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Advancing Worker Rights in the Palm Oil Sector in Indonesia and Malaysia– Independent Final Evaluation

QUICK FACTS

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Administrative Office: ILO Jakarta

Technical Office: SECTOR

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BACKGROUND & CONTEXT

Summary of the project purpose, logic and structure

The Advancing Workers' Rights in the Palm Oil Sector project focuses on addressing decent work deficits in Indonesia and Malaysia in the palm oil sector and enhancing workers' capacities to secure their rights.

In Indonesia, the project's goal is to ensure that Indonesian unions in the palm oil supply chain effectively advocate for their members' access to fundamental workers' rights, in particular freedom of association and collective bargaining.

In Malaysia, the project aims for child labour- and forced labour-free palm oil plantations. The project in Malaysia contributes to the elimination of child labour and forced labour in the oil palm plantations sector by supporting the Malaysian Government's responses to the recommendations contained in the 2018 Employment Survey on Oil Palm Plantations.

Project outcomes in Indonesia are:

- Outcome 1. In-depth knowledge is generated about opportunities and challenges for the promotion of freedom of association and collective bargaining and effective social dialogue in the sector
- Outcome 2. National-level coordination and engagement among trade unions in the palm oil supply chain and their capacity to advocate for their members is strengthened through the effective functioning of the national union network
- Outcome 3. At the enterprise/local level, labour unions and workers in the sectors/sub-sectors of the palm oil supply chain, in particular plantation workers, have better capacity to advocate for and access their rights
- Outcome 4. Sound industrial relations are facilitated through strengthened capacity of the tripartite constituents to participate meaningfully in social dialogue.

The project outcomes in Malaysia are:

	<ul style="list-style-type: none"> • Outcome 1: Improved labour recruitment and management system in the Malaysian oil palm sector • Outcome 2: Community-based complaints mechanism piloted, and community leaders, employers and workers sensitized on forced labour and child labour issues • Outcome 3: Strengthened capacity of employers to mitigate risks in oil palm plantations • Outcome 4. Strengthened capacity of trade unions in organizing local and migrant workers in the plantations and in engaging in collective bargaining agreements
Present situation of the project	The project was solely implemented in Indonesia between September 2019 and October 2021. From November 2021 until July 2023, the project was amended to include activities in Malaysia. An initial no-cost extension was granted until December 2023. A further no-cost extension was granted in December 2023 until April 2024.
Purpose, scope and clients of the evaluation	This was a final evaluation that offered an opportunity for promoting accountability for the implementation and results of the project and also for ILO, USDRL, and other stakeholders to learn lessons about the project for future programming. The evaluation covered the entirety of the project in both countries from design up until the data collecting in November and December. The main clients of the evaluation are the project team of the Advancing Workers Rights in the Palm Oil Sector in Indonesia and Malaysia project, the ILO Country Office for Indonesia and Timor Leste (CO Jakarta) and the Regional Office for Asia and the Pacific (ROAP), and SECTOR, as the technical backstopping office, and USDRL.
Methodology of evaluation	The evaluation utilised the six OECD/DAC criteria, with 2-4 questions in each criterion. The evaluation applied a mixed methods evaluation, relying mainly on qualitative data collection, that was triangulated with quantitative data the project had collected through its monitoring process. The evaluation included a desk review of key documents, initial online interviews with the project team and technical backstoppers. Data collection missions were undertaken in Indonesia and Malaysia. Methods on the data collection mission included key informant interviews (KIIs), focus

group discussions (FGDs), and collecting stories of change. A total of 83 (31 women, 52 men) participated in the evaluation in 20 individual and group 21 KIIs and 7 FGDs. This included 32 participants in KIIs and 50 participants in FGDs. 32 workers (12 women, 20 men), 14 trade union leaders (5 women, 9 men), 11 employer representatives (3 women, 8 men), 15 government representatives (6 women, 9 men), and 8 ILO Officials (3 women, 5 men) participated in KIIs and FGDs.

MAIN FINDINGS & CONCLUSIONS

Relevance

Key Finding 1: The project was clearly relevant in Indonesia at the national level to the industry employers' group and the sectoral trade unions. It helped address a significant gap of coordination and cooperation.

Interaction and dialogue between the workers' and employers' representatives at the national level was virtually non-existent prior to the ILO's original intervention in this sector. The project has supported significant improvements in relationships both between the workers' and employers' representatives and also within different national trade union federations who represent workers in the palm oil sector. The project was able to leverage ILO's comparative advantage with a recognition among employers and workers representatives that addressing international concerns regarding working conditions in the palm oil sector was necessary for the long-term future of the sector. This was driven at the national level by the various trade union federations and the employers representative group, and diffused to the company level during the project.

Key Finding 2: The project was relevant to the needs of workers and employers at the plantation level in Indonesia, addressing gaps in knowledge on negotiation, mediation, decent work deficits, and occupational safety and health (OSH).

Workers in the palm oil sector in Indonesia experience significant decent work deficits and often do not have the organisational

capacities and knowledge to address these. The project's focus on strengthening local trade unions as well as the national federations and building the capacities of the workers' to undertake negotiations has helped address these gaps and contribute to improvements in collective bargaining.

Key Finding 3: The project was relevant to the identified needs to address gaps in knowledge and indicators of forced labour and child labour in Malaysia.

The project aligns closely with the National Plan of Action on Forced Labour (NPAFL) that identified gaps and concerns linked to forced labour in the palm oil sector, particularly in Sabah. The project supports the pillars of awareness, protection, and partnership in the NPAFL, and the strategic goals of an improved knowledge base, stronger legal compliance, better migration governance, and improved availability of access to redress and support for victims of forced labour.

Key Finding 4: The project utilised the ILO's comparative advantage effectively, particularly through being able to access palm oil companies and advocate for social dialogue. This was more evident in Indonesia than Malaysia, which may reflect the comparative lengths of the intervention in each country.

The ILO has been able to leverage its position as a neutral arbiter between the tripartite constituents to improve collaboration and coordination. This allowed the ILO to be seen as a value add for the sector rather than being antagonistic towards it. This was more readily apparent in Indonesia where the longer project length had allowed for stronger relationships to have been built, but there were also signs of this starting to be the case in Malaysia as well.

Coherence and Validity of Design

Key Finding 5: The project builds effectively on previous ILO interventions.

Both the Indonesian and Malaysian parts of the project build effective on previous projects by the ILO. In Indonesia, the project built on the 'Promoting decent work in Indonesia's palm oil sector' project that had included a diagnostic study of the palm oil sector and the development of an action plan and potential interventions for the sector and begun the initial dialogue between workers' and employers' representatives. In Malaysia, the project was designed to build on the 'From Protocol to Practice: A Bridge to Global Action on Forced Labor (Bridge)' project, funded by the US Department of Labor. This project included a migration cost survey among Indonesia plantation workers in Malaysia which the current project was able to utilise in its interventions.

Key Finding 6: The project effectively addressed the cross-cutting themes of social dialogue and gender equality. There was limited attention to disability inclusion and the just transition to sustainability.

Social dialogue was a key element of the project's objectives and mainstreamed throughout the activities. The project document includes gender analyses for both Indonesia and Malaysia. Women in Indonesia were more likely to be in informal work of short-term contracts and be excluded from trade union leadership positions. Many migrant women in Malaysia begin work with valid documents but are then forced into exploitative conditions. The remote nature of the palm oil plantations means women in both countries are vulnerable to sexual abuse and harassment. The project in Indonesia worked with companies and trade unions on training on sexual abuse and codes of conduct, as well as working to empower women workers to take on positions of leadership in trade unions. In Malaysia, the project worked with the ILO's Safe and Fair project to provide training on FPRW with a focus on gender equality.

The project has not addressed disability inclusion at all or worked with any organisations of persons with disabilities. Trade unions expressed an interest in training on disability inclusion during the evaluation that may provide an entry point for future work. The

project also did not include a significant focus on the just transition to sustainability. Although the palm oil sector has faced significant on this in recent years, the ILO does not possess the same competitive advantage on this issue that it has on decent work and international labour standards, and there would be a higher risk of duplication of work with other agencies if a focus on just transition was included in the project.

Key Finding 7: The limited timeframe of the Malaysia component of the project was a challenge.

The Malaysia component of the project was only two years, compared to four in Indonesia. There is less evidence of ownership of the project and the development of collaborative platforms in Malaysia than there is in Indonesia. Many of the outputs remain pending approval of the government to be able to take forward and considerable support will be needed in future on these.

Key Finding 8: There was limited interaction between the Indonesian and Malaysian elements of the project.

Although most of the palm oil workers in Sabah, Malaysia are migrants and the project did include activities that focused on migration, there was limited interaction between the Indonesia and Malaysian elements of the project. The main activity to remain outstanding in Indonesia was the development and launch of the pre-departure orientation materials for Indonesian migrants going to work in the palm oil sector in Malaysia. In Malaysia, the community complaints mechanism has not been operationalised yet. Stronger cross-border collaboration maybe be possible in future interventions.

Effectiveness

Key Finding 9: The outputs have been achieved in Indonesia, although a small number of activities remain outstanding.

The project has been able to achieve all the outputs from the results framework in Indonesia. In many cases, the project has significantly

over-achieved the indicator targets. For example, the project set the target of 10 collective bargaining agreements (CBAs) to be developed in a bipartite manner. As of December 2023, 31 CBAs have been adopted at the plantation level. A small number of activities that did not have corresponding outputs remain pending, mostly notably the finalisation of the pre-departure material.

Key Finding 10: The development of platforms of sector trade unions, and the trade unions and employer sectoral group in Indonesia is a significant achievement.

The development of the JAPBUSI and JAGASAWITAN is a significant achievement, particularly given the lack of trust and cooperation at the start of the project between the constituents. The platforms provide a basis for ongoing collaboration and are a strong resource for future ILO interventions.

Key Finding 11: Many outputs have been completed in Malaysia but are pending approval by the Government. The project was unable to persuade any companies to complete company policies or declarations on child labour and forced labour.

There has been less achievement of the outputs in Malaysia, which can be partly linked to the limited length of the project. Some outputs, such as the community grievance mechanism and the fair recruitment guide offer good potential for future use but are awaiting approval by the Government. Companies were also unwilling to complete company policies on child and forced labour, arguing that their internal policies already covered these topics.

Key Finding 12: Greater awareness of gender equality and violence and harassment can be identified as a result of the project.

The evaluation identified a greater awareness of gender equality and violence and harassment. The project successfully persuaded companies to undertake training on violence and harassment and review their policies and codes of conduct as a result. It was reported by stakeholders that bipartite committees were also more aware of issues related to gender equality and were addressing

concerns raised by women workers more than in the past. The increased confidence of women workers to be active in trade union leadership and social dialogue processes (such as CBA negotiation and as members of OSH committees) was noted as an impact of the project.

Key Finding 13: Unintended/unwritten outcomes that were not included in the results framework can be identified.

The unintended/unwritten outcomes include the registering of thousands of workers in the social security system, the additional programmes that GAPKI and the Labour Inspectorate have developed, and the unionisation of workers in one Malaysian company as a result of a joint employer/worker workshop. The registering of workers in the social security system is linked to one of the good practices of the project, that of encouraging joint labour inspections of the plantations, which led to the identification of the workers who were not previously registered.

Efficiency

Key Finding 14: The project has efficiently utilised its resources. The project has utilised 92% of the budget to date. Approximately \$160,000 remains. However, staff turnover and not being able to implement all activities reduces efficiency to a small degree.

The project has been fairly efficient in utilising its budget. The main underspend items in Indonesia are in travel and office budget lines linked to the work from home and no-travel measures during the pandemic. In Malaysia, underspend is more linked to outstanding activities. Delays in recruiting the full time Field Officer in Malaysia and the turn-over of staff in provincial positions created some challenges to efficiency.

Key Finding 15: The project has been able to utilise resources from other departments and units.

The project utilised existing ILO resources effectively. Additionally, the project was able to leverage technical support from various

departments beyond the official backstopping department of SECTOR. Support from the Regional Office for Asia and Pacific from the migration, labour inspection, industrial relations, and FPRW specialists was also obtained, some of which was planned and costed in the original project document and some which was made on a piecemeal request for support when need arose.

Impact

Key Finding 16: The project has had significant impact on improving relationships between workers and employers in particular.

This particular impact is most noticeable in Indonesia, and the development of the platforms are strong achievements, but there are initial stages of improvement in Malaysia as well. Employers and workers both identified several examples of greater collaboration as a result of the project. The JAGASAWITAN platform is a particularly strong example of this. In Malaysia, stakeholders believed there the project had contributed to a stronger recognition of the need for collaboration and had changed mindset among the employers from viewing the ILO and trade unions as antagonistic towards them to being seen as a resource.

Key Finding 17: At the local level, in Indonesia, the project has achieved impacts through the collective bargaining agreements it has supported, although these have not been assessed for quality.

The project has supported the agreement of 31 CBAs. These should be assessed at some point to understand both the quality and implementation of them. More individually, workers and companies reported better cooperation on the plantations, and workers reported more confidence in interacting with management. This was particularly noticeable with women workers who reported good gains in confidence in both interacting with management and in performing supervisory roles on the plantations.

Sustainability

Key Finding 18: The development of the JABUSKI and JAGASAWITAN platforms are a strong indication of ownership of the project at the national level.

The platforms provide a strong resource for collaboration between workers' and employers' organisations, as well as future ILO interventions. Continued support from ILO will be needed, but the platforms should support sustainability in the future. The platforms have the potential to be replicated in other sectors and in other countries.

Key Finding 19: Policy level gains need to be fully implemented to be sustainable in the long-run

In Malaysia, the project has supported policy development that if fully implemented would produce important impact for workers in the palm oil sector. These include the fair recruitment policy and the community grievance mechanism. However, in order for these gains to be fully realised and sustainable, they need to be approved and adopted by the government and further support given by the Government of Malaysia. Supporting the Labour Department of Sabah to pilot the community grievance mechanism and providing training to duty bearers to ensure awareness of the mechanism will be needed in future projects. Continued advocacy with the Government of Malaysia to validate the fair recruitment policy and training of key officials in the policy would also support the institutionalisation of the policy.

RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES

Main findings & Conclusions

Indonesia

1. Try to strengthen to tripartite approaches in the next stage- ie bring government more on board with the current bipartite negotiations
2. Review the CBAs to identify how much progress has been made in workers rights.
3. Try to replicate the national level success in bipartite platforms at the provincial level

	<ol style="list-style-type: none"> 4. Provide more training for the labour inspectors on the labour inspection manual. 5. Conduct training on case management of harassment cases who manage the system. 6. Promote the model of JABUSKI and JAGASAWITAN to other sectors. 7. Support the documentation of case studies of success to promote the business case to other firms. 8. Conduct a scoping study on the 'plasma' farms to understand potential entry points for working at in this section of the industry. <p>Malaysia</p> <ol style="list-style-type: none"> 9. Ensure longer term projects that allow greater time for the delivery of policy level change and ultimately impact and sustainability 10. Ensure either a new ILO project or existing ILO projects provide support on the roll out of the fair recruitment guidelines and the community complaints mechanism. <p>Both</p> <ol style="list-style-type: none"> 11. Develop stronger cross-border collaboration. 12. Provide training to the unions on disability inclusion. 13. Develop a theory of change for both countries and consider what the key pathways of change are. 14. Include a specific outcome linked to women's empowerment and addressing the gendered issues women face. 15. Plan final evaluations earlier.
<p>Main lessons learned and good practices</p>	<p>Lessons Learned</p> <ul style="list-style-type: none"> • Projects that work in sectors that traditionally have had a lack of cooperation between employers and workers should be of a sufficient length to ensure progress can be made, particularly where policy changes are one of the main goals. <p>Emerging Good Practices</p> <ul style="list-style-type: none"> • Developing a multi-level approach to relationship building has helped strengthen the intervention. • Joint inspection activities strengthen the abilities of labour inspectors to identify and address violations.