognized in the 2013 and 2014 Management Plans. We planted some seeds that are beginning to show promise, and we intend to nurture and grow them further in 2015. More specifically, we will:

- **Consolidate well-established operations.** Given our experience, achievements and investment over a number of years in Afghanistan, East Africa and Central Asia, we will secure the continuation of our programs and our presence in these countries/regions beyond 2015.

- **Grow our emerging work.** In the past year, we have sought to open up new prospects in Francophone Africa, South and Southeast Asia, and the Middle East. In 2015, we will deepen these opportunities, specifically in Mali, Indonesia, Myanmar, Bangladesh, Egypt, Kuwait, Tunisia and Jordan. Through the EUROsociAL program in 2013-2014, we also expanded our experience and networks in Latin America. With the support of interested Member Parties, we will design new programs for Latin America in 2015. Building on the results of scoping missions and projects in 2014, we will also explore further opportunities in Central and Eastern Europe.

- **Strive for better thematic balance.** While institution-building, capacity development and legal reform will remain the largest thematic areas of our work in 2015, we see promising opportunities for expanding the work that was started in 2014 on access to justice, women's and children's rights, legal empowerment, informal justice, health and climate change. We intend to invest in scaling-up these initiatives in all geographic regions.

- **Assess and refocus some issues.** Balancing our portfolio requires us to draw lessons from our experiences and revise our approach where results have not matched our expectations, or where we are failing to exploit opportunities fully. Anti-corruption/integrity, biodiversity and commercial/economic law are areas in which we need to define our strategy and identify more clearly our comparative advantage. In 2015, we will reassess the respective program strategies and adjust our priorities in line with the findings.

- **Exploit synergies between programming and research.** Our experience in 2014 has shown that generating knowledge from our programs and injecting

research into our programs benefits both arms of our business. Our emerging work on children's rights and our projects on climate change and biodiversity, have both benefited from this synergy. In 2015, we will continue to strengthen the interaction between research and programming as a means to further diversify our portfolio.

10.   **Program development** will be a major priority in 2015. We do not underestimate the challenge of creating a balanced program portfolio and maintaining a satisfactory level of program revenue after the Justice Training and Transition Program in Afghanistan is completed in 2015. During 2014, we allocated dedicated funds to support program development activities and set up an Opportunity Review Committee to screen program proposals. Drawing on lessons learned from our programmatic growth so far, we will pursue an aggressive, multi-pronged strategy on business development. More specifically, we will:

- **Scale up existing operations.** We have a good track record of starting with a small project, developing new programs on the back of existing ones and gradually becoming a partner of choice in the country on the basis of proven results. We will continue this approach, strengthening the capacity of our country offices to mobilize resources.

- **Build new business from the ground up.** We will invest in scoping missions, needs assessments, and pilot projects and, where appropriate, we will establish a light field presence to develop new programs. We tried this approach in 2014 and it has begun to bear fruit in Mali and Myanmar. We will allocate resources to do the same in selected countries in 2015.

- **Explore new models of programming.** Blending experimentation with experience, we will look at new types of rule of law programs. For instance, we expect to shortly sign an agreement with the Netherlands to manage the Rule of Law Fund in Indonesia through sub-agreements to implementing partners, which will be a change from our usual mode of direct implementation.

- **Develop "self-funded" programs.** In 2015, we will use a portion of additional flexible funds raised to finance programs that are in line with our Strategic Plan, that will help us to better balance and enhance our program portfolio, but for which restricted donor revenue is not available. By funding our programs from our unrestricted revenue, we will create a new business model, reflecting a progressive maturation of the Organization, from one that responded to donors' requests for proposals or sought donor funds for programs it designed, to one that both design and fund its own programs on the basis of needs and strategic choices.

- **Focus on strategic partnerships.** Recognizing partnerships as an invaluable element of our business development strategy, and maximizing our limited resources, we intend to be selective in our approach, and to distinguish between organizations with which we have a "programmatic fit" and those with which we would interact for broader collaboration. Using this criterion, we will prioritize

DPKO (UN), UNDP, UNICEF, UNAIDS, WHO, EBRD, the European Commission and the World Bank, and relevant bilateral aid agencies for program-related partnerships.

- **Be strategic in our choice of issues.** To ensure that we are strategic and well-informed in our choices, we will underpin our program development with country/regional and thematic "strategies" that will identify our comparative advantage, and help us to narrow down the issues and areas where we are most likely to have impact.

- **Review/improve processes and tools.** In 2014, for the first time, IDLO established criteria, standards, funds and mechanisms for developing programs, and established posts to support these activities. As we intensify our efforts to improve the quality of the program portfolio, we will evaluate our current policies and processes of business development to identify areas for improvement and adjustment.

CSI 2: Enhance program quality and impact

11. CSI2 has two distinct but related components: the first is focused on program management, and the second on research and learning.

12. **Program revenue target of 27.9 million euro.** We propose to set a concrete, measurable performance indicator for program management: annual program revenue to the value of 27.9 million euro in 2015. We believe this target is achievable because of the investment that we have made in the course of 2014 to enhance our program management capacity, the specific measures we intend to take in 2015 to empower our program managers and field offices, and because of the related measures that we are undertaking to increase efficiency and effectiveness of organizational support services (CSI 5) and invest in our people (CSI 6).

13. As we increase the volume and speed of our program implementation, we will ensure that we maintain program quality through better monitoring, expertise, research and learning.

14. In relation to program management, we will:

- **Strengthen field operations.** Until now, all positions in the field, including management positions, have been filled by consultants, leading to uneven performance and loss of institutional knowledge. In 2015, we will deploy staff to critical positions in our field operations in Afghanistan, East Africa and Central Asia. We will empower our managers in the field and at headquarters with appropriate delegation of authority and program management tools to improve program delivery.

- **Enhance monitoring and reporting.** As we devolve more power to our operations, we will strengthen accountability through better monitoring, reporting and control measures. New policies and procedures will be introduced for sub-agreements, and the selection and oversight of implementing partners.

- **Reinforce field security.** Given our exposure in fragile security situations, a number of measures were introduced in 2013 and 2014 to boost field security. We will maintain those measures, review and evaluate our security-readiness on a continuous basis, and update our guidelines and train our employees in line with emerging needs and risks.

15.   In relation to program quality, we will:

- **Emphasize learning.** We have established a new impact assessment function in the Branch Office in The Hague, and will use it to develop a quality framework, along with an impact assessment methodology and a plan of work. A number of programs will be selected for evaluation during the course of the year. Given that capacity development is a core competency of IDLO we decided to evaluate our methodology for capacity development in 2014. The recommendations of that evaluation will be rolled out across the Organization in 2015. Very importantly, as we cross the half-way mark of our current Strategic Plan in 2015, we will undertake a mid-term review which will lay the basis for our next Strategic Plan, to be drafted in 2016.

- **Ensure expert contribution.** We strengthened our legal and regional expertise in 2014 using additional funds from the Netherlands. In 2015, we will exploit that expertise to improve our program quality and impact. With a core in-house team in place, we will be better able to assess the kind of external expertise we need and how best we can access it through partnerships, networks and institutions, as well as consultants.

- **Mainstream gender.** In 2015, we will roll out our gender strategy. With the support of our Gender Specialist, we will develop guidelines for mainstreaming the issue and will provide relevant training to all employees in headquarters and the field.

- **Generate knowledge.** Research is essential both to improving the basis of our programming and in its own right as a program activity. We intend to develop a multi-year research agenda that will seek to disseminate learnings from our programs, build our knowledge and enhance policy advocacy. High quality reports and a knowledge management database will be key outputs to enhance our credibility as a learning and knowledge-based organization.

CSI 3: Influence the rule of law agenda

16.   Drawing on its program experience and research expertise, IDLO has established, particularly from our work in 2013 and 2014, a reputation as a champion of the rule of law. In 2015 we will continue to use our voice to raise awareness about the essential role of the rule of law in promoting sustainable development and building peaceful societies. The aim will be to create a broad community of support for the rule of law among governments, multilateral organizations and public policy experts, as well as judges, lawmakers and the other members of the legal community. We will seek to leverage the influence of our International Advisory Council and Board of Advisers to expand our network and strengthen our relationships.

17.   We will capitalize on IDLO's visibility to advance our mission, and promote political and financial support for the Organization.

18.   More specifically, we will:

- **Develop a global advocacy strategy** with the aim of strengthening political commitment to the rule of law as a principle of good governance, embodying the principles of human rights, as well as procedural justice.

- **Contribute to the post-2015 development agenda discussions,** including UN processes to finalize the Sustainable Development Goals. As this Agenda will influence the development priorities of all governments and donors, it is imperative that the rule of law retains a prominent position in that Agenda.

- **Promote advocacy dialogue** at the regional and global levels to influence major political and judicial stakeholders. In 2015, with the support of the Government of Italy, IDLO will organize a major conference on the Rule of Law and Africa, and participate in the Milan Expo 2015.

- **Engage with rule of law practitioners, academics and policy thinkers** to share our research and learning products. In 2015, we will organize a series of expert workshops in the Branch Office in The Hague and other locations.

- **Take our advocacy to the regions and countries where we work.** In 2015, we will organize a conference in Latin America to share the findings of our work on access to rights for vulnerable populations in that region. We will also explore how to develop more robust communication strategies in crisis and post-conflict countries where we work and where our voice could make a difference.

- **Engage with the UN and international organizations** based in Rome, The Hague, Geneva, New York and Washington D.C. In Geneva, we will seek to participate actively in the UN human rights system and will host a major photo

exhibition during the High-Level Segment of the UN Human Rights Council in March 2015.

19. The advocacy strategy will be underpinned by a communication strategy that will seek to improve the branding of IDLO as a results-driven "go-to" organization, disseminate high quality communications products, including the 2014 Annual Report ("Highlights 2014"), and promote IDLO's work through the website, social media and other channels.

20. A key element of CSI 3 will be to develop the public awareness and communication skills of IDLO employees so that they can "champion" the rule of law.

CSI 4: Grow our political and financial support

21. IDLO is in a healthy financial situation. Its growth trajectory is impressive, as can be seen from Diagram 3, with the prognosis for the next year looking positive. We are grateful to Italy for its continued and consistent support, and additional voluntary contribution in 2014; to the US for making us their "partner of choice" on rule of law programs; and to the Netherlands for its generous multi-year agreement to provide flexible funding.

Diagram 3. *Trend in Unrestricted and Restricted Revenue 2011 - 2015*
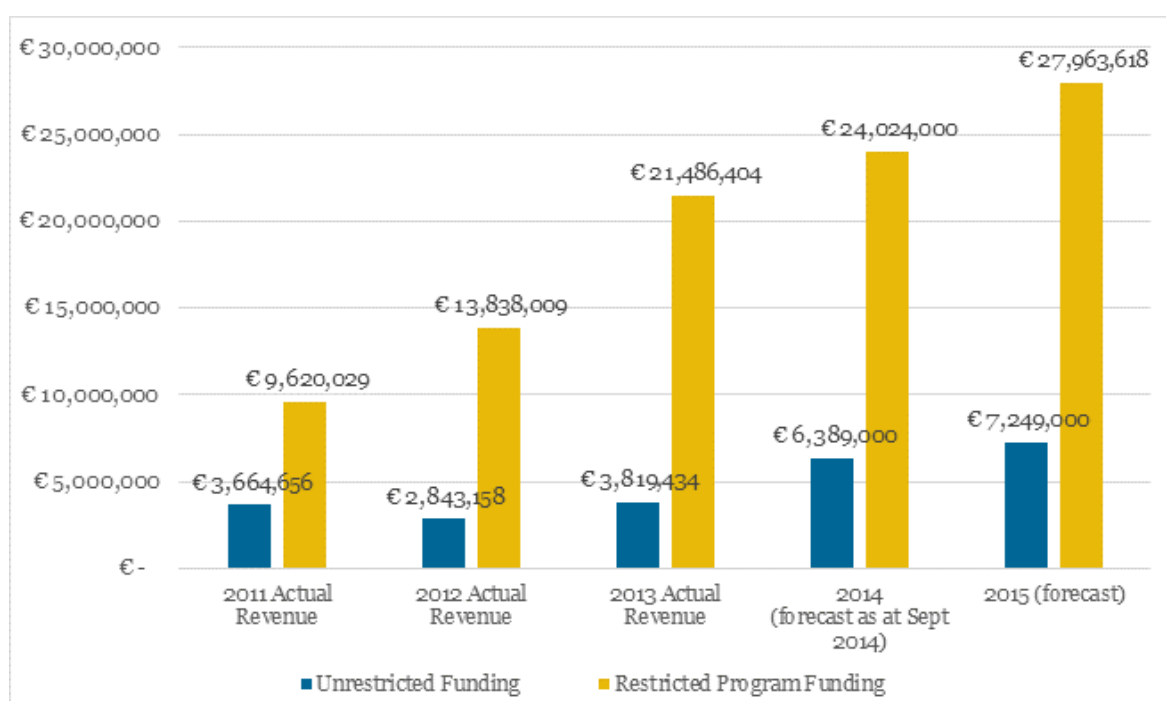
22.   Our resource mobilization strategy in 2015 will be to:

- **Maintain our program revenue.** We believe we can reach the target of 27.9 million euro in 2015 as some 80% of the revenue has already been secured. The challenge will come in 2016, when the large US-funded JTTP comes to an end. In anticipation of this, we are launching an intensive program development strategy in 2015, with the aim of stabilizing the program revenue, as explained under CSI 1 above (see paragraphs 7- 10).

- **Increase our level of flexible funding.** As part of the multi-year agreement with the Netherlands has committed itself to providing a matching grant of up to 1 million euro in new unrestricted contributions in 2015. This presents an incentive for donors, as well as an opportunity for IDLO. In 2015, another stimulus for donor investment is IDLO's commitment, as explained in this Management Plan, to use the additional flexible funds primarily to strengthen our field operations and deliver "self-funded" programs in line with the priorities set out in our Strategic Plan. In the proposed 2015 budget (see Annex 2), we use a conservative estimate to set the target for additional flexible funding at 2 million euro, of which 1 million euro would come from the Netherlands (although we believe that it will be possible to exceed this target with the support of our Member Parties and other interested governments).

- **Seek multi-year funding agreements to achieve greater financial certainty.** Currently, IDLO has entered into multi-year funding agreements only with the Netherlands and Kuwait. In 2015, the current agreement with Kuwait is due to end and we hope to negotiate a new multi-year agreement. IDLO is currently undergoing an organizational assessment by Sweden, which could open up the possibility of a new multi-year flexible funding agreement.

- **Broaden the donor base.** Although we have achieved financial sustainability, the donor base remains dangerously narrow, particularly for flexible funds, as can be seen in Diagram 4 below. This poses a significant financial and political risk to the Organization. IDLO will continue to work actively to engage new donors, including Sweden, Switzerland and the European Commission. We call on our Member Parties, especially the OECD countries, to support us financially as well as politically. We hope that our performance record, our readiness to reform ourselves and our positive profile will encourage Member Parties to invest in IDLO. Even a token contribution from Members strengthens IDLO's hand in approaching new donors for financial support.

Unrestricted Funding Donors / Spread
2010 - 2016

Other, 3%
USA, 11%
Italy, 27%
Netherlands, 59%
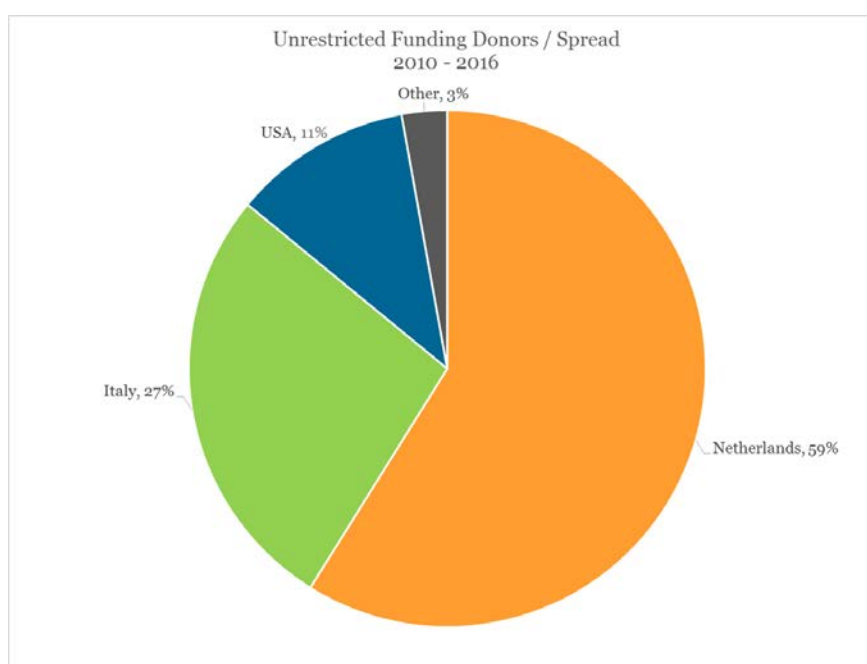
23.   Political and financial support should go hand in hand. As we seek to enhance financial support, we will also make a parallel effort to increase political support for our mission and our work through enhanced engagement with governments, both Member Parties and non-members. We will actively follow-up membership possibilities and other forms of cooperation that have emerged in 2014 with countries such as Sweden, Mexico, Kyrgyzstan, Mongolia and Pakistan. We will also strengthen our relations with countries where we operate by completing Host Country Agreements. Most importantly, we will set up a Consultative Forum for the regular exchange of views with all our donors and partners.

CSI 5: Effectiveness, efficiency and accountability

24.   CSI 5 and CSI 6 are interlinked, together constituting a two-year Continuous Improvement Program, launched in the last quarter of 2014, to strengthen institutional and workforce effectiveness as set out in the Strategic Plan. The emphasis will be on implementation and concrete deliverables, the measurement of which will be based on evidence and will include benchmarking with comparable organizations. More specifically, IDLO will:

   ▪ **Introduce an output-based planning, budgeting and reporting system.** This will foster increased transparency and accountability, and ensure that all IDLO outputs are costed and have key performance indicators that can be tracked and reported on a regular basis. This will bring IDLO into line with other organizations, including IGOs like the OECD, and set the stage for a move towards multi-year budgeting/funding, as well as accrual budgeting and cost-

allocation system, which in turn will improve control and attribution of costs. It will also allow IDLO to strengthen financial performance reporting, better monitor sub-grants, and implement International Public Sector Accounting Standards (IPSAS).

- **Improve business processes for enhanced service delivery.** Following a preliminary review that started in 2013, IDLO's end-to-end business processes will be improved to ensure that organizational support services are client-oriented, efficient and effective.

- **Upgrade ICT systems.** New and improved business processes will need to be enabled by efficient communications and technology solutions. An ICT needs assessment will be carried out and modernized systems will be rolled out over the next two years in all IDLO offices. The output-based budget system and the business process review will provide the technical requirements for upgrading IDLO's existing Enterprise Resource Planning (ERP).

25. In 2014, the Director-General took the initiative to launch an independent organizational management assessment of IDLO's operation in Afghanistan. It was the first of its kind at IDLO. Using the lessons learned from that experience, in 2015 the Director-General will seek selective independent management assessments and inspections where appropriate, in addition to the regular project and program evaluations planned by IDLO.. .

CSI 6: Invest in people

26. We have more than 300 employees in a number of locations around the world, recruited under a range of contractual arrangements. In 2013, we undertook a workforce review at headquarters and the newly established office in The Hague, which led in 2014 to considerable strengthening of our management capacity, especially at the middle level. In 2015, we intend to strengthen our field offices through the deployment of staff contract-holders, and improved training and induction of all employees. These efforts are part of an overarching human resource strategy to build a well-motivated, high-performing and cohesive workforce. More specifically, we will:

- **Review our employment policies.** Following the adoption of revised Staff Regulations by the Assembly in November 2013, IDLO launched a review of the subsidiary set of Staff Rules in 2014. To ensure that we base our Rules on an employment framework that is appropriate and affordable for IDLO, we will undertake in 2015 an independent assessment of contracting schemes for recruitment and engagement of talent across all IDLO locations and at all levels, including field and local staff, and consider policies and schemes to encourage employee mobility and rotation. We will then propose to the Standing Committee revised Staff Rules for adoption in 2015.

- **Strengthen leadership and people management.** The recruitment drive in 2014 has brought on board new middle and senior managers, as well as specialists and other staff. To improve performance management, as well as people management skills, we will update our performance management system, complimenting it with leadership, management training and mentoring schemes.

- **Improve internal communications.** Taking into account the significant number of new employees and managers, the growing cohort of colleagues in our field offices, and the ambitious organizational change and growth agenda ahead of us, we will work to keep employee morale high through measures such as team building across the Organization (within offices, and between headquarters and the field), improved internal communications and enhanced induction and training. A key aim will be to improve collaboration between field and headquarters, and between different offices and departments.

ANNEX 1. Goals, outcomes, objectives and outputs/activities of MP2015

GOAL	1 : INSTITUTIONAL & LEGAL REFORMS	2 : ACCESS TO JUSTICE	3 : LEGAL SOLUTIONS FOR SUSTAINABLE DEVELOPMENT & ECONOMIC OPPORTUNITY
OUTCOME	*Increased legitimacy and public confidence in institutions*	*Empowered individuals and communities*	*Fair and sustainable development outcomes*
OBJECTIVE	1.1 Justice sector development	2. 1 Gender equality	3.1 Climate change, green economy and clean technologies
OUTPUTS CONFIRMED	- Afghanistan: justice sector development and transition of training to national ownership - Kyrgyzstan: promoting the rule of law - Kyrgyzstan: strengthening the judiciary - Myanmar: capacity building of justice sector professionals - Africa: training on international criminal law and the ICC - Somalia: justice sector development - Somalia: strengthening customary justice - Somalia: strengthening the capacity of the justice sector to prosecute terrorism offenses - South Sudan: strengthening judicial capacity and legal education (revised program)	- Kenya: supporting women's participation in the public service - Kenya: access to gender justice and eradication of gender discrimination in Kenya's judiciary - Somalia: addressing gender-based violence with civil society - Afghanistan: strengthening gender justice	

PLANNED (TO BE RESOURCED)	• Myanmar: capacity building of the Union Attorney General's Office and the Office of the Supreme Court of the Union • Somalia: capacity building of the Attorney General's Office • Yemen: judicial capacity building	• Kenya: strengthening access to justice • Access to justice for women in Central America • Implementing IDLO's pledge to the UN General Assembly: reports on women's participation in the justice sector	• Kenya: building legal preparedness for climate change at county-level
INTERNAL PLANNING	• Tunisia: commercial law judicial capacity • Philippines: strengthening legal frameworks and institutions in the Bangsamoro	• Training /mainstreaming IDLO's policy and strategy on gender • Philippines: engaging with informal justice systems and Sharia courts to promote women's rights in the Bangsamoro	• Sustainable development strategy review • Assessment of biodiversity work

OBJECTIVE	1.2 Constitution-making & legal reform	2.2 Human rights & legal services for marginalized communities	3.2 Natural resource management
OUTPUTS CONFIRMED	• Kenya: supporting implementation of the Constitution • Somalia: legislative support of legal reforms	• Bangladesh: strengthening the National Human Rights Commission • MENA: alternative measures to child detention • Afghanistan: supporting access to justice • Indonesia: Rule of Law Fund for access to justice	
PLANNED (TO BE RESOURCED)		• Latin America: realizing rights (EUROsociAL II) • Lebanon and Jordan: building civil society capacity to promote access to justice for Syrian refugees • Mali: access to justice pilot program • Myanmar: statelessness • Somalia: enhancing inclusivity of the Constitutional review process through the active participation of civil society	
INTERNAL PLANNING	• Mapping: needs/demands for constitutional law reform • Ecuador and Peru: Support to Constitutional Courts	• Human rights strategy/mainstreaming and training of staff	• Legal frameworks for energy in Africa

OBJECTIVE	1.3 Transparency and accountability	2.3 Access to economic and social rights	3.3 Trade, investment, technology & intellectual property
OUTPUTS CONFIRMED	- Kyrgyzstan judicial integrity - Somalia: procurement training	MENA, Africa and Latin America: HIV-related legal services	- Kuwait: Acquainting foreign investors with economic laws - MENA/Gulf Region: Legal capacity building on trade and investment - Jordan: commercial law judicial capacity building - Mongolia: commercial law justice sector capacity - Montenegro: commercial law justice sector capacity - Montenegro: Agency for the Protection of Competition - capacity building - Tunisia: fighting economic and financial crimes
PLANNED (TO BE RESOURCED)		Benin: protection of rights of sexual minorities and HIV/AIDS	
INTERNAL PLANNING/ RESEARCH	Lessons learned / knowledge product on fighting corruption and building integrity in justice systems	- Collaborative projects with UNAIDS & UNDP on discrimination and HIV - Collaborative programs with the Caribbean Public Health Agency (CARPHA) on non-communicable diseases (NCDs) and right to health	- IDLO's policy and program strategy on fair trade and investment - Mapping: Natural resources and capacity development needs for contracts/procurement - IDLO's comparative advantage in economic law sector

GOAL	4 : KNOWLEDGE GENERATION, COLLABORATION & COMMUNICATION	5: CORE BUSINESS DEVELOPMENT
OUTCOME	*Thought leader on rule of law*	*"Best in class" programs*
OBJECTIVE	4.1 Policy engagement/convening of stakeholders	5.1 Strengthening program development and planning
OUTPUTS	▪ Development and implementation of global advocacy strategy to position IDLO as thought leader on rule of law in international debates on peace, justice and development ▪ Engagement at the UN on rule of law in the post-2015 development agenda ▪ Rule of Law and Africa conference in Rome ▪ Participation in Milan Expo 2015 on women, food and law ▪ Contribution to UN Human Rights Council, UNGA and World Bank law policy debates (including "side events") ▪ Engagement with Rome-based agencies ▪ Policy dialogues/events in Rome, The Hague, New York, Geneva, Brussels and key capitals ▪ Workshops at Branch Office in The Hague to promote IDLO's research and learning from programs ▪ Broadened stakeholder engagement, including with the judiciary, lawyers and lawmakers ▪ Relationship with influential personalities (including International Advisory Council and Board of Advisers members)	▪ Successful grant proposals: maintain program portfolio at 75 − 80 million euro on average ▪ Evaluation/improvement of Opportunity Review Committee (ORC) and Program Development Fund ▪ Business model for large sub-grant programs ▪ Business model for self-funded programs ▪ Needs assessment/scoping missions ▪ "Light" field presence for program development ▪ Field offices resourced for program development ▪ Adoption/roll out of country/regional strategies: Afghanistan, Central Asia, MENA, Latin America ▪ Field visits by gender specialist to support gender mainstreaming, program development and implementation ▪ Field visits/needs assessment missions by senior impact assessment officer to support monitoring, assessment planning and implementation ▪ Strengthened collaboration with UNDP, DPKO, UNAIDS, UNICEF, WHO, EBRD, EU, World Bank, FAO and IFAD
OBJECTIVE	4.2 Knowledge generation	5.2 Strengthening program delivery and capacity

OUTPUTS	▪ Knowledge products produced and launched on:
	  ▪ Justice sector reform in post-conflict societies/integrity and anti-corruption
	  ▪ Women's participation in the Justice Sector
	  ▪ Children's Access to Justice
	  ▪ Rule of law and SDGs (follow up products)
	▪ Development of multi-year research agenda and program
	▪ Procedures and guidelines on strengthening research quality and editorial approval
	▪ Knowledge management database
		▪ Implementation: program revenue target 27.9 million euro
		▪ Staff deployed to core posts in Kabul, Nairobi and Central Asia
		▪ Delegation of authority from HQ to field
		▪ Improved reporting from field to HQ, including regular sitreps
		▪ HQ missions to the field for support and oversight
		▪ Key field staff mission to HQ missions for inductions, briefings and training at least once a year
		▪ Field Operations Manual finalized and rolled out
		▪ All field and program related staff induction/training at least once a year

OBJECTIVE	4.3 Collaborative networks & partnerships	5.3 Learning culture
OUTPUTS	• Collaborative initiatives/programs with selected law firms, think tanks, academic institutions and the private sector • Implement stakeholder engagement strategy, including revised strategy to engage with alumni, expert networks and former staff • Agreements with selected academic institutions	• Mid-term evaluation of Strategic Plan • Evaluation of selected programs based on evaluation plan (to be approved by MC) • Develop quality framework and impact assessment methodology and plan • Roll out of results of capacity development methodology evaluation
OBJECTIVE	4.4 Enhanced public profile	
OUTPUTS	• Communications and crisis communications strategy and guidelines rolled out, with a particular focus on raising visibility of programmatic impact and training, especially to the field • Media relations integrated into all major communications activities • Background briefings and relationship building with key journalists in Rome, The Hague, New York and Washington DC • Continuous engagement with key audiences through targeted marketing communications, including regular newsletters and mailings • Interactive storytelling of IDLO's work through greater use of video and increased story and image gathering capacity • Creation and dissemination of products to promote IDLO's work and enhance the understanding of the contribution of the rule of law to development amongst key stakeholders, including through IDLO's website, social media channels • 2014 Annual Report • Continued improved web presence • Global photo competition exhibition at UN Human Rights Council in Geneva and other venues Improved branding of IDLO as a go-to implementer, including through development of credentials, case studies, presentation material and increased name-association for key projects	

GOAL	6 : ORGANIZATIONAL REFORM	7 : ACCOUNTABILITY AND RISK MANAGEMENT	8: INVESTING IN PEOPLE
OUTCOME	*Improved efficiency and cost-effectiveness*	*Prudent stewardship*	*Motivated and high performing employees*
OBJECTIVE	6.1 Updated policies, systems and tools	7. 1 Improved financial systems and control	8.1 Workforce planning
OUTPUTS	- Continuous Improvement Program multi-year plan - Implementation Business Process improvements - Implementation of ICT solutions/upgrades - User-friendly administrative, procurement, financial and HR guidelines and tools for employees - Updated organizational polices on delegations of authority and ethical conduct - Revised contract and other document templates	- Pilot implementation of Output-based Planning, Budgeting and Performance Reporting - Implementation of External Audit Recommendations - Implementation of a monitoring system for the management of sub-grants	- Follow-up to review of staff rules including contractual model and scheme for recruitment - Strengthened leadership and people management processes - Engagement plan for talent rolled out across all IDLO locations - Database of experts/specialists

OBJECTIVE	6.2 Alignment of structure to strategy/business purpose	7.2 Risk assessment and management	8.2 Creating a culture of excellence
OUTPUTS	- Set up of Branch Office in The Hague - Set up Amman Office - Set up of regional platforms in Bishkek and Nairobi	- Implement and maintain risk register and implement risk mitigation strategies - Improved financial reserves - Regular staff training on ethics - Staff training on field Security guidelines (ongoing) - Continuation of Travel Security Services - Security assessment of all IDLO offices (as needed) - Field security equipment upgrade (as needed) - Host country agreements for Afghanistan, Jordan, Kenya, Somalia, South Sudan and Kyrgyzstan	- Review of performance management system - Leadership & management training - Staff development plan and roll out - Induction plan for new staff, including field staff
OBJECTIVE		7.3 Reporting and compliance	
OUTPUTS		- Establishment of organizational key performance indicators - Organizational reports to Management and governing bodies - Inspections and management assessments	

GOAL	9: RESOURCE MOBILIZATION	10: GOVERNANCE BODIES & GOVERNMENT RELATIONS
OUTCOME	*Financial sustainability of IDLO*	*Good governance and government relations*
OBJECTIVE	9.1 Implementation of resource mobilization plan	10.1 Support to governance bodies
OUTPUTS	- Flexible funding target: 2 million euro, including 1 million euro Dutch matching funds - Financial sustainability: two multiyear funding agreements, in addition to the Netherlands - Broadened donor base: three new donors	- Induction and support to new Presidency - Support to Board of Advisers - Well-supported Assembly and governance meetings - Membership growth strategy, including developing the value proposition for potential Member Parties - Target for membership enlargement: at least one new member in 2015 - Membership engagement strategy, including information meeting for Member Parties
OBJECTIVE	9.2 Donor relations	10.2 Government relations
OUTPUTS	- Two meetings of Consultative Forum for donors/partners in 2015 (governments and multilaterals) - Development of value proposition, theory of change and business case for investment - Visits to selected donor capitals	- Development and roll out of government engagement strategy - Garnering political support through dialogue and relationship-building - Regular briefings on IDLO's work - Staff training on protocol and government relations

ANNEX 2: 2015 PROPOSED BUDGET

IDLO is proposing an Operating Budget of 34.712 million euro for 2015, as reflected in Table 1 below. The proposed 2015 Operating Budget is 15% higher than the operating budget forecast for 2014 of 30.237 million euro, mainly due to higher direct program implementation.

Table 1 below shows Salary Costs of 6.662 million euro, which includes all budgeted positions based in Rome, The Hague, New York, Geneva and other offices, except positions fully engaged in direct program implementation.

The Function Specific Costs of 2.500 million euro is in line with the 2014 approved budget and covers planned expenditure related to the following undertakings:

- activities related to program development and improvements to program planning, reporting, impact assessment and field security;
- continuous organizational improvements to deliver enhanced services to the field, including investments in IDLO's budgetary, financial, human resource and procurement business processes and ICT upgrades;
- research, advocacy and communications;
- resource mobilization; and
- governance.

Table 1. *2015 Proposed Operating Budget*

IDLO 2015 Operating Budget Proposal			
By Activity **€'s**		**By Expense Type** **€'s**	
Institutional Activities	4,973,923		
		Staff Costs	6,662,012
		Function Specific Costs	2,500,000
		Office & Other Support Expenses	2,142,200
		Total Costs	**11,304,212**
Program Support	4,243,145	Direct Program Costs	22,609,800
Program Delivery	2,087,144	Self Funding Direct Program Costs	798,000
Direct Program Costs	23,407,800	**Direct Program Costs**	**23,407,800**
Total Program Activities	**29,738,090**		
Total Budget	**34,712,013**	**Total Budget**	**34,712,013**

Table 2 below shows that while program implementation has increased since 2011, institutional activities as a percentage of the total budget have decreased over the same period. Despite the significant increase in program implementation, in 2015 the institutional costs are expected to remain proportionately similar to the level forecast for 2014. During the course of 2015, IDLO will seek to improve its budgeting by adopting an output-based costing approach, so that, going forward, program and institutional costs can be better defined, allocated and reported against. This will allow for better control of institutional activity costs to ensure that the percentage of institutional activities continues to be reduced in the years ahead.

Table 2. Program Implementation Compared to Institutional Activities 2011-2015

Program Implementation Compared to Institutional Activities €'s						
	2011 Actual	2012 Actual	2013 Actual	2014 Approved	2014 Forecast	2015 Proposed
Total Program Implementation	9,620,029	13,884,000	21,486,404	30,855,000	25,986,156	29,738,090
Total Institutional Activities	3,069,000	2,827,000	3,316,501	4,652,000	4,250,562	4,973,923
Total Budget	**12,689,029**	**16,711,000**	**24,802,905**	**35,507,000**	**30,236,718**	**34,712,013**
Cost of Institutional Activities as a Percentage of Total Budget	24%	17%	13%	13%	14%	14%

2015 Estimated Revenue

The revenue forecast for 2015 totals 35.212 million euro, comprised of unrestricted contributions of 7.249 million euro, restricted contributions for direct program costs of 22.609 million euro and program recovery income of 5.353 million euro, as shown in Table 3 below. It should be noted that approximately 80% of budgeted 2015 total revenues have already been secured, providing IDLO with a solid financial outlook and stability for 2015.

The unrestricted revenue estimate of 7.249 million euro includes a fundraising target of 1 million euro and another 1 million euro of matching funds from the Netherlands, under the terms of the multi-year agreement signed in December 2013. IDLO is optimistic that it can reach the fundraising target in 2015, on the basis of information available as at mid-September 2014.

Table 3. *2015 Estimated Revenue*

Revenue €'s					
	2015 Estimate				
	Unrestricted & Earmarked	Program(*)	TOTAL REVENUE	2014 Forecast (as at Sept 2014)	2013 Actual
Unrestricted Revenue	**7,249,000**		**7,249,000**	**6,034,000**	**3,288,480**
Netherlands	4,696,000		4,696,000	*4,000,000*	*1,700,000*
Italy	1,033,000		1,033,000	*1,504,000*	*1,032,914*
USA	450,000		450,000	*458,000*	*429,122*
Other	1,070,000		1,070,000	*72,000*	*126,444*
Earmarked Revenue	-		-	**355,000**	**530,954**
Other	-		-	355,000	530,954
Program Recovery		5,353,817	**5,353,817**	3,595,000	3,553,800
Reimbursement of Direct Program Costs		22,609,801	**22,609,801**	20,429,000	17,932,604
TOTAL	**7,249,000**	**27,963,618**	**35,212,618**	**30,413,000**	**25,305,838**

(*) Excluding self-funding activities and earmarked funding for the Branch Office Set-up

Diagram 5 below shows the trend in unrestricted (flexible) and restricted revenue of IDLO from 2011 to 2015. The growth in revenue since 2011 below shows the growing donor confidence in the Organization. The increased unrestricted funds in 2014 was thanks to the increased contribution of the Netherlands under the multi-year agreement signed in 2013. In 2015, IDLO intends to expand the volume of unrestricted funds from other donors. A portion of these additional unrestricted funds will be utilized for programs, while the remainder will be devoted to strengthening field operations and function specific activities.

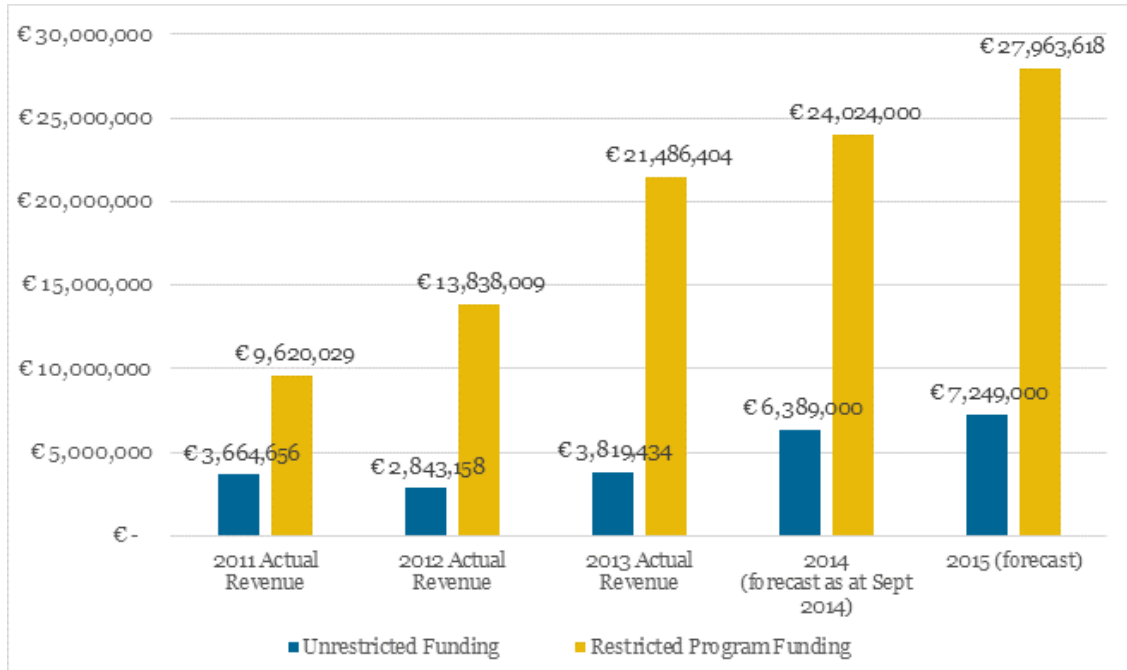**Diagram 5.** *Trend in Unrestricted and Restricted Revenue 2011 -2015*

Table 4 below denotes the expected program revenue and program recoveries for 2015. The method used to estimate program or restricted revenue is consistent with prior years. Program revenue is comprised of the forecast budgets of those programs currently under implementation and "high" probability pipeline programs (as of September 2014), plus 50% of the forecast revenue from "medium" probability programs in the pipeline. Table 4 also shows that 5.353 million euro has been calculated as the total program recovery and indicates that the forecast is secure, since 87% of recoveries will come from ongoing programs already under implementation.

Table 4. *2015 Program Revenue and Recoveries*

Program Revenue & Recoveries* €'s					
		2015		**2014** (approved budget)	
Source		Gross Program Revenue	Program Recoveries	*Gross Program Revenue*	*Program Recoveries*
On-going programs	A	22,598,195	4,681,138	23,202,000	3,489,000
Pipeline programs @ September					
High probability		4,541,700		4,404,000	
Medium probability		1,647,444		3,832,000	
Total Pipeline value		6,189,144		8,236,000	
Assuming only high probability + 50% medium probability will convert into contracts	B	5,365,422	672,679	6,320,000	1,048,000
Grand Total	A+B	27,963,617	5,353,817	29,522,000	4,537,000
* Program Recoveries consist of revenue from charging the time core staff spend on program implementation plus the 12% overhead					

2015 Estimated Operating Surplus

Table 5 shows the 2015 Net Operating Result. It shows that the estimated revenue for 2015 totals 35.212 million euro. This 2015 estimated revenue exceeds the proposed budget expenditure of 34.712 million euro, and will allow IDLO to balance its budget and finish the year with a surplus of 0.500 million euro. In view of the uncertain conditions in which many of IDLO's field operations are situated, it is prudent to seek such an operating result.

Table 5 also breaks down the financial forecast into institutional activities and program activities. The negative amount of 1.774 million euro represents additional program support and implementation capacity for which program revenue has not yet been secured, and that IDLO is optimistic of securing.

Table 5. 2015 Estimated Net Operating Result

2015 Estimated Net Operating Result €'s			
	Institutional	**Program**	**TOTAL**
REVENUE			
Unrestricted Contributions	7,249,000		7,249,000
Earmarked Contributions	-		-
Total Program Revenue "Secured" + pipeline		27,963,618	27,963,618
Total Estimated Revenue	**7,249,000**	**27,963,618**	**35,212,618**
COSTS			
Institutional Activities	4,973,923		4,973,923
Program Support Activities		4,243,145	4,243,145
Direct Program Activities		24,696,945	24,696,945
Self Funding Direct Program Activities		798,000	798,000
Total Estimated Costs	**4,973,923**	**29,738,090**	**34,712,013**
Net Estimated Operating Result	**2,275,077**	**(1,774,471)**	**500,606**

Proposed 2015 Capital Budget

The improvements required to achieve IDLO's organizational goals will involve capital expenditure and Table 6 below presents the estimated budget for 2015.

Table 6. *2015 Proposed Capital Budget*

IDLO Proposed Capital Budget 2015 * €'s	
Information & Communications Technology Requirements	300,000
Furniture & Fittings	50,000
Leasehold Improvements	50,000
TOTAL	**400,000**
* Does not include any Branch Set-up Costs which are being funded through a separate budget	