

Final Evaluation of Strengthening and Improving Labour Relations in East Timor (SIMPLAR)

FINAL REPORT

Oslo, June 2006



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Acronyms

CAVR	Commission for Reception, Truth and Reconciliation in East Timor
CDCU	Capacity Development Coordination Unit
CTA	Chief Technical Advisor
DECLARATION	Programme on promoting the Declaration on fundamental principles and right at work
DIALOGUE	Social dialogue, labour law and labour administration branch
GDP	Gross Domestic Product
GNI	Gross National Income
HDI	Human Development Index
ILO	International Labour Organisation
MDG	Millennium Development Goal
MLCR	Ministry of Labour and Community Reinsertion
MTE	Mid-Term Evaluation
NDP	National Development Plan
PMP	Performance Monitoring Plan
SIMPLAR	Project to Strengthen and Improve Labour Relations in East Timor
STAGE	Skills Training for Gainful Employment
SSL	Secretary of State for Labour and Solidarity
TOP	Timor-Leste Overseas Employment Development Programme
USDOL	United States Department of Labour
UNDP	United Nations Development Programme
UNMISSET	United Nations Mission of Support in East Timor
UNOTIL	United Nations Office in Timor-Leste
UNTAET	United Nations East Timor Transitional Administration

Executive Summary

Summary of Findings and Conclusions

The project *Strengthening and Improving Labour Relations in East Timor* (SIMPLAR) was funded by the U.S. Department of Labor with a grant of USD756,170. The project was implemented by the International Labour Organization (ILO) through an umbrella cooperative agreement designed to help countries realize the principles of the ILO's Declaration on Fundamental Principles and Rights at Work. Commencing on 1 January 2002, SIMPLAR was designed to run over an 18 month period. Events resulted in the project being suspended between July 2003 and January 2004. The project officially ended on March 31, 2006.

SIMPLAR partially achieved its development objective of contributing to Timor-Leste's social and economic progress through the establishment and operation of an effective labour relations system. Two of the project's four sub-objectives were realised, in whole. These include strengthening employer and trade union groups and contributing to regulations and the formation of the Labour Relations and Minimum Wage Boards (policy and legislation). SIMPLAR's objectives in relation to the creation of an arbitration system and dispute resolution system were partially realised. The project had no overall gender strategy. While some legislative initiatives appear to be gender-sensitive, a strategy was not used in the training programme.

The ILO is respected by the three social partners in Timor-Leste. All stated they value collaboration with the ILO, and their hope that it will continue after SIMPLAR. The point was re-enforced during a brief meeting with the Minister of Labour, who concluded SIMPLAR's support has been important to the formation and operation of the labour ministry. The ILO, therefore, retains a high level of trust and credibility, in part because of the quality of programming in other areas.

Coming to a quantifiable determination on SIMPLAR's impact was hampered by the lack of systematic monitoring and analysis during project implementation. Due to the size of the project, the ILO and USDOL decided not to invest funds in a performance monitoring plan. In addition, government and social partners had limited capacity to collect data against the indicators. However, major project outputs related to legislation, capacity development and technical assistance were delivered. The outputs responded directly to the requests of all three social partners and were of high quality. Of note, SIMPLAR made substantive contributions to at least eight legislative initiatives, including revision to the labour code. Training activities were tied to the development of priority legislation and the capacity of social partners. Under stable political conditions with growth in the formal economy, these outcomes would have a significant and lasting impact on Timor-Leste's labour relations systems.

SIMPLAR provided important concepts, vocabulary and analysis on which those relationships have functioned. While difficult to quantify, the concept of tri-partite labour relations helped the three partners identify incentives for collaboration and the rewards to be gained. Informants did not explicitly make a statement in this regard. Rather, it was apparent through their interactions during the interview process. SIMPLAR and the ILO, therefore, have made a contribution to changing the perceptions and mental models behind the behaviour of project stakeholders.

Factors in the project environment undermined SIMPLAR's impact. The three tri-partite labour boards were formed in 2005 but are still not fully operational, with the exception of the Minimum Wages Board which has met several times. There is no consensus within the Council of Ministers on the concept of tri-partite labour relations or what role the boards will play. SIMPLAR's legislative and training activities, therefore, have not achieved their potential. The same problem led to the suspension of SIMPLAR between 2003 and 2004, during which time the project lost its momentum and capacity development activities were halted. In the absence of SIMPLAR, the ILO had reduced capacity to be an advocate for tri-partitism.

The situation in Timor-Leste affected the validity of SIMPLAR's assumptions and objectives. However, the project did not have the analytical framework or flexibility to respond. While the ILO responded in good faith to UNTAET's 2001, the original analysis did not include a clear assessment of whether the proper enabling conditions existed. SIMPLAR was designed as a project for implementation under "normal" development conditions rather than a post-conflict environment. Neither the USDOL nor the ILO had specific programme criteria for post-conflict situations. Accordingly, no special consideration was given to the fragility of the situation, or a realistic timeframe for building up the capacity of the three social partners. The 2003 Mid-Term Evaluation presented its findings within objectives and methodology established in the original project. However, it did not ask if these were still valid or whether an alternative approach was needed.

In this context, SIMPLAR overestimated the short-term demand for industrial relations policy and structure, and the capacity and priorities of social partners. In a subsistence agriculture economy with only a small formal sector, there were few actors requesting that the Government make project objectives an immediate priority. Rather, the Government's short-term focus has been on security, capacity development, rural development and livelihood creation. The Government has also managed competing priorities coming from Timorese society and the donors, with only limited human and financial capacity. Only in 2005/06, with progress on consolidating state institutions and the prospect of oil revenues to support national development objectives, did the Government appear ready for a more concerted effort on labour law and industrial relations. It was not realistic to believe, therefore, that 18 months would be sufficient to achieve project objectives.

Summary of Recommendations

1. Post-conflict projects should be supported by a clear policy framework and programme criteria that respond to the unique conditions in those environments. Projects should take a medium-term approach, and allow for the scaling up of activities and funding as the capacity of social partner expands, along with demand for project services.
2. Project design should begin with a situation analysis, leading to an explicit statement of assumptions about the project environment. Assumptions should be tested and validated on a regular basis as part of the Performance Monitoring Plan, ensuring they remain valid. Where monitoring concludes there have been changes in the programme environment, programmes need the flexibility to reposition activities.

3. Financial and programme administration should be situated within one project/management structure. That structure should be as close to the point of service delivery as possible, to ensure that resources are available to programmers in a timely manner.
4. Capacity development initiatives in post-conflict environments should be based on a long-term programme commitment and strategy. The time frame should reflect a realistic assessment of social partner's ability to scale up their capacity, and ensure sustained engagement over that period. Interruptions in the sequencing of programme delivery should be avoided, allowing for a critical mass of knowledge and skill to be developed gradually.
5. The ILO must strengthen its process for recruitment and selection of international experts for placement with national social partners. Care should be taken to ensure that candidates have both the professional skill and aptitude to contribute in a difficult field posting. The ILO must monitor the performance of posted experts, and intervene to resolve problems as they arise.
6. Projects must have a clear performance monitoring strategy. Particular attention should be paid to the systematic monitoring and collection of data against performance indicators. Those indicators should be based on a realistic assessment of the capacity of the project and social partners to gather data. Training events should always be followed by participant evaluations.

1. Introduction

The *Strengthening and Improving Labor Relations in East Timor* (SIMPLAR) project was funded by the U.S. Department of Labor (USDOL) with a grant of USD756,170. The project was implemented by the International Labor Organization (ILO) through an umbrella cooperative agreement with USDOL designed to help countries realize the principles of the ILO's Declaration on Fundamental Principles and Rights at Work. The original cooperating agency was the United Nations Transitional Authority's Division of Labour and Social Services. Responsibility was transferred to the Timorese Government after independence.

Commencing on 1 January 2002, SIMPLAR was designed to run over an 18 month period. Events resulted in the project being suspended between July 2003 and January 2004. The project officially ended on March 31, 2006. Total duration of the project was four years and three months, of which the operational period was approximately 32 months.

SIMPLAR's Development Objective was "to contribute to East Timor's social and economic progress through the establishment and operation of an effective labour relations system, including workable arrangements for the prevention and resolution of disputes". By the end of the project, SIMPLAR was to establish "a labour relations policy and legal framework including arrangements for tripartite consultation will be established, agreed and operational; and a labour dispute resolution system will be established, agreed and operational, including arrangements for conciliation, arbitration and adjudication" (ILO 2001).

The project, therefore, had two Immediate Objectives with performance indicators identified for each:

Immediate Objective One: A gender-sensitive labour relations policy and legal framework established and operating

- Trade unions and employer organizations formed and operational and labour relations improved at the enterprise level.
- Regulations on (a) employment and labour administration (b) termination of employment and (c) minimum wage fixing implemented and National Labour Board which is created under (a) and referred to in (b) and (c) operational.

Immediate Objective Two: A Labour dispute resolution system operating effectively

- A dispute prevention and resolution strategy prepared, including institutional framework, and regulation on labour relations operational.
- Conciliation, arbitration and adjudication systems operational and statistics on labour disputes available (ILO 2001: 9-10).

1.1 Purpose of the Final Evaluation

The objectives of the SIMPLAR Final Evaluation were outlined in Section VI of the Terms of Reference (Annex A). The evaluation included six elements:

1. Evaluate the validity of the project methodology and approach.
 - a. Ascertain if impact statements articulated in the Strategic Framework were achieved.

- b. Evaluate the quality and impact of project activities on participants.
 - c. Evaluate employer and worker understanding of industrial relations.
 - d. Evaluate stakeholder (all individuals and organizations involved in the project) understanding and capacity to address industrial relations at the workplace through workshops and TA.
 - e. Evaluate the tripartite approach in the context of the country
2. Assess the project implementation (schedule, activities, and materials).
3. Evaluate the current management performance effectiveness of the project, which include staffing responsibilities and communications (ILO, CTA, and key personnel).
4. Evaluate the project's sustainability plan.
5. Assess the effectiveness of the project performance monitoring sustainability plan.
6. Assess level of stakeholder commitment to the project.

1.2 Methodology

David Gairdner, a Partner with Scanteam based on Oslo, Norway, served as the Independent Evaluator. He was accompanied during the field mission to Timor-Leste by Christianus Panjaitan, Programme Officer from the International Labour Organisation office in Jakarta, Indonesia. Mr. Panjaitan has been responsible for backstopping the final implementation of the project.

The evaluation used the methodology outlined in Section VII of the Terms of Reference (Annex A):

A document review was conducted over three days prior to the field mission. The documents provided by the ILO included:

- The original 2001 Project Document, which includes the Performance Monitoring Plan (PMP) matrix of Objectives, Outputs and Indicators
- The 2003 mid-term evaluation report (Fraser 2003)
- Quarterly project reports
- Training Materials
- Trip Reports
- Work plans

While in Timor-Leste, the Evaluator requested additional documentation related to both the SIMPLAR project and the country situation. Particularly useful was labour market data provided by Eoghan Walsh, ILO Management Information Systems Expert (Dili). A complete list of documents is included as Annex C.

A pre-mission conference call was held on Friday, 21 April 2006. Participating was David Gairdner (Independent Evaluator), Wael Issa (Technical Cooperation Officer with the InFocus Programme on Promoting the Declaration, ILO Geneva), Kristin Lantz and Jona Lai (United States Department of Labor). The meeting reviewed objectives and itinerary for the field mission.

The field mission to East Timor took place from 24 to 28 April 2006. The Independent Evaluator met with 21 informants from the Government of Timor Leste, ILO field staff and the World Bank, as well as:

- Workers and employers who have received the training from the project

- Members of the National Tripartite Committee, the Labour Relations Board and the Arbitration Board.
- Employer groups, unions and Government departments that have received training.
- Ministry of Labour and Community Reinsertion officials who have collaborated with the ILO in the development of legislation, regulations and policy.

The Evaluator often met with training beneficiaries in a context that had a different focus. For example, members of the Labour Relations Board and the Arbitration Board had all participated in training activities. However, discussion focused on the work of the boards and did not touch on their experience as beneficiaries. While in Dili, the Evaluator requested a meeting with a focus group of beneficiaries. However, time did not permit one to be organised.

The Independent Evaluator made a presentation of initial findings to ILO staff and representatives of the Ministry of Labour and the union movement in Dili on 28 April 2006. The debriefing had two objectives; quality control (addressing any factual errors or omissions) and improving the substantive quality of the report through discussion of initial findings with stakeholders. The debriefing note was circulated to participants, and made available to the ILO and the USDOL.

Post-mission interviews were held by telephone with the USDOL in Washington. There was a post-mission telephone interview with John Ryan, SIMPLAR's former Chief Technical Advisor (CTA). The first draft was reviewed for comment by the ILO Geneva, representatives of the USDOL and John Ryan.

The Terms of Reference do not include any provision for **considering the post-conflict environment** into which the SIMPLAR project was implemented. However, post-conflict dynamics were a critical element affecting both implementation and outcomes. To compensate, the Evaluator considered whether the project:

- Addressed the particular needs of post-conflict Timor Leste.
- Was based on assumptions that were correct.

1.3 Structure of the Report

The scope of the evaluation is outlined in Section VI of the Terms of Reference. The report is structured in response to five questions:

- Were the project's strategic framework and methodology appropriate?
- Was the project implemented as planned? Assess any changes and their impact.
- Did the project achieve its objectives? What were the outcomes (impact)? In reviewing SIMPLAR's impact, the Evaluator considered the following:
 - Ascertain if impact statements articulated in the Strategic Framework were achieved.
 - Evaluate the quality and impact of project activities on participants.
 - Evaluate employer and worker understanding of industrial relations.

- Evaluate stakeholder (all individuals and organizations involved in the project) understanding and capacity to address industrial relations at the workplace through workshops and technical assistance.
- Evaluate the tripartite approach in the context of the country
- Did the project have an effective sustainability plan?
 - Can the outcomes be sustained once the project is completed?
 - What is the level of Stakeholder commitment?
- Did the project have an effective performance monitoring plan?

1.4 Acknowledgements and Disclaimers

The Independent Evaluator received the full cooperation and support of informants, including ILO staff in Timor-Leste and Jakarta. In all cases, informants gave generously of their time and engaged the discussion in a frank and constructive manner. The Evaluator interpreted this as an indication of SIMPLAR's importance to stakeholders, and their desire to both continue and make improvements.

Christianus Panjaitan (Programme Officer, Jakarta) provided support to both the substantive content and logistics in Dili. Alan Boulton (ILO Director, Indonesia) gave two extended interviews and provided key insights. Jolanda Buter (ILO Vocational Training Expert, Dili) helped coordinate activities and shared her knowledge on Timor-Leste, along with other ILO team members in Dili. Eoghan Walsh provided labour market data, and showed great patience in the explanation. John Ryan gave generously of his time for telephone conversations and a follow up email.

It must be noted that ILO staff in Dili provided support to the Final Evaluation at the same time as tensions were building towards renewed violence. It did not become apparent how serious the situation was until hours after the mission left Dili. The Evaluator observed both the dedication of ILO staff and the stress and risk that the programme environment places on individuals. The same statement could be made of Timorese informants. In this regard, the contribution of ILO staff and others is all the more respected and appreciated.

Notwithstanding the high quality of inputs received, the Independent Evaluator assumes sole responsibility for the contents of the report and any errors or omissions that it may contain.

2. Findings and Conclusions

2.1 Question One: Were the project's strategic framework and methodology appropriate?

The Final Evaluation did not have an opportunity to conduct a full situation analysis. Rather, it considered general trends in the project environment, as they existed in 2001 and evolved during the project's implementation. The sources were informants, project documentation and data generated by the Government and donor community. To determine the relevance of the project, the Evaluator compared project assumptions, objectives and methodology against those trends.¹

The SIMPLAR project design was based on seven assumptions, stated or implied. These were not explicitly defined, leaving the Evaluator to paraphrase the following from the 2001 project document:

- Timor-Leste is emerging from an extended period of violent conflict, which destroyed the infrastructures of governance, economic development and social interaction. Strengthening the institutions of governance and Timor-Leste's legislative framework are first order priorities.
- The United Nations East Timor Transitional Administration (UNTAET) will hand over to a new Timorese government following elections in 2001. A Secretary of State for Labour and Solidarity (SSL) will be established.
- The private sector will gradually expand and be the principle source of economic growth and job creation. As more people find formal employment, the number of labour disputes will also increase.
- Timor's existing labour relations system is rudimentary. A priority for the ILO is to work with all three social partners to establish an effective labor relations system, including workable arrangements for the prevention and resolution of disputes.
- The absence of a labour relations system will place limits on economic and labour market growth.
- The work of establishing a labour relations system can be completed over an 18 month period.
- All social partners, particularly the Government of Timor-Leste, have the means and are willing and able to meet their project commitments.

2.1.1 Situation Analysis

Timor-Leste has passed through the humanitarian crisis of the post-independence period and entered what the Government describes as a "short-term phase of fragile and uncertain development" (NDP 2003: para 8). The Evaluator witnessed the

¹ Assumptions are the conclusions of an analytical process. They describe the major factors that shape the environment in which a programme will be implemented. Assumptions, therefore, are the basis for programme development. In a dynamic context, the validity of an assumption can be expected to change with time. The six assumptions are paraphrased from project documents.

challenges facing Timorese society in demonstrations that were ongoing during the mission. Five persons were killed and 45 houses burned in Dili during protests against the government's dismissal of 600 soldiers. In the following days, over 20,000 persons fled Dili on the strength of rumours that the dismissed soldiers would launch another attack.² Conflict within state security institutions and a deterioration in their ability to enforce the rule of law appeared to be creating an opportunity for other kinds of violence; common crime, conflict between youth gangs, revenge killings and politically motivated attacks. Tensions from past conflicts, therefore, are still present and influence the project environment.³

Timor-Leste became an independent country on 20 May 2002. UNTAET transferred power to an elected Timorese government, and the United Nations Mission of Support to East Timor (UNMISET) was established.⁴ Current tensions notwithstanding, the Government is operational and most of the institutions called for in the Constitution have been established, including a Ministry of Labour.⁵ The Government's priorities, as outlined in the 2003 National Development Plan (NDP) are poverty reduction and economic growth with equality. To reach these goals, the government will focus on strengthening its own capabilities, enabling institutions and legislation. The private sector will be the engine of both economic growth and job creation, with the government providing stimulus, physical infrastructure, social programmes and a stable legal framework (NDP 2003).

Despite important gains in the area of governance, Timor-Leste's human development indicators (HDI) are the lowest in the ASEAN region.⁶ The HDI has improved modestly in the areas of education and health (UNDP 2006: 1-2).⁷ However, poverty indicators show the situation has actually deteriorated since independence (UNDP 2006: 1-5). While Gross National Income (GNI) has increased with the onset of production in the petroleum sector, non-petroleum growth is modest. Gross Domestic Product (GDP) growth outside of the petroleum sector was only 0.4 percent in 2004 and 1.8 percent in 2005. This follows a contraction of six percent GDP in 2003 on the

² Jakarta Post, Thousands flee Dili amid unrest rumours, 06 May 2006.

³ The official account of political violence occurring between 1974 and 1999 is found in *Chega! Report of the Commission for Reception, Truth and Reconciliation in East Timor* (CAVR 2006). The Commission estimated that 102,800 Timorese were killed in political violence during the period of its mandate (CAVR 2006: 44). 84,200 were non-combatants that died of starvation or illness. The Commission also observed a pattern of systematic detention, torture and rape (CAVR 2006: 45-47).

⁴ Information on UNTAET is posted at <http://www.un.org/peace/etimor/etimor.htm> and UNMISET at <http://www.un.org/Depts/dpko/missions/unmiset/index.html>. UNMISET concluded its mandate on 20 May 2005. It was replaced by the UN Office in Timor-Leste (UNOTIL) with a mandate to support the development of critical State institutions <http://www.un.org/apps/news/story.asp?NewsID=14332&Cr=timor&Cr1=leste>

⁵ The Ministry was upgraded from a secretariat in 2005.

⁶ Timor-Leste ranked at 140 out of 159 countries in the 2006 UNDP Human Development Index, http://hdr.undp.org/reports/global/2005/pdf/HDR05_HDI.pdf

⁷ Timor's adult literacy rate was 50.1 percent in 2004, and average life expectancy was 55.5 years. Weak data means that information on some MDG indicators is not available. The UNDP reports important gains in the areas of school enrolment, infant mortality and the extension of health care services. However, these are not sufficient to put Timor-Leste on track to achieve Millennium Development Goal (MDG) targets (UNDP 2006).

closure of UNTAET in 2002 and drawing down of international donor assistance (IMF 2005: 5; World Bank 2006).

Nor has the Timorese economy recovered from the 30 percent contraction it experienced after the 1999 referendum and ensuing violence (IMF 2005: para 1). Per capital income declined from USD 450 in 2001 to USD 364 in 2004 (WB 2006: 2)⁸ representing a 70 percent decline from 1999 levels (ILO 2006: 4). Forty percent of the population earns less than USD 0.55 a day, and is considered to live below the poverty level. Low economic growth contrasts with rapid population growth, which at over three percent is the highest in the world (WB 2006: 11). Facing this contradiction, the UNDP estimates that achieving a 30 percent reduction in poverty would require annual growth GDP growth of four percent, well above current levels (UNDP 2006: 4).

Timor-Leste has only a nascent economy. There are “few industrial opportunities for growth or employment, demand on all government resources far exceeds the ability to supply and questions of trade, investment and foreign relations remain unresolved” (NDP 2003: para 8). A 2005 market survey done for the ILO’s Skills Training for Gainful Employment Programme (STAGE) provides more recent detail. It found little formal sector activity, and that new enterprise ideas were formed in the logic of an agricultural society in which food security is the primary concern (ILO et al. 2005: 2). The creation of a formal sector and facilitating the migration of workers into that sector is part of the Government’s poverty reduction strategy.

Sector	2001 (Suku Survey)	2004 (Census)
Agriculture	82%	70%
Industry	4%	2%
Services	14%	28%

Table One: Employment by Sector (ILO 2006a)

Table One presents employment by sector, using comparative information from 2001 and 2004. The data shows a decline in industry. At the same time, there has been a gradual shift between out of agriculture into the service sector. However, the large majority of economically active persons are engaged in subsistence agriculture. The sector is unproductive and accounts for only about 20 percent of Timor-Leste’s GDP (UNDP 2006: 3). Farmers are constrained by the lack inputs, credit, machinery, transport and access to markets and secure title to their land. Accordingly, the Government (NDP 2003: para 48-55) and the donor community both (UNDP 2006) identify an integrated rural development strategy as among Timor-Leste’s top development priorities.

Unemployment in the urban areas is high. While the national average is estimated at 8.5 percent, unemployment in Dili is 23 percent, up from 21 percent in 2001. Youth unemployment in Dili is at 40 percent, although this shows five percent decline from 2001 (World Bank 2006: 5). Unemployment figures must be viewed in the context of

⁸ The UNDP HDI sets the poverty level at USD0.55 per capital per day, using 2001 data. Income poverty is twice as high in rural areas than urban areas, with Dili registering the lowest income poverty rates (UNDP 2006: 2).

Timor-Leste's demographics. The population is increasingly urban and young, with 50 percent being under 15 years of age.

The IMF and the Government estimate that 20,000 persons will be entering the job market on an annual basis, with seven percent GDP growth required to create a sufficient number of jobs (IMF 2005: 10). The trend further shows migration of young people to urban areas, particularly among males, with Dili's population increasing 40 percent growth between 2001 and 2004 (ILO 2006).⁹ With a growing number of young people entering the workforce and the stagnant economy unable to accommodate them, youth employment is both a priority and a potential source of conflict.¹⁰

The Government intends to stimulate economic development through infrastructure and public works, using petroleum revenues and donor funds and technical assistance. Timor-Leste has shown a fiscal surplus since the onset of oil production in 2004. Revenues were estimated at USD 300 million in FY2005, and are projected to rise to over USD 1 billion by FY2008 (World Bank 2006: 17). Their importance is shown by the fact that Petroleum revenues accounted for upwards of 80 percent of the FY 2005 budget (IMF 2005: Table 16). Timor's new Petroleum Fund, created under legislation in 2005, links the expenditure of resource revenues to national development objectives. Timor's budget for FY2005 was USD 80 million, grew to USD130 million in FY 2006 and is projected by the Government to reach USD 217 million in FY 2007. At the same time, the donor community concluded that "FY06 budget allocations indicate a strong pro-poor focus". Thirty two percent of the budget went to health and education, where there was been an improvement in both the quality of services and access in rural areas (World Bank 2006: 17-22).

The budget is characterised by significant new revenue inflows and slower expenditures, with budget execution estimated at 80 percent in FY2005. The Government is constrained in all areas by limited capacity, both institutional and human. While showing gradual improvement, the situation will not be resolved in the near future. Building capacity across the government, therefore, is critical and a Government priority (NDP 2003: para 17). This is long-term, if not generational process will show only gradual progress. The Government has created a Capacity Development Coordination Unit (CDCU) in 2004 to facilitate donor activity.

As noted, the Government's development strategy relies on the private sector for growth and job creation. In the non-petroleum sector, most of this is projected to occur in small and medium enterprises. There has been progress in establishing the legal/institutional framework for private sector and labour market development. However, these remain weak and constitute another long term priority (NDP 2003: 41). The Government is also committed to build entrepreneurial, technical and vocational skills (NDP 2003: para 21) the education and health systems to support

⁹ The ILO notes several factors contributing to migration,

¹⁰ International experience is that post-conflict countries are more likely to fall back into violence within 10 years than develop stable governments and societies. Frustrated unemployed young males in urban areas are often a key actor in the renewal of fighting. They are prone to being recruited by protagonists to the previous conflict. Also, violence creates opportunity for common and organized crime, gang activity. Unemployed youth may enter these activities when post-conflict societies do not provide other options. Violence can be seen as a form of livelihood or income generation.

development of human capital (NDP 2003: para 22-23) and physical infrastructure (para 24) and judicial system (NDP 2003: para 26).

2.1.2 Findings

Timor-Leste was a high risk programme environment in 2001. It remains such in 2006, despite the strengthening of governance institutions and improvements in some human development indicators. The potential for violence still exists and affects the programme environment. Divisions between factions within the Government are a concern, and reflected in current dispute over the dismissal of soldiers from one geographic region of Timor. Perhaps more serious is potential for violence that exists within the growing number of unemployed youth in urban areas. Their expectations can not be met without the creation of significant new employment or livelihood opportunities.

The project follows the standard elements of good design. The ILO responded in good faith to a request from UN transitional administration. The request was based on the findings of a High Level Multidisciplinary Mission to Timor-Leste, which identified priority areas for ILO technical assistance (ILO 2001).¹¹ It had clearly stated support from the new Timorese Government after transition. Project design includes a clear logical framework and performance matrix with indicators. The implementation strategy was inclusive of major stakeholders and made provision for monitoring and evaluation, although the ILO and USDOL subsequently made a decision not to invest in developing the performance monitoring plan. No other means of data tracking were developed.

The project correctly anticipated the 2002 transition to a new Timorese government, and the formation of a labour secretariat, which was upgrade to a ministry in 2005. The objectives of creating an integrated legislative and institutional framework for private sector development, employment creation and labour relations were stated priorities for both the Government and donor community. They appeared in the 2003 National Development Plan, the 2005 consultations with donors (World Bank 2006) and have been reinforced throughout SIMPLAR's implementation with ongoing dialogue between the ILO and the Government. Important steps have been taken in all these areas during the past four years.

Post-conflict dynamics within the project environment have played a role in shaping the implementation and outcomes. In responding to the request of the transitional administration, the ILO does not appear to have conducted a situation analysis to determine whether basic enabling conditions existed. The former CTA indicated that the ILO had "a limited understanding of the reality on the ground", particularly as these related to political dynamics within the Timorese government.¹² Neither the USDOL nor the ILO had a specific policy framework or programme criteria for working in post-conflict environments.

As a result, SIMPLAR was designed as a policy/capacity development project for implementation in a "normal" development context. Among the consequences, the project:

¹¹ The mission took place 26 February to 3 March 2000, and identified the two priority areas that became SIMPLAR's immediate objectives.

¹² Telephone interview with John Ryan, 15 June 2006.

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- Does not appear to have given special consideration to the fragility of the situation in Timor-Leste, and the effect that the country's legacy of violence would have on implementation.
 - Over-estimated how realistic it would be to create an industrial relations framework, in this context over such a short period. The objective of creating an industrial relations framework would have been optimistic even under stable conditions with a strong Government and social partners.
 - Underestimated how long it would take to build up the capacity of social partners. The HDI information suggests this is a long term activity. However, the project made assumptions about the ability of all three social partners to meet their project commitments that were ambitious, and did not reflect true capacity. This includes assumptions that the partners understood the nature of the task, the concepts on which it was founded and that achieving the objectives was a priority when balanced against other demands.
 - Overestimated the short-term demand for industrial relations policy and structure coming from Timorese society. The economy is still based on subsistence agricultural with only a nascent formal sector. There were few actors or developments in 2002-2003 that compelled the Government to make project objectives an immediate priority. In part, this may account for occasions when the Government stated that movement on industrial relations was a priority, but then did not follow up with concrete actions.

At the same time, the Government was contending with competing priorities, coming from both Timorese society and donors. It has managed these with limited human and financial capacity. Five years after independence, with progress on consolidating state institutions and the prospect of oil revenues to support national development objectives, the government appears ready for a more concerted effort on labour law and industrial relations. Policy demand is linked to medium-term plans to build physical infrastructure and attract foreign investment. Movement in these areas will also depend on the Government's ability to manage the current social conflict.

The 2003 Mid-Term Evaluation (MTE) did not question SIMPLAR's basic assumptions or objectives. It noted that conditions posed considerable risk to the project. However, the MTE did not ask whether those assumptions and objectives were still valid, propose alternative courses of action or identify new opportunities. The focus was on actions to achieve original objectives and to maintain the project's operational timeline, not to question whether they were still relevant. The 'normal' project approach, therefore, locked the MTE team into a particular mind-set and set the stage for the decision in 2003 to suspend activity. Deviation from these objectives might have required more flexibility than DOL's funding criteria could allow.

A different approach to project design might have been to:

- Conduct a full situation analysis, or draw on the analysis of others, to identify the order of development priorities within the ILO mandate. An analysis would include a realistic assessment of the capacity and priorities of stakeholders.
- Design the project based on a long-term intervention strategy to build the capacity of government and social partners, and to develop a legal and industrial relations framework.

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- Start with modest objectives over a medium-term (five years) time frame. The objectives and timeframe would require different funding criteria from the donor.
 - Provide a lower level of technical support in the initial phase, focusing on advice for medium-term policy and institutional development.
 - Scale up activity and funding in sync with growth in the capacity of the social partners, and demand for policy and services coming from society. These would correspond to changes in the structures of the economy itself, as the work force begins to migrate from subsistence agriculture into the public sector, services and industry.
 - The process of scaling up also serves as risk mitigation in the event that the situation becomes unstable, or social partners are unable to absorb project services.
 - Maintain close coordination with other initiatives that will affect long-term development in private sector, investment and labour market development.

As a final point on project start up, there was a time lag of up to six months between when the CTA arrived in Dili, and the project's physical infrastructure was in place. The CTA was charged with buying computers and other items. However, these were not readily available in Dili. The CTA maintains that the lack of infrastructure slowed initial implementation.

Recommendations

1. Post-conflict projects should be supported by a clear policy framework and programme criteria that respond to the unique conditions in those environments. Projects should take a medium-term approach, and allow for the scaling up of activities and funding as the capacity of social partner expands, along with demand for project services.
2. Project design should begin with a situation analysis, leading to an explicit statement of assumptions about the project environment. Assumptions should be tested and validated on a regular basis as part of the Performance Monitoring Plan, ensuring they remain valid. Where a review concludes there have been changes in the programme environment, programmes need the flexibility to reposition activities.

2.2 Question Two: Was the project implemented as planned? Assess any changes and their impact.

2.2.1 Observations

The project was not implemented as planned. Activities were suspended in July 2003 for a period of six months. Accordingly, the project was implemented in two phases:

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- Phase One covers the period 1 January 2002 until June 2003, prior to suspension. At the point of suspension, the project was 16 months into its 18 month term.
 - Phase Two covers the period after the suspension between January 2004 and 31 March 2006, during which time implementation of the project was completed. There were corresponding changes to the project's management structure and the delivery of activities.

The Decision to Suspend SIMPLAR

The decision to suspend activity was based on the findings of the 2003 Mid-Term Evaluation report (Fraser 2003). The MTE concluded "that SIMPLAR has made significant, efficient and effective progress over the thirteen months since its commencement in January 2002. It appears to be on track towards reasonable possibilities for sustainability in all areas it was designed to support." However, SIMPLAR "has now reached a point ...at which its overall success is dependent on a series of decisions by the Government. Foremost among these, in order of priority for the success of the Project, are:

- The appointment of members of the Labour Relations Board (the main conciliation and arbitration body)
- The appointment of members of the Minimum Wages Board
- The appointment of members of the National Labour Board (the main policy consultative body)
- The appointment of the Registrar of Trade Unions and Employer Organizations
- The passage of the redraft of the Labour Code into law
- The passage of the Migrant Workers Bill into law" (Fraser 2003: 1)

The MTE identified slow Government action as a significant risk to the project, its objectives and operational timeline. The report was not confident that the Government would meet its commitments, and recommended that the ILO and USDOL "monitor Government action relevant to the progress of the Project such that, in the event of at least the Labour Relations Board appointments not being made by the end of March, consideration should be given to a senior level advocacy approach to the East Timor Government" (Fraser 2003: 2). The finding set the stage for the suspension of the project, once the ILO and USDOL concluded that the Government would not act on the six points outlined in the MTE.

Changes in the Management and Programme Structure

During Phase One, SIMPLAR was administered from the ILO's regional office in Bangkok with technical backstopping by ILO DIALOGUE and overall management responsibility resting with the DECLARATION department. A Chief Technical Advisor (CTA) was posted to Dili on a full time basis to manage activities. On suspension and renewal of the project:

- Responsibility for budget management remained in the ILO's Bangkok regional office.
- Responsibility for programme administration shifted to the ILO's Indonesia office in Jakarta. The ILO assigned a Jakarta-based programme officer to work on a part-time basis. Some coordination and representation tasks went to the

ILO team in Dili, as these were required. Both departments in Geneva, DECLARATION and DIALOGUE provided closer monitoring and technical support.

- Budget constraints did not permit the ILO to retain a full time CTA in Dili.¹³ Rather, the former CTA and another consultant were brought to manage specific activities as required.
- The project relied on external subject matter experts to provide training and technical assistance to the Government. While foreseen in the original project document, they became the core of programme delivery in the absence of a CTA.

Activities Conducted in the Second Phase

The ILO's institutional memory for Phase One of SIMPLAR is limited. The Final Evaluation relied on Quarterly Reports and an interview with the CTA. Only one ILO staff member from that period was still in the Dili office. The MTE found the project had made "significant, efficient and effective progress" during the first thirteen months of operation. SIMPLAR was "on track towards reasonable possibilities for sustainability in all areas it was designed to support". The MTE attributed implementation delays to factors beyond the project's control rather than the ILO's management (Fraser 2003: 1). The Final Evaluation findings reinforced the MTE's general conclusions, and there was no significant point of divergence.

For Phase Two, there was no comprehensive list of SIMPLAR's 2005-2006 activities. A summary was drawn from ILO documentation: Mission and Consultant Reports, Brief Status Reports, Technical Progress Reports, occasional ILO papers, data and written contributions to the development of policy or legislation.

Contribution to Policy and Legislation

SIMPLAR contributed advice and technical support to at least eight legislative initiatives. The level of contribution has ranged from simply commenting on drafts to being significant and substantive. In so doing, SIMPLAR also contributed to the Government's legislative agenda and strategy.

In random order, the more significant contributions were made to:¹⁴

- Amendments to the Labour Code, both in terms of content and strategy
- Organic law and structure of the Ministry
- Ratification of the ILO Conventions
- Foreign and Migrant workers legislation
- Strategy and substance for setting minimum wage levels
- Arbitration regulations

¹³ The total cost of maintaining a CTA in the field was roughly estimated at over USD150, 000 a year. Retaining a CTA would have left little or no budget for SIMPLAR activities.

¹⁴ The activity lists are drawn from ILO reports. They are not complete, as the reports themselves may not list all activities. There are instances where it was not clear that the responsibility for an activity lies with SIMPLAR or another ILO activity. There may also be duplication in the reporting of events. As such, the lists should be taken as a sampling for evaluation proposes.

The ILO assisted in the formation of the tri-partite Labour Relation Board, Minimum Wages Board and the Arbitration Board. It has played an important role in analysing labour market data, noting that the Government has limited capacity in these areas. The ILO's contribution appears particularly significant in relation to minimum wage fixing.

External Subject Matter Experts

The ILO provided international subject matter experts in the following areas:

- Labour Inspector
- Overseas employment legislations and systems
- Minimum wage fixing

Training Activities

The ILO worked with the Government to coordinate training or seminars/workshops on:

- Industrial Relations
- Labour inspection
- Minimum wage fixing
- Overseas employment
- Reforms to the labour code
- Process for ratification of ILO conventions

As additional training activities, the ILO organised study tours for:

- Timorese labour inspectors, to Malaysia
- Trade Union Leaders, to Bali
- Timorese judges on International Standards for Labour Court Administration, to Jakarta

Other Technical Assistance

The ILO provided:

- Two junior legal experts for short-term postings in the Ministry of Labour and Community Reinsertion, one from Canada and one from Portugal.
- A Portuguese labour law and industrial relations specialist to work on the Labour Code drafting.
- The presence of John Ryan and Don Fraser to implement various SIMPLAR activities in Phase Two.

2.2.2 Findings

Decision to Suspend SIMPLAR

The Final Evaluation is not in a position to second guess the 2003 decision to suspend project activities. There is no guarantee that a different course of action would have produced a different or better outcome. Looking at alternative versions of the past, therefore, would be a speculative exercise. On a factual basis, the project was approximately 16 months into its 18 month term when the decision to suspend was

taken. Important cost savings realised during Phase One allowed SIMPLAR to extend its programme life. The choice to conserve project resources until the Government acted on project objectives resulted in value being added to the project, which would not have been achieved if activities were simply terminated in 2003. The decision to renew was also triggered by Government action on concerns expressed in 2003 MTE.

The decision was “correct” in light of funding criteria and the Government’s inability to fulfil project obligations. Pushing the Government harder in 2003 would likely not have resulted in action on project objectives, given limited capacity and competing priorities. Decisions on SIMPLAR’S structure once the project moved to Jakarta were largely defined by financial limitations. Placement of a full time CTA in Dili for Phase Two was not an option, given resource limitations. As an alternative, the Jakarta Director and Programme officer made frequent trips, which occurred on four to six week intervals depending on requirements.

Assessment is again related to how appropriate project design was to the context in Timor-Leste. SIMPLAR’s logic locked the ILO and the USDOL into a decision-making chain and the ILO managed its options well. However, informants identified four negative impacts:

- An extended period without activities and monitoring effectively dissolved the project. Lost were the project’s structure, contacts and momentum. These had to be rebuilt on renewal.
- According to informants, maintaining the relationship from Jakarta was not as effective as their day to day interaction with the CTA. All stated the lack of contact negatively affected the project, and their preference for working with a CTA posted to Dili.¹⁵ Union and Employer counterparts noted that they did not have a systematic contact, or “someone to talk to” in Dili. It was noted that not only was the CTA gone, but that the project had no Project Advisory Committee whose members could be engaged.
- Capacity development activities were not sustained. A strategy usually builds capacity through sequential learning, where one interaction builds on another over time. The decision to focus on the creation of the three labour boards was a trade off against building other aspects of social partners’ capacity. Informants from all three social partners noted that SIMPLAR had a limited capacity to follow up and support their work after a training event. Transferring some project responsibilities to the Dili-based ILO staff did not address this issue, as no extra resources were assigned.
- By suspending SIMPLAR, there was no constant dialogue with the Government on issues within the project’s mandate. This is a particular concern in conflict-affected environments, where communication and relationships are important.

SIMPLAR dis-engaged at an important moment. The Government was not acting on project objectives. However, there was a debate within the Council of Ministers on the concept of a tri-partite industrial relations structure, being called for in the Constitution. Two years later, the debate is unresolved. Important Ministers, including the Prime Minister, continue to oppose the tri-partite concept. According to several

¹⁵ These statements did not contradict the informants’ high regard for Jakarta-based staff.

informants, there is a reluctance to give up control to independent bodies. While the three labour boards have been formed, their mandates have not been approved by the Council of Ministers and the boards' operations are limited. It is not possible to speculate whether outcome would have been different if SIMPLAR had continued operations. However, the ILO could have made a stronger case with the Government if the project was still in operation and lobbying Ministers. Over the long term, resolving the conceptual debate may have been more important than achieving other project objectives.¹⁶

Financial Administration

SIMPLAR's financial administration remained in the Bangkok regional office, after the transfer of programme responsibilities to Jakarta. Accounting and requisition moved from service delivery in Dili, through the Jakarta office and then to Bangkok for approval and disbursement. Financial administration, therefore, was placed at two degrees of separation from the point of service delivery in Timor-Leste.

ILO informants could not give a clear explanation of why financial administration was not transferred along with programme responsibility. It was "just one of those things in the system". While not a serious problem affecting outcomes, the structure added an unnecessary layer of bureaucracy that:

- Did not add value to the project, but instead complicated administration
- Created unnecessary transaction costs and slowed the delivery of project services.
- Affected predictability, in the sense that programmers did not know if funds could be dispersed on time for activities.

Programme Delivery

Assessment of programme delivery was hampered by limited access to beneficiaries and the lack of evaluation material. Based on existing information, technical assistance and training activities delivered after the renewal of SIMPLAR were consistent with the objectives and spirit of the original objectives. The services provided were unique, and could not have been obtained from another source. Without exception, informants from the three social partners expressed their appreciation for the ILO's support. They considered the ILO to be a trusted partner, a perception that was reinforced by the high quality of the ILO's other programmes and staff in Timor-Leste.

With training activities:

- The materials, methodology and delivery of services were of high quality, and appreciated by beneficiaries. The Final Evaluation did not encounter an instance of serious problems with any activity that could be related to poor service design or delivery on the ILO's part.
- Were directly linked to the stated legislative and capacity development priorities of the Government. With ILO support, the social partners took the

¹⁶ The former CTA stated his belief that during Phase One, Project Management in Bangkok did not have a good grasp of the political situation in Timor Leste, and appeared unwilling to take a stronger political line with the government on meeting constitutional and Declaration obligations.

lead in defining those priorities. Activities appear to have been delivered with their full knowledge, support and collaboration.

- The short-term design of SIMPLAR did not allow the project to develop and implement a long term capacity development strategy.

With technical assistance:

- The ILO provided high quality advice on policy, legislation and strategy.
- The ILO's contribution has been essential to developing key elements of the Government's labour relations agenda.
- The sole concern was the contribution of international legal experts placed in the labour ministry.

SIMPLAR project services were delivered by high quality subject matter experts. The assessment of informants was that these persons were knowledgeable and appropriate to their subject areas. They contributed to both capacity development through training, and offered high quality technical advice. Resource persons were also considered neutral and open to work with all three social partners.

Gender Mainstreaming

Immediate Objective One states that the project will promote "gender sensitive labour relations policy..." (ILO 2001). However, there is no evidence in the documentation or interviews that an overarching gender strategy was used.¹⁷ Mission reports note the participation of women in training events was low. While this would be expected, there is no evidence that the ILO sought to improve the gender balance in activities or if such an objective could be achieved given the context. The Evaluator was not in a position to determine whether a gender strategy was integrated into the ILO's technical contribution to policy and legislation. The ILO pointed to gender references in the 2006 Arbitration legislation as evidence this was occurring. However, these again do not appear based on an overall project strategy.

Junior Legal Experts

The ILO placed two Junior Legal Experts in the Ministry of Labour, and facilitated the placement of a third Senior Expert to work with labour code revisions. The placements were organised in response to a request from the Ministry, which played a lead role in defining the criteria and in selection. The selection pool was limited by Portuguese language requirements and the difficulty attracting qualified persons to Dili. The experience of the legal experts was mixed. All three had difficulties in the Ministry's cultural and work environment. This was expressed by Ministry informants as rigidity, or inability to adapt to local circumstances.

The two Junior Legal Experts had limited professional experience and no international experience, which appears to have affected performance. One junior expert had significant difficulties, which were related to both professional qualifications and aptitude. Ministry informants assessed the quality of the expert's work as poor. He was accused by various informants of unethical behaviour, and being unable to work in a team. The ILO was eventually asked by the Minister to remove the expert, although there was some confusion on this matter as the Minister

¹⁷ The ILO staff person in Dili with responsibility for gender issues was on vacation outside of Timor during the Final Evaluation field mission.

had earlier supported the renewal. The poor quality of work and tension around the expert's behaviour means that the contribution to the Ministry was negative; that managing the expert detracted more capacity than was created through the placement.

The second Junior Legal Expert experienced problems related to aptitude, but adapted and made a contribution. Aptitude concerns were expressed about the Senior Legal expert. However, this person also appears to have made a contribution to labour code revisions.

Chief Technical Advisor

Concern was expressed by all three stakeholders that the original CTA was biased in favour of Australian companies, and acted inappropriately in this regard on several occasions. The CTA's perceived lack of neutrality in these instances undermined informants' confidence, including when the CTA returned as a consultant to SIMPLAR. It was not possible to follow up these concerns, except to note that:

- The evaluation encountered no evidence to suggest the CTA had acted in an inappropriate manner. Australian companies formed the largest international employer's group, so it was also predictable that the CTA should be in contact with them.
- Informants acknowledged the high professional level of skill brought by the CTA. Their concerns about neutrality also seemed to be at odds with statements saying that the CTA should have been posted full-time to Dili.
- Informants have never brought the matter to the ILO's attention, formally or informally.
- Rumour and gossip are rife in the programme environment, and are often confused with information. By the CTA's admission, perceptions could have been managed better.

The Project Advisory Committee

No Project Advisory Committee (PAC) was formed for SIMPLAR, despite efforts made by the CTA. The Government rejected the proposal for a PAC. The process leading to this decision is illustrative of the political and administrative complexity of working in Timor-Leste. According to the *September 2002 Technical Report*:

"The Secretary of State was required to submit a proposal to the Council of Ministers seeking their endorsement of the PAC and their approval for the government to participate on the PAC. This was a requirement of the Council of Ministers notwithstanding that the former Minister for Labour had specifically endorsed the government's role on the PAC when the former Minister negotiated the project details with the ILO.

The proposal prepared by the CTA for the Secretary of State identified that the PAC would consist of the CTA and 1 representative for each of workers, employers, government and wider community. The proposal also identified that consultations had taken place with the worker and employer organizations and with the NGO forum over the issue of representation on the PAC. When first submitted by the Secretary of State it was rejected on the basis that the Council of Ministers required all formal decisions to be in Portuguese. The translated proposal was resubmitted and was rejected on the basis that the Secretary of State had not provided proof that he had consulted with every Minister and the key UNTAET Offices over the proposal. The

proposal was then circulated to each Minister and the relevant UNTAET Offices with each being given an appropriate opportunity to respond.

The proposal was resubmitted to the Council of Ministers, in Portuguese and with the necessary proof of consultation and the proposal was rejected on the basis that the CTA could not be a member of the PAC and could only be the secretary to the PAC. A revised proposal was prepared and submitted to the Council of Ministers and after preliminary consideration was adjourned on the basis that the structure of the PAC was not tripartite but was tripartite-plus and the Council of Ministers had difficulty accepting this concept.”¹⁸

Recommendations

3. Financial and programme administration should be situated within one project/management structure. That structure should be as close to the point of service delivery as possible, to ensure that resources are available to programmers in a timely manner.
4. Capacity development initiatives in post-conflict environments should be based on a long term programme commitment and strategy. The time frame should reflect a realistic assessment of social partner’s ability to scale up their capacity, and ensure sustained engagement over that period. Interruptions in the sequencing of programme delivery should be avoided.
5. The ILO must strengthen its process for recruitment and selection of international experts to be placed with national social partners. Care should be taken to ensure that candidates have the professional skill, experience and aptitude to contribute in a difficult field posting. The ILO must monitor the performance of posted experts, and intervene to resolve problems as they arise.

2.3 Question Three: Did the project achieve its objectives? What were the outcomes (impact), positive and negative?

2.3.1 Observations

Coming to a determination of SIMPLAR’s impact was hampered by the lack of systematic monitoring and evaluation during project implementation, and limited historical memory. SIMPLAR did not keep systematic data on its performance against project indicators (Section 2.5). The Final Evaluation, therefore, assessed impact against the available documentation and informant comments. This information tends to be more impressionistic and qualitative rather than quantitative. Government and social partners had very limited capacity to contribute data.

As a framework, the evaluation used the performance indicators presented in the original 2001 project document (ILO 2001: 9-10). The indicators were not updated in 2004 when SIMPLAR was renewed. Recognizing changes in the implementation strategy and activities, the evaluation considered whether objective were met in a

¹⁸ The report outlines several additional steps taken by the CTA and the Secretary for Labour, which were not successful in securing approval of the Committee.

literal sense, or in keeping with their original intent and spirit. The determination can only be subjective. Information available does not correspond to the full indicator set.

Immediate Objective One: A Gender Sensitive labour relations policy and legal framework established and operating

A gender sensitive policy

The project lacked an overall gender strategy. It was not possible to determine whether gender references in policy/legislative were integrated in a systematic manner, although this appears unlikely given the lack of systematic references in the documentation. A gender strategy was not employed in the training strategy.

Sub-objective One: Trade union and employers organisations formed

The spirit of the objective was met. No data was available on whether membership in trade unions or employers organisations increased as a result of SIMPLAR initiatives, whether there were more collective agreements or fewer labour disputes. Timor-Leste nascent trade union and employer's organisations were also formed independently of SIMPLAR. As a result of SIMPLAR supporting the establishment of a registrar's office the unions and employers were officially registered. However, they have been strengthened through the project, which has provided both training and contributed to the overall enabling conditions.

Union and employer's groups are integrated into the three labour boards, as foreseen in the constitution. There is a good working relationship between them and with the Government. Participation in the boards legitimizes the groups. It gives them access to the policy process and the ability to participate in decision-making on labour sector issues. The groups have the potential to serve as channels for interests and policy demand, although impact is undermined by the non-operational status of the boards.

Informants from the union and employer's groups stated the ILO has been an important counterpart in developing their organisational capacity, although they could not always differentiate between SIMPLAR and other ILO activities. ILO inputs include capacity development through training activities and policy advice. The impact of training was undermined by the lack of systematic follow up, during the period of suspension and on renewal.

SIMPLAR has played an important role in facilitating relationships, strengthening opportunities for the three social partners to come together. This kind of interaction may not have occurred without the ILO's presence. Some informants indicated the relationship between social partners would have been more antagonistic without SIMPLAR's presence. SIMPLAR also contributed to the publication and dissemination of regulations, which have been used by social partners.

Sub-Objective Two: Regulations on (a) employment and labour administration (b) termination of employment and (c) minimum wage fixing implemented and National Labour Board which is created under (a) and referred to in (b) and (c) operational

SIMPLAR achieved its objective. There was comprehensive information to demonstrate that SIMPLAR has made an important contribution to the development of Timorese labour legislation and policy.

SIMPLAR has contributed to legislation in at least eight areas and, therefore, to developing the Government's overall legislative agenda. The contributions were

generally of high quality and made in response to the labour ministry's stated priorities and requests. Support was both technical, in the context of input and advice, and strategic in the areas of identifying priorities, processes and analysing data. In this process, SIMPLAR also served as a channel for:

- Interests of national actors outside of government into the policy process.
- International expertise and standards into the national legislative process.

These inputs should enhance both quality and legitimacy, and contribute to the stability of the system.

The National Labour Board was formed and members appointed, mainly as a result of SIMPLAR advocacy. Board members received training from the project, which also contributed to the enabling environment through contributions to the Labour Code and other legislation. However, the board is still not operational, as its mandate has been under discussion within the Council of Ministers. A similar situation exists with the Minimum Wage Board. As such, the boards have had a limited impact on Timor-Leste's industrial relations.

As noted, SIMPLAR's impact in relation to the boards may have been undermined by its absence during an important period of policy debate, as content provider, an advocate and simulator of policy demand. The basic concepts of tripartism and the role of social partners are still being debated within the Council of Ministers, just as in 2003. During this period, it might not have been important to produce a final IR framework, but rather to focus on building consensus around basic concepts. SIMPLAR was not present in this advocate role.

Immediate Objective Two: A Labour dispute resolution system operating effectively

Sub-objective 2.1: A dispute prevention and resolution strategy prepared, including institutional framework, and regulation on labour relations operational

Objective partly achieved. No data was available on performance indicators. These included the resolution of disputes, quicker resolution time and employer and worker confidence in the resolution system. It is not likely they would show significant achievement, given that the formal sector remains small and there have not been a large number of labour disputes. However, SIMPLAR contributed to:

- Formation of the responsible institutions and legislation
- Building confidence among unions and employers to participate

Sub-objective 2.2: Conciliation, arbitration and adjudication systems operational and statistics on labour disputes available.

The objective was partially met. No data was available on performance indicators. Available information shows that SIMPLAR:

- Played role in establishing the Arbitration Board
- Provided training for board members, although they have not been able to use that training given the board's non-operational status.
- Contributed to the enabling conditions, including the creation of policy and legislation.

In this regard, SIMPLAR played its intended role. There was no evidence that SIMPLAR contributed to strengthening the statistical capacity of the Government. ILO staff in Dili plays an important role in analysing labour market data, which is used by all social partners. However, the activity is not specific to SIMPLAR, nor did the project build the Government's statistical capacity.

2.3.2 Findings

Based on available information, SIMPLAR partially achieved its development objective of contributing to East Timor's social and economic progress through the establishment and operation of an effective labour relations system. Two of the project's four sub-objectives were realised, in whole or in spirit. These include strengthening employer and trade union groups and contributing to regulations and the formation of the Labour Relations and Minimum Wage Boards (policy and legislation). SIMPLAR's objectives in relation to the creation of an arbitration system and dispute resolution system were partially realised.

Coming to a quantifiable determination on SIMPLAR's impact was hampered by the absence of systematic monitoring and analysis during implementation. However, major project outputs related to legislation, training and technical assistance have been delivered. They are of high quality and are being used by all three social partners. Under normal conditions, they should make an important contribution to the labour relations system.

As a general finding, the ILO is respected by the three social partners in Timor-Leste. All stated they value collaboration with the ILO, and their hope that it will continue after SIMPLAR. The point was re-enforced during a brief meeting with the Minister of Labour, who concluded SIMPLAR's support has been important to the formation and operation of the labour ministry. The Minister also requested that SIMPLAR be continued after the current project expires. The ILO, therefore, retains a high level of trust and credibility, in part because of the quality of programming in other areas.

SIMPLAR provided important concepts, vocabulary and analysis on which those relationships have functioned. While difficult to quantify, the concept of tri-partite labour relations helped the three partners identify incentives for collaboration and the rewards to be gained. Informants did not explicitly make a statement in this regard. Rather it was apparent through their interactions during the interview process. SIMPLAR and the ILO, therefore, have made a contribution to changing the perceptions and mental models behind the behaviour of project stakeholders.

SIMPLAR's services were unique. The depth and breath of the service provided by the ILO could not likely have been obtained from another source. The fact that some legislative initiatives have not become law is a result of factors in the programme environment which are difficult for the ILO to control. The exception is the contribution made by ILO legal experts placed in the MLCR. At least one of the legal experts was inappropriate for the placement, and the expert's contribution was negative.

Two factors in the project environment undermine impact:

- The three tri-partite labour boards were formed but not operational. As such, some of the systems that SIMPLAR has designed to support are not

operational. Enabling legislation and training has been provided, but the mandating of operational bodies is not complete.

- Suspension and renewal of the project resulted in the ILO making a series of trade offs, which affected the kind of services delivered and their management. Importantly, SIMPLAR capacity development activities were halted.

However, much relates to factors in the project environment beyond SIMPLAR's control. In particular, the need to make trade-offs was a consequence of project design and donor funding criteria, which did not permit sustained engagement.

2.4 Question Four: Did the project have an effective sustainability plan? Can the outcomes be sustained once the project is completed?

2.4.1 Observations

The original project document included a strategy for sustainability (ILO 2001: Section VII). Paraphrased, the strategy had four elements:

- Enhanced capacity of all three social partners to play their respective roles
- A legislative framework, which permanently establishes the basic conditions on which labour relations are exercised.
- A train the trainers strategy
- The formation of a Project Advisory Committee to enhance local ownership.

2.4.2 Findings

Two aspects of the project's sustainability strategy were not developed. No Project Advisory Committee was established, and the evaluation found no evidence of a train-the-trainers strategy (ToT) being implemented. In hindsight, a ToT was likely too ambitious given capacity limitations faced by all three social partners. Informants from all three social partners indicated that they were too new to the material to be confident in its delivery. Individuals clearly benefited, and were using the skills and knowledge acquired in their daily work. Perhaps most important are basic skills and aptitude related to team work and ethics.

However, the activities do not create a critical mass of knowledge or capacity for social partners. There is little evidence that the project has left an installed capacity capable of continuing the training should the ILO withdraw. The project did not, therefore, create an installed training capacity that will support future consolidation of the three social partners, particularly the union and employer's groups. This finding is made notwithstanding the important contribution made by SIMPLAR to capacity development. Rather, the objective was probably not realistic.

The remaining two aspects of the sustainability strategy depend on stability, and the expansion of Timor-Leste's formal sector. The legal framework will be sustainable as long as it is properly resourced by a credible and stable Government. However, these gains are fragile. A renewal of violence could result in the institutions responsible for

labour relations becoming dysfunctional and the loss of capacity in all three social partners.

2.5 Question Five: Did the project have an effective performance monitoring plan?

2.5.1 Observations

The 2001 project document includes provision for planning, monitoring and evaluation (section VIII). The document includes a Performance Matrix and indicators for each objective. No revisions were made to the matrix when SIMPLAR was renewed.

2.5.2 Findings

The Mid-Term Evaluation took place as planned in 2003. The ILO has submitted Quarterly Status and Technical Progress Reports which have been accepted by USDOL. Consultants have presented reports at the end of their assignments and there is a good file of mission reports documenting ILO staff visits from Jakarta to Dili as well as missions by ILO DIALOGUE, Bangkok and Manila. These documents are the core of SIMPLAR's institutional memory, and are of good quality. However, these documents are largely narrative. There has been no systematic effort to monitor, evaluate and analyse SIMPLAR activities. As a result, SIMPLAR did not have a body of analysis on implementation to support decision- making:

- The original budget does not include a line item for monitoring activities, just the MTE and the Final Evaluation.
- There is no evidence that a monitoring system was established, or that data was gathered against project indicators.
- Neither the USDOL nor ILO management insisted that monitoring be done systematically.
- SIMPLAR's performance matrix was not revised at renewal of the project, in keeping with changes in the programme environment, management structure and implementation strategy.
- The ILO did not conduct participant evaluations after training activities. Basic information such as participant list was also not kept.
- Contributions to policy and legislation were assessed in a systematic manner, through discussion with ILO Jakarta and Geneva.

Recommendations

7. Projects a clear performance monitoring strategy. Particular attention should be paid to the systematic monitoring and collection of data against performance indicators. Those indicators should be based on a realistic assessment of the capacity of the project and social partners to gather data. Training events should always be followed by participant evaluations.

Epilogue 01 June 2006

Violence has escalated since the writing of this report. Timor-Leste now has many of the characteristics of a failed state:

- The political leadership is fragmented. There is no unified Government response to the current situation.
- The institutions of state are dysfunctional or have collapsed. Government offices have been looted and basic infrastructure destroyed. Of particular concern will be the loss of computers, which have valuable work developed over the past years.
- Rule of law institutions have collapsed, given internal divisions and the military's inability to prevail over rebel soldiers.
- In the resulting power vacuum, violence is being generated by street gangs and individuals. Motives range from looting, to revenge attacks, inter-gang rivalry and the playing out of political tension still latent from independence. The main protagonists seem to be unemployed young males in urban areas.
- This violence is random, much more difficult to control. It may have a more significant and lasting impact than what occurred in 1999, at least in relation to the nation's psyche. It will require a large international civilian police presence, not military peacekeepers, to control. However, CIVPOL are more difficult to assemble.
- Of note, the CAVR's archives have been stolen intact. The persons now in possession of CAVR documents have full information on the witnesses and investigation process, creating the possibility for further revenge attacks.

The UNDP describes violent conflict as development in reverse. Timor was a country of hope, and was supported by the international community on that basis. That hope appears squandered by poor political leadership. With it, many of the development gains achieved in the past five years will be lost.

When the situation calms, there may be a new request for the ILO to help re-build Timor's labour relations system. If this occurs, it will be important to apply the lessons learned from SIMPLAR about working in conflict-affected environments; conduct a full situation analysis to support design, make a long term commitment, set realistic objectives and scale up in sync with the capacity of stakeholders.

Annex A: Terms of Reference

Terms of Reference

Final Evaluation of Strengthening and Improving Labor Relations in East Timor (SIMPLAR) project

I. Project Description

The Strengthening and Improving Labor Relations in East Timor (SIMPLAR) project is funded through a grant in the amount of \$756,170. The project is funded by the U.S. Department of Labor (USDOL) and implemented by the International Labor Organization (ILO) through an umbrella cooperative agreement designed to help countries realize the principles of the ILO's Declaration on Fundamental Principles and Rights at Work. The SIMPLAR project was initially expected to last 18 months. However, due to events in the project that prolonged the time period of the project, it began on June 1, 2001 and will end officially on March 31, 2006.

According to the Project Document, East Timor's labor relations system is rudimentary and almost totally reliant on the Transitional Government to set and enforce the rules in both public and private sectors. The rules are slow in developing. There are no trade unions, no employers' organizations, although both workers and employers are making moves to formally establish their identities. But there is no framework in which social partners can operate; there is no institutional arrangement for tripartite dialogue; no capacity to prevent labor disputes and no arrangements for their resolution and settlement. After the referendum, women, who are traditionally disadvantaged, suffered particular victimization. The project seeks to lower the barriers to workplace gender equality, both in legislation and in practice.

The Division of Labor and Social Services in the Transitional Government's Department of Social Affairs (DLSS) is mandated to handle labor protection and labor relations matters but lacks the capacity to initiate policy dialogue on labor matters, draft regulations, and perform basic functions of labor inspection, conciliation/mediation, and labor relations education.

The development objective of the project is to contribute to the social and economic progress of East Timor through the establishment and operation of an effective labor relations system, including workable arrangements for the prevention and resolution of disputes. By the end of the project, a gender sensitive labor relations policy and legal framework is to be established and operating; and a labor dispute resolution system is to be operating effectively. These objectives are intended to be achieved through project outputs which include trade unions and employer organizations being formed and becoming operational; labor relations being improved at enterprise level; the newly created Labor Code being implemented along with a tripartite, consultative National Labor Board; a dispute prevention and resolution strategy being prepared and brought into operational effect, including an institutional framework for conciliation, arbitration and mediation.

Mid-Term Evaluation

The mid-term evaluation of the project was conducted from February 2-8, 2003. The evaluation team included Don Fraser, Labor Market Solutions, Wael Issa, International Labor Organization and Jona Lai, USDOL. The team met with East Timorese government officials, trade union organizations, employer organizations and the SIMPLAR project staff in Dili.

In their report, the mid-term evaluation team made the following recommendations. The final evaluation shall address the extent to which these recommendations were adopted and results achieved in doing so:

1. To actively pursue with the East Timor Government the need to act promptly on the following matters, in the approximate order of priority as set out below.

- Appointment of the members of the Labor Relations Board
- Appointment of the members of the Minimum Wages Board
- Appointment of the members of the National Labor Board
- Appointment of the Registrar of Trade Unions and Employer Organizations
- Passage of the revised Labor Code
- Passage of the Migrant Workers Bill

2. The ILO and the USDOL should closely monitor Government action relevant to the progress of the Project such that, in the event of at least the Labor Relations Board appointments not being made by the end of March, consideration should be given to a senior level advocacy approach to the East Timor Government.

3. Subject to success with Recommendation One, SIMPLAR should proceed with its work plan activities as currently planned. Activities which can proceed regardless of the required Government actions include: continued emphasis on gender sensitivity training and related materials; further strengthening of the peak trade union and employer organization structures and skills; thorough labor inspection, conciliation and arbitration skills training for Department of Labor and Solidarity personnel; and continuation of training for judges and judicial officers.

3a. The corollary to Recommendation Three is that, if the Government does respond as hoped, then the full program remaining for SIMPLAR would be more effective if it was to be implemented over a period extending to at least the end of 2003. Attempting to complete it all before the end of June 2003, could result in poorer quality both in delivery and absorption. No additional funds would be needed to achieve this extension as it is estimated that about \$250,000 will remain unspent by the end of June, 2003, mainly due to savings by the project management team.

4. The Project should make efforts to encourage the post-project retention of the Social Dialogue Forum, as a proven means for harnessing wide community input into labor policy and practice. This wide involvement of the community should also be helpful in supporting long term sustainability.

5. A close watch needs to be maintained on the perception that the newly emerging labor relations system may be tending to impact almost exclusively on that part of the labor force which is employed by foreign employers.
6. During the years following the completion of SIMPLAR, both the ILO and USDOL should monitor the emerging need for project support for Occupational Safety and Health and a Workers' Compensation scheme and the need to strengthen the related administrative capabilities of the Department of Labor and Solidarity.

II. PURPOSE OF THE EVALUATION

The purpose of the final evaluation is to:

- a) Determine if the project has achieved its stated objectives and whether any anticipated immediate impact was achieved for each of the objectives. For each objective, explain why or why not achievement was realized.
- b) Assess and document the effects of project activities and outputs on the target group.
- c) Determine the extent to which each recommendation made in the mid-term evaluation was carried out and the results of doing so.
- d) Assess the impact of the project in terms of likelihood that outputs will be sustained.
- e) Assess the effectiveness of the training provided by the project, i.e., was knowledge transferred and were new behaviors formed as a result?
- f) Determine if the project and its components are suitable for replication; and
- g) Report on lessons learned

The Evaluation Team shall address issues of project implementation, project impact, and sustainability of project activities. The Evaluation Team should examine, for each immediate objective:

- The validity of project strategy, objectives, indicators and assumptions
- Impact/benefits accrued to target groups
- Impact/benefits accrued to institutions
- Implementation status, specifically as concerns planned activities, materials, schedule and budget
- Effectiveness of management performance by the ILO and the CTA (staffing, communications, financial management)
- Sustainability of project results
- Stakeholder buy-in, support and participation in the project
- Efforts by the stakeholder to achieve sustainability of the project and its activities

- Effectiveness of project performance monitoring

In addition, the final evaluation will provide the project management team, ILO field and headquarter staff, project stakeholders, and the donor with the feedback and information needed to assess and improve effective practices, opportunities for replication and potential for sustainability.

III. PROJECT STATUS

The following activities have been undertaken to advance the work of the project according to the work plan since the midterm evaluation:

- Two-day Tripartite workshop on Industrial Relations (conducted by the State Secretariat of Labour and Solidarity with project support in one of the districts of Timor Leste) in Dili, 6-7 October 2005.
- Printing 1,000 copies of the existing Labor Code of Timor Leste (UNTAET/REG/2002/5) in English-Indonesian and Portuguese-Tetum versions. Publication is being distributed in December 2005 – January 2006 in collaboration with the Ministry of Labor and Community Reinsertion.
- Recruitment of additional consultant on legal drafting for three months. Mr. Luke Arnold was recruited to assist the Project from October to December 2005 (part time basis for SIMPLAR). Mr. Arnold conducted a one-week mission to Dili on 9-17 November, providing technical assistance to the Project's Junior Legal Expert. A new External Collaboration Contract for December 2005-March 2006 was issued for Mr. Cabral on 17 November 2005.
- Three-day training for three members of the National Labor Board on International Labor Law and National Judicial Practice in Indonesia. One representative each of the Government, Trade Unions and Employers Organizations of the Board members attended. It was conducted in Jakarta on 15-17 November 2005, in collaboration with ILO Declaration Project on Industrial Relations in Indonesia.
- Five-day Study Visit of Labour Inspectors of Timor Leste to Kuala Lumpur, Malaysia. 5 (five) labor inspectors of MLCR participated (4 male and 1 female inspectors). Conducted on 5-9 September 2005, the labor inspectors worked with their Counterparts in the Malaysian Ministry of Labor and received training from Malaysian experts and officials.
- Continuation of the assistance through ILO Specialists as well as external consultants to the three Boards, Secretariat of the Boards, the Office of the Registrar of Trade Unions and Employers Organizations (ORTUEO), and the labor administration and labor inspection services as described in detail below. Following missions were carried out by the ILO Experts consultants:
 - Mr. Ken Bacon, Commissioner, Australian Industrial Relations Commission from 26 to 30 July 2005 for mentoring programme for the Labor Relations

Board, training of Board members on conciliation and arbitration, decision making, and report writing;

- Mr. Abhik Ghosh, Senior Labor Administration and Labor Relations Specialist, SRO, Manila from 31 July to 04 August 2004 to follow up on the work carried out by Don Fraser on Labor Inspection including training of the inspectors, assessment and identification of needs for their further training.
- Mr. John Ryan from 27 July to 06 August 2005 on conciliation, arbitration, report writing etc. (together with Commissioner Ken Bacon), finalization of the Directive on LRB, assistance to Office of the Registrar of Unions and Employers Organizations;
- One-day training on conciliation and mediation service was conducted jointly by Messrs Ken Bacon and John Ryan. The participants were given practical advice and guidance on the conciliation and mediation service by the ILO consultants;
- Two-day workshop on arbitration for the LRB members, Secretariat of the Boards, and unions and employers organizations was carried out by Messrs Ken Bacon and John Ryan. The first day concentrated on arbitration including requirement for pre-arbitration and the second day involved participation of 6 LRB members and Secretariat of the Boards. The Secretariat of the Boards received additional training in February 2005 (please refer to work plan) by specialist from IFP DIALOGUE using the “ILO Guide for Secretariats of National Tripartite Consultation Bodies”. This was discussed in more detail with the East Timorese delegation to the ILC in Geneva;
- Technical advice and guidance provided to the ORTUEO including Directive on ORTUEO and Secretariat of the Boards by John Ryan;
- Assistance to the labor inspection services by Mr. Abhik Ghosh including assessment of the capacity of the inspectors, their qualification and background, and need for further training.
- Formation of three boards as provided in the East Timor Labor Code namely: National Labor Board (NLB); Labor Relations Board (NLB) and Minimum Wages Board (MWB). The Boards were set up through the Prime Minister’s Directive in 2003 and the members of the Boards officially took oath in January 2004 through a formal ceremony conducted by the Hon. Prime Minister, Dr. Mari Bin Amude Alakatiri;
- Appointment of the key staff of the Division of Labor, with most staff effectively in position;
- Establishment of the Secretariat for the three Boards and appointment of the staff;
- Formulation of a set of laws, regulations, directives etc. relating to the functioning of the three Boards, labor inspection, registration of unions and employers organizations, OSH etc. This legislation is at various stages of preparation viz. either being drafted or being translated into the official language (i.e. Portuguese) or pending decision/review in Parliament/Cabinet.

Please refer to the quarterly technical and status progress reports for more information on project implementation and completion of activities.

IV. EVALUATOR

An independent evaluator with specific skills in international project evaluation, familiar with international project implementation, and preferably with experience in the country or region, will carry out the evaluation. The evaluator will also be a proficient writer in the English language providing a final evaluation draft that is readable and concise. Please note: writing samples will be required from applicants and these shall be made available to ILO and USDOL five work days before a decision can be made to approve the selection of the evaluator.

V. EVALUATION TEAM

The evaluation team will be comprised of: (i) an independent evaluator, and (ii) one representative from the ILO Declaration. The independent evaluator will serve as the team leader of the evaluation team.

- The Team Leader is responsible for conducting the evaluation according to the terms of reference (TOR). He/she will:
- Review the TOR and provide input, as necessary.
- Review project background materials (e.g., project document, progress reports).
- Review the evaluation questions and work with the donor and implementer to refine the questions, as necessary and to develop interview protocols.
- Develop and implement an evaluation methodology (i.e., conduct interviews, review documents) to answer the evaluation questions.
- Conduct a Team Planning Meeting (TPM) with USDOL and ILO prior to the evaluation mission.
- Prepare an initial draft of the evaluation report, circulate it to USDOL and ILO, and prepare final report

The USDOL Project Manager is responsible for:

- Drafting the evaluation TOR;
- Finalizing the TOR with input from the ILO and the evaluator;
- Providing project background materials;
- Participating in the TPM prior to the evaluation mission;
- Assisting in the implementation of the evaluation methodology, as appropriate and as approved by the team leader (i.e., participate in interviews, observe committee meetings) and in such a way as to minimize bias in evaluation findings.
- Reviewing and providing comments of the evaluation report;

ILO Declaration is responsible for:

Reviewing the TOR and providing input, as necessary;

- Providing project background materials;
- Reviewing the evaluation questions and working with the donor to refine the questions, as necessary;
- Participating in the TPM (by phone if necessary) prior to the evaluation mission;
- Scheduling all meetings;
- Assisting in the implementation of the evaluation methodology, as appropriate and as approved by the team leader (i.e., participate in interviews, observe committee meetings) and in such a way as to minimize bias in evaluation findings; and
- Reviewing and providing comments on the evaluation report.

VI EVALUATION SCOPE

The Final Evaluation will:

- Evaluate the validity of the project methodology and approach.
- Ascertain if impact statements articulated in the Strategic Framework were achieved.
- Evaluate the quality and impact of project activities on participants.
- Evaluate employer and worker understanding of industrial relations at the targeted companies.
- Evaluate stakeholder (all individuals and organizations involved in the project) understanding and capacity to address industrial relations at the workplace through workshops and TA.
- Evaluate the tripartite approach in the context of the country
- Assess the project implementation (schedule, activities, and materials).
- Evaluate the current management performance effectiveness of the project, which include staffing responsibilities and communications (ILO, CTA, and key personnel).
- Evaluate the project's sustainability plan.
- Assess the effectiveness of the project performance monitoring sustainability plan.
- Assess level of stakeholder commitment to the project.

VII. EVALUATION METHODOLOGY

Document Review. The evaluator will review the following documents before conducting any interviews or trips to the region.

- Project Document
- Mid-term evaluation report

- Quarterly reports
- Miscellaneous Reports
- Training Materials
- Trip Reports
- PMP/Matrix of Objectives, Outputs and Indicators
- Work plans

Team Planning Meeting. The evaluator will have a Team Planning Meeting (TPM) with the USDOL/OFR project manager, OFR Senior M&E Officer, the independent evaluator and ILO Geneva and field project staff. The objective of the TPM is to reach a common understanding among the evaluator, USDOL and project implementer regarding the status of the project, the priority evaluation questions, the available data sources and data collection instruments and an outline of the final evaluation report. The following topics will be covered: status of evaluation logistics, project background, key evaluation questions and priorities, data sources and data collection methods, roles and responsibilities of evaluation team, outline of the final report.

Individual Interviews. Individual interviews will be conducted with the following (final interview schedule will be developed by the evaluation team):

- USDOL Project Manager in Washington
- ILO Project Staff in Geneva and in the region
- Selected individuals from the following groups:
 - Workers and employers who have received the training;
 - National Tripartite Committee Members;
 - Employer groups, unions, NGO's that have received training or otherwise worked with the project;
 - Labor Ministry staff who have worked with the project; and
 - US Embassy

Field Visit. Meetings will be scheduled in advance of the field visits by the ILO project staff, in accordance with the evaluator's requests and consistent with these terms of reference. Interviews conducted at these sites will be carried out by the team leader who will determine if it is appropriate for other evaluation team members to be present.

Debrief in Field. On the final day of the field visit, the evaluator will present preliminary findings to the ILO Dili staff and if time permits, a debriefing can be held for employer, government, and union representatives. A briefing may also be required for US embassy staff.

Post-Trip Meeting

Upon completion of the report, the evaluator will provide a debriefing by phone to ILAB and the implementer on the evaluation findings, conclusions, and recommendations as well as the evaluation process.

VIII: DURATION AND MILESTONES OF EVALUATION

The following is a schedule of tasks and anticipated duration of each:

Tasks	Work Days	
Preparatory Research	3	Before trip
Field Research	5	24-28 April 2006
Travel days	3	
Draft Report	5	
Finalization of Document including debrief	4	
<hr/>		
21		

IX: DELIVERABLES

A. Pre-Evaluation Trip meeting with USDOL project manager, ICG Evaluation Coordinator, independent evaluator and ILO staff to discuss roles, responsibilities, and TOR by.

B. Interviews with Washington based staff prior to the field visit scheduled for 24-28 April 2006.

C. Draft Report will be submitted to USDOL and ILO by 12 May 2006.

D. Post-Trip Debriefing, via conference call, with USDOL and ILO by 5 May (if necessary).

E. A Final Report, original plus 5 copies, will be submitted to USDOL and ILO within five days after receiving final comments from USDOL and ILO. The final report should also be submitted to USDOL and ILO electronically.

IX. REPORT

Before the end of the field visit, the evaluator, USDOL Project Manager, and ILO representative will consult and come to consensus on an outline of a draft report and will review key Findings and Conclusions.

- The evaluator will complete a draft of the entire report following the outlines below.
- The final version of the report will follow the format below (page lengths by section illustrative only) and be no more than 20 pages in length, excluding the annexes:

Title page (1)

Table of Contents (1)

Executive Summary (2)

Acronyms (1)

Background and Project Description (1-2)

Purpose of Evaluation (1)

Evaluation Methodology (1)

Project Status (1-2)

Findings, Conclusions, and Recommendations (no more than 10 pages)

This section's content should be organized around the TOR questions, and include the findings, conclusions and recommendations for each of the subject areas to be evaluated.

- Annex
- Terms of Reference
- Strategic Framework
- Project PMP
- Project Work plan
- List of Meetings and Interviews
- Evaluation Protocols
- Other relevant documents

Is there a disconnect between assumptions and actions?

Annex B: List of Informants



STRENGTHENING AND PROMOTING LABOUR RELATIONS IN EAST TIMOR
(TIM/O1/M50/USA)

PROJECT FINAL EVALUATION

PROVISIONAL PROGRAMME*

Jakarta & Dili, 20 April – 3 May 2006

Date/Time	Programme	Venue	Remarks
Thu, 20/04/06 (Jakarta)			
10:00	Briefing with Director, Mr. Alan Boulton, and Deputy Director, Mr. Peter Rademaker, of ILO Jakarta Office	ILO Jakarta Office	
11:00	Meeting with Mr. Carmelo Noriel, CTA of IR Project	ILO Jakarta Office	
Fri, 21/04/06			
Morning	Reserved for additional follow-up meeting with ILO Jakarta Official(s)	ILO Jakarta Office	
Sun, 23/04/06 (Denpasar)			
Afternoon	Depart to Denpasar	Airport	TBA
Afternoon	Hotel Check-In in Denpasar	TBA	
Mon, 24/04/06 (Dili)			
08:00	Hotel Check-Out in Denpasar	TBA	
10:30	Depart to Dili	Airport	TBC
13:00	Arrival in Dili	Airport	ILO Dili to arrange Airport Pick-Up
14:30	Hotel Check-In	Plaza Hotel	
15:30	Briefing with ILO Officials	ILO Office	w/ Ms. Jolanda Butter, Mr. Eughon, Mr.

* DRAFT, 17/04/06 version

Final Evaluation of Strengthening and Improving Labour Relations in East Timor

Date/Time	Programme	Venue	Remarks
			Fernando Encarnacao
Tue, 25/04/06			
09:00-09:45	Courtesy Call to the Minister of Labour and Community Reinsertion (MLCR), H.E. Arsenio Bano & Permanent Secretary of MLCR	MLCR	w/ Jolanda Butter
10:00-11:00	Meeting with Director of Labour Division of MLCR, Mr. Jose Asa and Staff	MLCR	
11:15-12:15	Meeting with Director of Employment and Skills Development Division of MLCR, Mr. Jose Soares and Staff	MLCR	
12:15-13:30	Lunch		
14:00-15:00	Meeting with President and Members of Minimum Wages Board (MWB)	National Labour Board Secretariat	w/ tripartite representatives of the Board
15:15-16:15	Meeting with President and Members of Labour Relations Board (LRB)	TBA	w/ tripartite representatives of the Board
Wed, 26/04/06			
09:00-10:00	Meeting with Secretary General of KSTL (workers' organization), Mr. Rigoberto	KSTL Office	
10:30-11:30	Meeting with Secretary General of ASET Lorosae (employers' organization).	ASET Office	
12:00-13:30	Lunch		
14:00-15:00	Meeting with Trainer from TIBAR Skills Training Center	TIBAR	Participant of Project activity
15:30-16:30	Meeting with Official of Department of Immigration	Immigration Office	Participant of Project activity
Thu, 27/04/06			
09:00-10:00	Meeting with Official of Department of Development	TBA	
10:15-11:00	Meeting with Official of Department of Education	TBA	
11:15-12:00	Meeting with Legal Drafting Team of MLCR	MLCR	w/ Mr. Jose Ricardo and Mr. Nunu

Scanteam:
Final Evaluation of Strengthening and Improving Labour Relations in East Timor

Date/Time	Programme	Venue	Remarks
12:00-13:30	Lunch		
14:00-15:00	Meeting with backstopping Programme Officer for SIMPLAR, Christianus Panjaitan	TBA	
Afternoon	Reserved for additional meetings		
Fri, 28/04/06			
09:00-10:00	Debriefing with the Minister of Labour and relevant Staff	MLCR	TBC
10:15-11:00	Debriefing with ILO Officials	ILO Office	w/ Ms. Jolanda Butter, Mr. Eughon, and Mr. Fernando Encarnacao
11:00	Hotel Check-Out	Plaza Hotel	
13:30	Depart to Jakarta	Airport	
Mon, 02/05/06 (Jakarta)			
10:00	Debriefing with Director and Deputy Director of ILO Jakarta Office	ILO Jakarta Office	w/ Mr. Carmelo Noriel and Christianus Panjaitan
Tue, 03/05/06			
Morning	Reserved for additional follow-up meeting(s) with ILO Jakarta Official(s)	ILO Jakarta Office	

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