



International Labour Organization

iTrack

Evaluation Unit (EVAL)

# ILO EVALUATION

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**Name of consultants:** G.P. Rauniyar, Lead Evaluator (Team Leader), A.D'Souza, K.Chakma and W. Bhatt Rai

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**Evaluation Manager:** Ma. Lourdes Kathleen Santos Macasil, Programme Officer, ILO-Yangon

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This evaluation has been conducted according to ILO's evaluation policies and procedures. It has not been professionally edited but has undergone quality control by the ILO Evaluation Unit.



International Labour Organization

## Way Out of Informality: Facilitating Formalization of Informal Economy in South Asia

### Final Independent Evaluation (**Final**)

## EVALUATION REPORT

(November 2016 - April 2017)

<b>Project Symbol</b>	RAS/12/51M/JPN and RAS/13/51M/JPN
<b>Project Title</b>	Way Out of Informality: Facilitating Formalization of Informal Economy in South Asia
<b>Country</b>	Bangladesh, India and Nepal
<b>Project duration</b>	Planned June 2012 – December 2016 Actual June 2012 – June 2017
<b>Donors</b>	Government of Japan through the ILO/Japan Multi-Bilateral Programme
<b>Budget</b>	USD4,197,909
<b>Implementing Agencies</b>	ILO-Dhaka, ILO-New Delhi, ILO-Kathmandu
<b>Implementing Partner</b>	Ministry of Labour and Employment, Workers' Organizations, Employers' Organizations, Research Organizations, and civil societies and nongovernmental organizations in all three countries
<b>Independent Evaluation (Final)</b>	May 2017 The evaluation addresses ILO evaluation concerns such as (i) relevance and strategic fit, (ii) validity of intervention design, (iii) programme management and effectiveness, (iv) efficiency of resource use, (v) effectiveness of management arrangements, (vi) impact orientation and sustainability of intervention. In addition, it also assessed three other areas of capacity building and institutionalization, demonstration of the integrated decent work strategy for informal economy, and gender mainstreaming.
<b>Evaluator</b>	Ganesh P. Rauniyar, Independent Evaluator, New Zealand with support from Asa D'Souza (India), Kirti Nishan Chakma (Bangladesh) and Writtu Bhatta Rai (Nepal)
<b>Evaluation Management</b>	Ma. Lourdes Kathleen Santos Macasil, Programme Officer, ILO-Yangon (Evaluation Manager) and Pamornrat Pringsulaka, Regional Monitoring and Evaluation Officer, ILO-ROAP, Bangkok (Quality Assurance)

## LIST OF ABBREVIATIONS

ABC	Association of Building Construction
AIOE	All India Organization of Employers
ANTUF	All Nepal Trade Union Federation
BBWWF	Bangladesh Building & Wood Workers' Federation
BILS	Bangladesh Institute of Labour Studies
BMET	Bureau of Manpower, Employment & Training
BMS	Bharatiya Mazdoor Sangh
BSCOF	Bangladesh Small Construction Owners' Federation
CBS	Central Bureau of Statistics
CNSS	Chitwan Nirman Sewa Sangh
CTA	Chief Technical Advisor
DIFE	Department of Inspection for Factories and Establishments
DWCP	Decent Work Country Programme
EFI	Employers' Federation of India
EM	Evaluation Manager
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
FWEAN	Federation of Women Entrepreneurs' Association of Nepal
GOB	Government of Bangladesh
GOI	Government of India
GON	Government of Nepal
HR	Human Resource
ICLS	International Conference of Labour Statisticians
IEC	Information, education and communication
ILC	International Labour Conference
ILO	International Labour Organization or International Labour Office
INSUB	Imarat Niraman Sramik Union Bangladesh
KISS	Karve Institute of Social Services
LBPNS	Lalitpur Bhukampa Partodhamak Nirman Sansthan
LCCI	Lekhath Chamber of Commerce and Industries
M&E	Monitoring and evaluation
MOLE	Ministry of Labour and Employment
MSDE	Ministry for Skill Development and Entrepreneurship
MSE	Micro and small enterprises
MSME	Micro, small and medium enterprises
MTE	Mid-term evaluation
NCCWE	National Coordination Committee for Workers' Education
NCEUS	National Commission for Enterprises in the Unorganized Sector (Ministry of Small Scale Industries, GOI)
NITI Ayog	National Institution for Transforming India
NLFS	National Labour Force Survey

NORAD	Norwegian Agency for Development
NPC	National Project Coordinator
NTUC	Nepal Trade Union Congress
NSDC	National Skill Development Corporation
NSSO	National Sample Survey Office
OEM	Original Equipment Manufacturers
OSH	Occupational safety and health
OSHE	Occupational Safety, Health & Environment
PF	Provident Fund
PPE	Personal protective equipment
PTC	Pokhara Tourism Council
RBSA	Regular Budget Supplementary Account
RCCI	Ratnanagar Chamber of Commerce and Industry
REHAB	Real Estate & Housing Association of Bangladesh
SCOPE	Standing Conference of Public Enterprises
SHG	Self Help Groups
SIYB	Start and Improve Your Business
SME	Small and medium enterprise
SSNS	Sree Shram Nirman Samiti
SYB	Start Your Business
TCPR	Technical Cooperation Progress Report
TOR	Terms of reference
TOT	Training of Trainers
UNEG	United Nations Evaluation Guidelines
WOI	Way Out of Informality

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During the evaluation process, we met with and discussed experiences, issues and way forward ideas with a large number of stakeholders representatives from workers' organizations, employer organizations, government agencies, worker and small and medium entrepreneurs in construction (Bangladesh and Nepal), automobile (India), and tourism and small and medium enterprises (Nepal) sectors. We would like to thank everyone for his/her valuable time and frank views about the project, without which evaluation would not have been complete. The perspectives of workers' and employers' organizations and different resource persons who supported the project in one or another way as well as those of former project staff enriched our understanding and supported evaluation assessment and findings.

The national consultants, Asha D'Souza, Writtu Bhatt Rai and Kirti Nishan Chakma accompanied me during the meetings and field visits in India, Nepal and Bangladesh, respectively. They also helped me in overcoming language barriers during discussion, and offered English interpretation, as required and provided their input from respective country perspective for the evaluation.

Ma. Lourdes Kathleen Santos Macasil provided guidance in the evaluation process. Pamornrat Pringsulaka, Evaluation Manager and Regional Monitoring and Evaluation Officer, the ILO Regional Office Bangkok ensured quality assurance in conducting the evaluation.

Ganesh P. Rauniyar

New Zealand

## EXECUTIVE SUMMARY

The International Labour Office (ILO) implemented the Way out of Informality: Facilitating Formalisation of Informal Economy in South Asia with financial support from the Government of Japan through the ILO/Japan Multi-Bilateral Programme. The project commenced in June 2012 and is expected to close at the end of June 2017 following a six-month no-cost extension. The project covered three South Asian countries: Bangladesh focussing on the construction sector, India targeting small-scale manufacturing in the automobile value chain and Nepal covering construction, small and medium enterprises and tourism. The project's geographical coverage included Chittagong, Dhaka and Rajshahi in Bangladesh; Pune in the Maharashtra State of India; and Bhaktapur, Chitwan, Kaski, Kathmandu, Lalitpur, Morang and Sunsari districts in Nepal. The evaluation was conducted by an independent Lead Evaluator/Team Leader with the support from a national consultant in each of the three project countries.

### Project Rationale and Objectives

The informal economy in South Asia is characterised by significant employment opportunities but the quality of jobs are considered less than desirable. Workers in the informal economy usually earn less than living wages and are deprived of any form of social protection and yet forced to work in unsatisfactory workplaces including high-risk environment prone to accidents, injuries and even death. While informal economy provides employment to a very high percentage of the non-agricultural workers and over 85 percent including agricultural workers, it also results in substantial leakages of tax revenues because these workers are not in the formal net

Consistent with the Decent Work for All Agenda promoted by the International Labour Organization, *the Way out of Informality (WOI): Facilitating the Transition from the Informal to the Formal Economy in South Asia* project aimed to expand employment in the formal sector by halting growth in informal sectors through policy dialogue, knowledge creation and dissemination and demonstration of pilot initiatives towards formalization of the informal economy. The project had three specific outcomes: (i) the regulatory and policy environment in the target local areas made more conducive to formalisation and protective to the risks in formalisation; (ii) formal job growth promoted through job-rich growth strategies and an integrated formalisation assistance in the target local areas; and (iii) good practices and tools of promoting formalisation better understood by the constituents and key stakeholders at the national level in South Asia.

### Evaluation Background

The final evaluation of the project is undertaken as per the ILO's Evaluation Policy and it addresses both accountability and organisational learning to inform future support and programming in formalising informal employment. It covers project duration from June 2012 to December 2016 and utilises data available as of mid-November 2016 and excludes the six-month extension period as the project extension was approved by the donor in mid-November 2016. It also highlights selected lessons and good practices based on project design and implementation. The evaluation also offers a set of recommendations for the ILO and its tripartite constituencies in advancing the formalization of informal economy and actors of the Decent Work for All Agenda.

### Evaluation Methodology

The evaluator developed an evaluation matrix based on the terms of reference for the evaluation. The project document did not contain a theory of change as such but had results framework. The evaluation matrix responded to the key questions (as per the terms of reference for the evaluation) associated with the evaluation parameters of relevance and strategic fit, effectiveness in delivering outputs and outcomes, efficiency in resource use, effectiveness of management arrangements, likely sustainability of project support, and impact orientation. It also incorporated gender and knowledge as crosscutting issues

in the evaluation process. The qualitative data was subjected to content analysis prior to drafting the evaluation report.

The evaluation adopted a mixed method approach combining both qualitative and quantitative method of data collection. Given the nature of project support for documentation, knowledge sharing events and capacity building initiatives of the stakeholders, most of the evidence in support of evaluation comes from document reviews, key informant interviews with key stakeholders in all three countries as well as those directly involved in the past in project design and implementation. It also benefitted from a tripartite stakeholders consultation meeting held in Dhaka, Bangladesh as well as intensive discussions with the former<sup>1</sup> and current<sup>2</sup> Chief Technical Advisors and project staff based in all three countries. The Lead Evaluator visited selected project sites in all three countries accompanied by the respective national consultant during November/December 2016 and conducted key informant interviews and focus group discussions with relevant stakeholders including tripartite constituents involved in the project in one or another way. Field mission covered Dhaka (including Mirpur and Aftab Nagar) in Bangladesh; New Delhi and Pune in India; and Bharatpur (Chitwan), Pokhara and Lekhnath (Kaski) and Kathmandu (for Kathmandu and Lalitpur). Field visit sites were selected based on the concentration of project activities in each of the three countries. The ILO CO-Dhaka organised a stakeholders' workshop in Dhaka on 30 November 2016 with the participation of the trade unions, employers' organisations, the ILO staff and other individual consultants associated with the project.

### Summary of Key Findings

Overall, the evaluation concludes that the project has been successful under the context and the circumstances it was designed, implemented and it is coming to the completion. The project addressed the recommendations of the midterm evaluation conducted in 2014.

**Relevance and strategic fit of the interventions:** The project was deemed highly relevant given the heavy concentration of workers in informal sectors in all three countries. Lack of adequate support for the research on formalization of the informal economy also meant that the project had to explore different approaches in these countries. The project design relied on diagnostic research and piloting different initiatives. The intervention areas for the project intervention were guided by tripartite consultations and hence evaluation considers that the outcomes of the consultation process followed due process. The project was a good strategic fit for all three countries. Although the informal economy and informal employment were (and is) virtually present in almost all sectors the project had initial difficulties in selecting the sector for the WOI entry points. In the end, the project selected construction in Bangladesh, the automobile in India, and construction, MSMEs and tourism in Nepal. All intervention areas considered under the project proved relevant at the time of project design.

**The validity of intervention design:** The project design, overall, was valid and conceptually sound. However, evaluation concludes that the design was over ambitious. It would have helped to provide details on implementation plan with focussed areas of intervention and limitations to the geographical coverage given the enormity of the informality challenge. The initial project period of five years was sufficient to produce a model at the local level and share it with social partners at state and national levels. Given the external environment that favours labour flexibility over labour rights, it was necessary to convince social partners of the economic feasibility of formalisation through a demonstration that could then be scaled up in the second phase of the project. It could have helped to streamline project implementation, if the project document provided a clear theory of change with defined scope of work, both in terms of type of informality and coverage of the project under a pilot scheme and ad hoc decisions to implement activities could have been efficiently managed. With adequate consultation during the

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<sup>1</sup> From November 2012 to March 2016.

<sup>2</sup> Since 21 June 2016.



project design phase, some of the anomalies associated with the selection of area of intervention and geographical coverage could have been avoided.

**Project management and effectiveness:** The evaluation concludes that the project was effective in generating outputs and led to positive signs towards the achievement of stated outcomes. Despite implementation challenges including political unrest in Bangladesh and two big earthquakes in Nepal, the project teams accomplished their annual programme of work by undertaking a series of awareness raising and advocacy with workers and employers, capacity building through training and knowledge sharing and policy dialogue with the governments. While consultation and dialogue in India started in 2012, field level activities associated with awareness among beneficiaries and training commenced in 2014 with the mobilization of a local consultant and activities actually picked up after the National Project Coordinator came on board in 2015. The project also sensitized senior government officials from the three countries through workshops and visits to Nepal, India and ITC, Turin.

Aside from the awareness raising and advocacy achievements and capacity development through training, the project accomplished some of the unconventional tasks including registration of informal enterprises in Bangladesh and Nepal, apprenticeship programme for informal workers in Bangladesh, tourism manpower development in Pokhara (Nepal), preparation for the issuance of identity cards for the construction workers in Bangladesh, institutional development of petty contractors in Bangladesh and Nepal, and women-led entrepreneurship development in Nepal and India. The project also facilitated mutual learning by organizing country visits for the stakeholder representatives from the three countries. Overall, the project has contributed to positive environment for making progress towards formalization of both workers and enterprises in all three countries.

**Efficiency in resource use:** The evaluation determines that the use of project resources was less than efficient. The total amount available for project funding was 16% less than originally planned due to exchange rate adjustments and somewhat less allocation by the donor. The project managed to even save funds to meet operational expenses for the six month extension period beyond the original closing date. This was possible due to delays associated with commencing field activities in India, three months gap between the two CTAs and delays in the approval of programme of work proposed by NPCs in the three countries. The project stakeholders could have benefitted more from cross-country visits and knowledge sharing opportunities. Furthermore, the project dealt with too many partners and issued several short contracts due to instruction from ILO Bangkok that no contract could go beyond the calendar year. This resulted in extra transaction costs for the project and uncertainties in continuation of some of the work for the contractors. This could have been managed by streamlining a group of pre-qualified partners to work with at the start of the project.

**The effectiveness of management arrangements:** Overall, the evaluation found that the management arrangement was satisfactory with the exception of late recognition and recruitment of a national consultant based in Pune in 2014 and mobilization of a NPC in 2015. The centralized financial control by the ILO Bangkok as a result of agreement between the ILO and the donor resulted in communication gaps at times between the CTA in Bangkok and NPCs in all three countries, especially during the gap period between the two CTAs. All NPCs and the consultant in Pune had good experience in the field which proved valuable in project implementation.

**Impact orientation and sustainability of intervention:** It is too early to ascertain impact orientation of the project interventions in the three countries since impacts are evolving. The stakeholders in pilot areas under the project are reasonably informed about the workers' rights and legal avenues. This will continue to trend upward and more workers will become aware of such provisions. The workers are also familiar with risks and consequences of not following OSH and WISCON measures. Some of them are already taking preventive measures. Some of the associations of the small/petty contractors have established funds for addressing immediate needs of injured or death workers. The enterprises that are registered are able to access fixed and working capital for their businesses through formal channels (banks), access to markets, networking with like-minded entrepreneurs, and in some cases access to technology because they can show that they are doing genuine businesses.

The evaluation assesses sustainability of project benefits conditional on availability of funds for continuing most of the activities initiated by under the project. There are some positive indications such as initiatives taken up by the construction petty contractors in both Bangladesh and Nepal. The voluntary work of Ranzunjar is likely to be continue and remain sustainable because it is managed by a group of young workers in automobile related factories during their off-duty time. The Pokhara Tourism Council has potential to make project initiatives sustainable.

Bangladesh plans to look for external resources for issuance of identify cards to the construction workers as well as expanding apprenticeship programme at BMET. In India, Chaitanya is looking for external funding for the continuation of C-BED training. The leadership for knowledge work in formalization is yet to emerge. In Nepal, there is no known leadership for undertaking policy research on formalization and hence GON is expected to rely on the ILO's support. Similarly, FWEAN is also on the lookout for external funding since it does not have its own adequate revenue base. Pokhara Tourism Council has run out of the tourism promotional materials and has already indicated need for external support. In this environment, there is a need for consolidation of efforts from the tripartite constituents to find innovative ways to fund some of the proven initiatives by the project.

Efforts are needed to further raise knowledge and awareness about the benefits from formalization. There is also a need for institutional strengthening both in terms of technical support and human resources to the agencies in-charge of registration of enterprises so that the registration process is not prohibitive. The other issue confronting the workers is the upward trends in the casualization of workers in country such as India. The real challenge is to sustain the impact which will require continued support from countries' internal and external sources.

**Capacity building and institutionalization:** The project made a good start with focus on capacity building of workers and employer associations (e.g. petty contractors). As a result, workers are more aware about their rights and petty contractors have formally registered themselves or are in the process of doing so. Women entrepreneurs supported under the project have registered their businesses. The project also promoted cross-country experience sharing among the three countries and such efforts need to be scaled up.

**Demonstration of the integrated decent work strategy for the informal economy:** There is greater awareness about the workers' rights than pre-project period as well as equal wages for men and women for the same job and it has been practiced by those who participated in the project. The level of social protection varies but there is a recognition to help those in need. While formalization of enterprises is taking place, albeit at a slower rate, efforts are needed to encourage workers' formalization as well, including equitable access to social protection and other employment benefits, including living wages, representation of workers in supervisory and managerial roles, and enhanced uptake of occupational safety and health measures.

**Gender mainstreaming:** The evaluation assesses that the project has had positive impact on addressing gender issues by promoting the Decent Work Agenda principles. Both in Bangladesh and Nepal, the small/petty contractors have offered equal pay for male and female workers at the same job level. In Nepal, the project has supported training of female tourist guides in Pokhara and FWEAN is actively promoting women's entrepreneurship by providing a suit of business development services. These entrepreneurs have come to the formal net and have provided employment opportunities to female workers. However, they are yet to formalize their workers. The construction sector both in Nepal and Bangladesh are heavily dominated by male workers and the opportunities for women workers to move up the ladder continues to be limited. In India, the project has encouraged entrepreneurship among women trained by Chaitanya and some of them have already taken up income generating activities.

### **Lessons Learnt**

Several lessons have emerged from the project design and implementation. Some of the key lessons are:

- Formalising informal economy is a huge task and requires commitment at the highest level so that required regulatory framework, policies and business environment can be created.
- Project focus need to be clearly defined and manageable within a given timeframe and it should be supported by a clear theory of change, multi-year work plan, and results.
- Implementing partners prefer predictable funding so that they can adequately demonstrate the linkage between activities and output leading to project outcomes.
- Formalisation of the informal economy requires a strong partnership with the private sector along with a genuine representation of workers in the informal economy.
- Inter-country collaboration and knowledge sharing/exchange strengthen cross-country learning and adoption of good practices.
- The adoption of voluntary code of conduct requires buy-ins from all relevant stakeholders. However, this is not a replacement for the regulatory work and social dialogue.
- The incentives from formalization need to be disseminated widely to both employers and workers.

### Good Practices

Several project initiatives are still at an early stage and hence it is too early to consolidate all good practices that have emerged from the project implementation. Four key good practices evident from the evaluation are:

1. The formation of an association of small construction contractors represents positive steps towards formalisation.
2. The chambers of commerce and industries have extended support to the informal enterprises with the provision of business service desk.
3. Private enterprises can provide apprenticeship to informal workers to the construction workers.
4. The compilation of labour laws into a Training Manual and the training of Ranzunjar volunteers have enhanced the grievance redressal service they offer to contract workers in the Chakan cluster in Pune, India
5. The project has created a sizeable knowledge base on the laws and policies applicable to MSEs, the incentives and disincentives to formalisation and the cost-benefits of regularisation of firms.

### Conclusions

The project continues to be relevant including countries' target to contribute to the ILO's commitment made at the 2016 International Labour Conference to reduce decent work deficits in global supply chains. It has been a good strategic fit to the participating countries' development agenda. While the project design remain valid, it proved overoptimistic given the difficulties associated with the informal economy. It should have narrowed its focus and emphasized pilot intervention with demonstrating impact. A clear theory of change and implementation plan would have helped. The project remained within the budget and covered of six-month extension beyond original closing date. The resource use would have been more efficient with better work and financial planning, avoiding several small contracts and concentrating in working with fewer partners.

The project management tried to accomplish intended project activities and its momentum remained satisfactory in Bangladesh and Nepal but only few activities could be undertaken in India due to distance factor and less frequent engagement with stakeholders at the level it happened in the other two countries. Given that ILO COs have adequate financial management capacity, it would have helped to delegate financial approval authority to respective ILO country offices instead of ILO Regional Office. The

project has stimulated discussion at different levels in the three countries on definition, measurement and statistical methods of informality in national and local economies. It has played an important role in raising awareness and influencing labour and employment policies in Bangladesh and Nepal. It has initiated the process of formalisation by piloting registration of small and medium enterprises in respective sectors.

The project has contributed to capacity development and institutionalization through facilitating training and the exchange visits of stakeholders from Bangladesh, India and Nepal to India and Nepal and established linkages among the concerned interest groups. It funded a set of studies in all three countries alongside project activities primarily training in the countries. The formalisation process in all three countries have commenced on a small scale and more work needs to be done to sustain and scale-up. The evaluation also concludes that ILO needs to remain engaged with the countries and demonstrate further integration of decent work strategy for the informal economy above and beyond project's achievements. Similar efforts need to continue to identify and focus key areas where gender mainstreaming would be feasible.

### Recommendations

The evaluation offers a set of seven recommendations for the ILO and its tripartite constituencies. These are:

Recommendation	Responsible Unit	Priority	Time Implication	Cost Implication
1. Clearly, define logical and sequential steps for the formalization of informal workers.	WOI Project Team	High	June 2017	None
2. Continue to promote policy dialogue on formalization and its scaling up.	WOI Project Team	High	June 2017	None
3. Identify and work with strategic partners for promoting formalization of informal workers	WOI Project Team in collaboration with ILO CO (Dhaka, New Delhi and Kathmandu)	High	June 2017	None
4. Continue to promote business-friendly single door policy and implementation mechanism to facilitate formalization of informal enterprises.	ILO DWT and WOI Project Team	High	June 2017	None
5. Emphasize and prioritize the implementation of OSH standards and measures supported by adequate resources.	WOI Project Team, ILO COs and tripartite constituents	High	December 2017	Modest

6. Raise awareness and strengthen access to social security and grievance redress.	WOI project team and tripartite constituents	High	June 2017	Some
7. Support the development and finalization of the voluntary code of conduct by employers' organizations without replacing regulatory framework and social dialogue.	WOI and the tripartite constituents	Medium	June 2017	None
8. Reconsider current project approach and focus on high impact initiatives by engaging with strategic implementation partners.	WOI and ILO-COs	Medium	December 2017	None

## Way Out of Informality: Facilitating Formalization of Informal Economy in South Asia

### Final Independent Evaluation

#### BACKGROUND

The informal economy accounts for more than 85 per cent of employment in South Asia and prominently present across all sectors of the economy. The definition of informality has evolved over time and understood in different ways. In a simplistic form, it comprises diverse workers and entrepreneurs often not recognised or protected under national legal and regulatory framework. From the International Labour Organization (ILO) Decent Work point of view, it includes vulnerabilities in different forms, including limited access to social protection, denial of labour rights, and lack of organisational representation. The 90<sup>th</sup> Session of the International Labour Conference in 2002 for the first time covered the discussion on the informal economy, leading into a Resolution concerning decent work and the informal economy.<sup>3</sup> The Resolution defines informal employment to include all employment that lacks legal or social protection, whether in informal and formal enterprises or households. Subsequently to the adoption of the Resolution, the 17<sup>th</sup> International Conference of Labour Statisticians (ICLS) in 2003 broadened the concept of informal employment.<sup>4</sup>

The sheer scale of informal economy has renewed interest among policymakers and development practitioners because of its prevalence in different forms due to a strong link between informality and economic growth as well as between informality and poverty/inequality. The ILO, following more than three decades of work in the informality area, adopted the ILO Recommendation concerning the Transition to the Formal Economy, 2015 (No. 204). While the Recommendation is open for ratification, many Member States have shown their support. It provides guidance to the Member States to<sup>5</sup>:

- A. Facilitate the transition of workers and economic units from the informal to the formal economy, while respecting workers' fundamental rights and ensuring opportunities for income security, livelihoods and entrepreneurship; and
- B. Promote the creation, preservation and sustainability of enterprises and decent jobs in the formal economy and the coherence of macroeconomic, employment, social protection and other social policies, and
- C. Prevent the formalisation of formal economy jobs.

The ILO is at the forefront of the conceptual work in this area and has been promoting formalisation of informal workers through its Decent Work Agenda. It approved the *Way out of Informality: Facilitating Formalisation of Informal Economy in South Asia* Project (RAS/12/51M/JPN and RAS/13/51M/JPN), hereafter referred as WOI Project. The ILO received USD 4,197,909 from the

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<sup>3</sup> [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms\\_234413.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_234413.pdf)

<sup>4</sup> Informal employment now refers to all employment arrangements that do not provide individuals with legal or social protection through their work, thereby leaving them more exposed to economic risk than the others, whether or not the economic units they work for or operate in are formal enterprises, informal enterprises or households. Refer to *ibid* p. 3.

<sup>5</sup> [http://www.ilo.org/ilc/ILCSessions/104/media-centre/news/WCMS\\_375615/lang--en/index.htm](http://www.ilo.org/ilc/ILCSessions/104/media-centre/news/WCMS_375615/lang--en/index.htm)

Government of Japan through the ILO/Japan Multi-Bilateral Programme to implement the project and it covered three countries – Bangladesh, India, and Nepal. The project commenced on 1 June 2012 and was planned to close on 31 December 2016. The project had some savings and hence the donor has approved a six-month extension to the project based on no additional cost implications, with revised closing date of 30 June 2017. The ILO conducted a mid-term evaluation in August-September 2014.

## PROJECT RATIONALE

The informal economy is deep rooted in the South Asian society and it is present in different forms in work places. The share of informal employment outside of agriculture is about 82% in South Asia. The informal economy tends to undermine the working conditions and hardly offer fair wages, and decent workplace, and fair terms of employment. Furthermore, it also accounts for sizable leakages of tax revenue, which otherwise could contribute to public expenditure, including government spending on infrastructure and social services, and ultimately to economic growth. All three countries in the sub-region (Bangladesh, India, and Nepal) have very high degree of informal economy.

The ILO has been promoting decent work for all, and addressing the needs of vulnerable groups in the informal economy is central to the ILO interventions. There have been on-going efforts by the ILO and its constituents to address the informal economy issues in one way or another through various technical cooperation projects and policy advisory services. In order to enhance efforts to address the informal economy issues, *the Way out of Informality (WOI): Facilitating the Transition from the Informal to the Formal Economy in South Asia* started in June 2012 with a set of objective, outcomes and strategies.

## PROJECT OBJECTIVES AND OUTCOMES<sup>6</sup>

The project's development objective is to contribute to the shift in growth and employment policies to those that facilitate an accelerated expansion of the formal sector, curb the growth of the informal economy and reduce vulnerable employment. It has three key expected outcomes:

- Outcome 1: The regulatory and policy environment in the target local areas made more conducive to formalisation and protective to the risks of against formalisation;
- Outcome 2: Formal job growth promoted through job-rich growth strategies and an integrated formalisation assistance in the target local areas; and
- Outcome 3: Good practices and tools of promoting formalisation better understood by the constituents and key stakeholders at the national level in South Asia.

The project aimed to achieve above outcomes through the demonstration effect of decent work strategy<sup>7</sup> for the informal economy with the focus on knowledge management and participatory

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<sup>6</sup> Extracted from the project documents.

<sup>7</sup> The integrated decent work strategy for the informal economy covers seven interconnected policy areas. These include the growth strategy and quality employment generation; regulatory environment, including enforcement of international labour standards and core rights; organization on representation and social dialogue; equity (gender, ethnicity, race, caste, disability, age); entrepreneurship, skills, finance, management, access to markets; extension of social protection; and local (rural and urban) development strategies.

dialogue at different levels by adopting a tripartite mechanism. The project foresaw conducting relevant studies and extracting good practices and approaches, and sharing these with the stakeholders through informal dialogue and bridging knowledge gap in the transition to formalisation area. The aim was to promote participatory dialogue and build a consensus of stakeholders during project implementation.

The project management set-up include a Chief Technical Advisor (CTA) of the ILO/Japan Multi-Bilateral Programme based at the ILO-ROAP Bangkok for execution and a project management team comprising another CTA based in New Delhi, India; three national project coordinators (NPCs) – one each based in Dhaka, Kathmandu, and New Delhi,<sup>8</sup> one national consultant in Pune, India; and one administrative assistant in Dhaka, Kathmandu and New Delhi. The Decent Work Team for South Asia in New Delhi (DWT – Delhi) as well as the ILO Headquarters and Regional Office in Bangkok provided technical guidance to the project.

## EVALUATION PURPOSE, SCOPE AND CLIENTS

This section outlines the purpose, scope and main clients of evaluation as outlined in the terms of reference (TOR) for the evaluation. Annex 1 provides full terms of reference for the evaluation and it reflects an outcome of a wider consultation process in finalising the TOR.

### Purpose of Evaluation

The ILO's Evaluation Policy<sup>9</sup> requires that all projects must go through final evaluation at completion for the twin objectives stated above (accountability and organisational learning). The final evaluation of the project has twin objectives of accountability and organisational learning. To assess the accountability this evaluation will assess the extent to which the project achieved its objectives and identify justified reasons for any deviations in original project design. In particular, it helps to understand "what worked and what did not" and underlying reasons associated with it. The organisational learning is equally important and hence deriving lessons and good practices from project implementation will contribute to better project designs in Bangladesh, India, and Nepal and across borders in other locations.

To assess the organisational learning, the evaluation drew lessons, including challenges aimed at helping workers in economic units in the informal economy and discouraged activities against formalisation of jobs in the informal economy. The organisational learning will contribute to the ILO and its constituents' efforts in:

- (i) improving future project design and implementation arrangements, particularly in Bangladesh, India, and Nepal; and
- (ii) scaling-up or replicating project interventions in the same or other countries with similar context; and

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<sup>8</sup> The project design did not envisage an NPC position for India and hence the NPC came on board only in June 2015.

<sup>9</sup> <http://www.ilo.org/eval/Evaluationguidance/lang--en/index.htm>



The 104<sup>th</sup> International Labour Conference in 2015 achieved a milestone after years of sustained efforts and passed the Recommendation 204 on Transition from the Informal Economy to the Formal Economy. The evaluation offers a set of key lessons from the project design and implementation, which would feed into the ILO's ongoing knowledge and project initiatives in collaboration with the Member States. The evaluation also informs the donor of the project (Government of Japan), and other potential development partners on the development effectiveness of the ILO's support under the project and future opportunities.

## Scope of Evaluation

The evaluation covered all activities undertaken by the project from its commencement in June 2012 to November 2016. Since the decision to extend the project for another six months until June 2017 came only in mid-November 2016, the evaluation did not assess project performance beyond November 2016. However, the evaluation took into account experiences from capacity building and knowledge sharing activities at the central/State level as well as pilot project activities undertaken in:

- Bangladesh: Chittagong, Dhaka and Rajshahi
- India: Pune (Maharashtra State)
- Nepal: Bhaktapur, Chitwan, Kaski, Kathmandu, Lalitpur, Morang and Sunsari

The evaluation reflects assessment in all stages of the project, including design, work plans and budgets, institutional setup, implementation, and monitoring and reporting arrangements. It reviewed relevant reports and documents including outputs produced in the three countries under the project and progress made in responding to independent midterm evaluation recommendations. It also captures additional dimensions of gender equality mainstreaming/integration and knowledge generated by the project in the evaluation process. The evaluation offers a set of lessons and good practices as well as recommendations for the future role of the ILO in the transition to formality agenda from the South Asian perspective. The clients and users of evaluation include:

- ILO Regional Director for Asia and the Pacific
- ILO/Japan Multi-bilateral Programme
- ILO Decent Work Team in New Delhi, management, programme and finance units
- ILO Country Offices in Bangladesh, India and Nepal
- ILO HQ, DWT-New Delhi and CO Dhaka technical and programme backstopping officers
- Ministries and Department of Labour in Bangladesh, India (Maharashtra State) and Nepal
- Representatives of governments of Bangladesh, Nepal and Maharashtra State Government of India
- Representatives of workers' organisations
- Representatives of employers' organisation
- Other stakeholders, including civil societies
- ILO-Japan as the funding agency.

## Key Stakeholders

The project covered a large number of stakeholders listed in Annex 2. These included the ILO and its tripartite constituents comprising government, research and consultancy organizations, workers' organisations, and employers' organisations among others. Table 1 lists country level key stakeholders

**Table 1: Key Stakeholders in the Project Countries**

<p><b>Bangladesh</b></p> <p><i>Government agencies:</i> Ministry of Labour and Employment (MOLE), Department of Industries and Factories Establishments (DIFE)</p> <p><i>Workers’ organizations:</i> Bangladesh Jatiyabadi Nirman Sramik Dal (BJNSD), Chittagong; Bangladesh Nirman Sramik League, Dhaka, Imarat Nirman Sramik Union Bangladesh (INSUB); and Trade Union Kendra, Dhaka; Jatiya Sramik League.</p> <p><i>Employers’ organizations:</i> Basic Builders Limited, Dhaka; Heaven Assets Limited, Chittagong; Farid Properties Limited, Rajshahi; and UMA Manufacture &amp; Exporters</p> <p><i>Nongovernmental organization (NGO):</i> Bangladesh Occupational Safety, Health &amp; Environment (OSHE) Foundation, Dhaka</p> <p><i>Research and consulting organizations:</i> Bangladesh Institute of Labour Studies, Dhaka (BILS); Department of Social Work, Jagannath University, Narayanganj Vocational Training and Informal Sector, Dhaka; and Narayanganj Sador Upazila Sromojibi Nirman Sromik Union, Narayanganj</p>
<p><b>India</b></p> <p><i>Government agencies:</i> MOLE; Ministry of Statistics and Programme Implementation; Ministry of Skill Development and Entrepreneurship; National Institution for Transforming India (NITI Aayog; and the Government of Maharashtra</p> <p><i>Workers organizations:</i> Bharatiya Mazdoor Sangh (BMS)</p> <p><i>Employers’ organization:</i> Employers Federation of India, Karnataka Employer Association, Pimpri-Chinchwad Small Industries Association (PCSIA)</p> <p><i>Nongovernmental organization:</i> Ranzunjar Yuva Sanghatana, and Chaitanya</p> <p><i>Research and consulting organizations:</i> Center for Labour Studies, Tata institute of Social Sciences, Vibrant HR Professionals Associations, Gokhale Institute of Politics and Economics, Karve Institute of Social Service, Centre for Development Studies, and Indira Gandhi Institute for Development Research</p>
<p><b>Nepal:</b></p> <p><i>Government agencies:</i> MOLE; Ministry of Finance, Central Bureau of Statistics, Department of Cottage and Small Industries (DCSI), Ratnanagar Municipality, District Office Cottage and Small Industries, Pokhara, Kaski</p> <p><i>Workers’ organization:</i> All Nepal Federation of Trade Unions (ANTUF), General Federation of Nepalese Trade Unions (GEFONT), Joint Trade Union Coordination Centre (JTUCC), Nepal Trade Union Congress (NTUC), South Asian Regional Trade Union Council (SARTUC)</p> <p><i>Employers’ organization:</i> Chamber of Commerce and Industries (FNCCI), Federation of Women Entrepreneurs’ Association of Nepal (FWEAN), Lekhnath Chamber of Commerce and Industries (LCCI), Ratnanagar Chamber of Commerce and Industries (RCCI), Federation of Nepal Cottage and Small Industries (FNCSI), and Pokhara Tourism Council</p> <p><i>Sub-contactors’ association:</i> Chitwan Nirman Sewa Sangh (CNSS), Bharatpur, Shree Shram Nirman Byabsayi Samiti, Pokhara, and Nirman Byabsayi Samiti</p> <p><i>Foundation:</i> Japan International Labour Foundation (JILAF) (workers’ organizations)</p>

## METHODOLOGY AND EVALUATION QUESTIONS

### APPROACH

The evaluation adopted a mixed-method approach using both qualitative and quantitative techniques. Availability of data and the broad mix of stakeholders guided the choice of analytical methods. The qualitative method involved key informant interviews with knowledgeable stakeholder representatives and selected focus group interviews with those directly involved in the design and implementation of the projects and beneficiary representations at different levels. The evaluation team conducted interviews with the ILO and WOI project staff (both current and some of the former ones); representatives of donor at the Embassy of Japan in Dhaka and Kathmandu; senior government officials in MOLE in all three countries; and representatives from workers, trade unions, civil societies, nongovernmental organizations; and WOI project staff and technical backstopping officers. The quantitative data analysis included data on the gender-disaggregated number of beneficiaries and project financial records. The final independent evaluation of the project involved five steps:

**Step 1:** Document review, projects' briefing from the Evaluation Manager, Chief Technical Advisor (CTA) and project staff, and preparation of an inception report for the evaluation. The desk review covered relevant documents related to the background of the project, context of the countries covered (statistics, national plans, informal sector definitions, etc.) performance and progress related to the project, including the initial project document, mid-term evaluation report, progress reports, mission reports, contracts and implementation agreements with partners, and knowledge outputs. A list of documents reviewed by the evaluation team appears in Annex 3.

**Step 2:** Field mission to Bangladesh (Dhaka, including Mirpur from 26 to 30 November 2016), India (New Delhi and Pune from 20-24 November 2016), and Nepal (Kathmandu, Kaski (Pokhara), and Chitwan (Bharatpur) from 2 to 10 December 2016) and interaction through key informant interviews and focus group discussions with relevant stakeholders, including tripartite constituents (in consultation with project teams). The field mission covered the only project site in India (Pune) and interacted with relevant stakeholders representing workers, training providers and key resource persons. In Bangladesh, project sites were in Greater Dhaka, Chittagong and Rajshahi. Due to similarities of construction work in all sites and mission time limitation, the Lead Evaluator deemed appropriate to focus field visits to project sites within the Greater Dhaka covering Mirpur and Aftab Nagar. Annex 4 provides a list of persons the evaluation team held a discussion with, and Annex 5 summarises field mission agenda adopted by the evaluation team in consultation with the project staff.

In Nepal, the project covered three sectors – construction, SMEs and tourism spread over different locations in seven districts. However, due to the concentration of project activities in Kaski and Chitwan districts, the evaluation team visited these two districts and covered all three sectors. In addition, the team also held focus group discussions with construction contractors from Kathmandu and Lalitpur districts. Nevertheless, the evaluation took into account activities, outputs and outcomes in all areas through document review.

**Step 3:** The project organised a stakeholder consultation workshop in Dhaka to share emerging findings with the Bangladesh stakeholder representatives in Dhaka on 1 December 2016. The team held debriefing sessions with the CTA and project staff in New Delhi on 24 November 2016, and the wrap-up meeting with the National Project Coordinator in Kathmandu on 9 December 2016 to ascertain the direction of evaluation findings and correction of any factual errors. In India and Nepal, extended travel to field sites and scattered locations of the stakeholders did not permit organising

workshops in these two countries. The Lead Evaluator debriefed the Evaluation Manager on 12 December 2016 and CTA on 13 December 2016 covering emerging evaluation findings.

**Step 4:** Data analysis and draft report preparation based on collected data, information, interviews and discussions, input from the three national consultants<sup>10</sup>, and the submission of draft report to the Evaluation Manager for sharing with relevant on 21 February 2017<sup>11</sup>and

**Step 5:** This final evaluation report incorporates relevant comments and suggestions on the draft report received from the MOLE-Nepal, ILO CO-New Delhi, ILO- CO-Dhaka, WOI CTA (New Delhi), WOI NPC (Kathmandu) and two former WOI consultants in India, forwarded by the Evaluation Manager on 4 April 2017.

## EVALUATION QUESTIONS

The TOR for the final independent evaluation (Annex 1) contained a list of questions for each of the standard evaluation parameter. The Lead Evaluator further refined the list of evaluation questions based on document review and relevance to the project context (Table 2). The evaluation questions covered six core areas of relevance and strategic fit of the interventions, the validity of intervention design, project management and effectiveness, efficiency in resource use, the effectiveness of management arrangements, project impact orientation and sustainability; and three other areas of capacity building and institutionalization, demonstration of integrated decent work strategy for the informal economy, and gender mainstreaming. A detailed evaluation matrix based on the set of key questions appears in Annex 6.

**Table 2: Key Questions for the Final Independent Evaluation of Way Out of Informality Project**

### **A. Relevance and strategic fit**

1. To what extent the project was relevant at the inception, implementation and at completion?
2. Did the project strategies and interventions planned in the project design appropriately promote the transition from informality to formality in the participating countries of South Asia?
3. To what extent were project strategies, tools (including training tools) and approaches have been flexible to ensure appropriateness to address informal economy issues and respond to the changing situations in the countries covered?
4. How well did the project approach build on the ILO's core strengths/comparative advantages?
5. To what extent did the project align with the objectives and priorities of the participating countries' Decent Work Country Programmes (DWCPs), UNDAF and the respective countries' national/state labour policies and strategies?
6. How well did the project design and selected means of action reflect cultural sensitivity, the capacity of implementing partners, and gender needs of workers in informal economy?

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<sup>10</sup> The delayed input from the national consultants based in Bangladesh and Nepal led to delay in the submission of the draft evaluation report.

<sup>11</sup> The submission of draft report was delayed due to delayed input from one of the national consultant and the Lead Evaluator's health reasons. The Evaluation Manager forwarded initial set of report formatting comments from CTA-New Delhi on 9 March 2017 and he submitted a revised draft on 13 March 2017.

**B. *The validity of intervention design:***

1. To what extent did the project design and interventions take into account implementing partners' capacities for an effective participation of the relevant stakeholders in project management?
2. Was the project design adequate and effective in addressing the needs of targeted beneficiaries? How realistic was the project design to deliver expected project objectives in terms of available project timeframe and resources committed? Did the project design reflect adequate consultations with relevant stakeholders and needs of workers in informal economy?
3. To what extent did the project address gender needs and interests of workers in informal economy? Did the project design adequately consider the gender dimensions of the problem, challenges, and interests of the men and women target groups and of the planned interventions?
4. Were the project design and the log frame valid and consistent? Was the project log frame flexible for periodic updates to address changing context or relevance?
5. Did the project design appropriately identify risks and key assumptions? Did the project contain a risk mitigation strategy taking into account the situation in the countries covered? Was the strategy realistic?
6. To what extent did the project design incorporate an operational monitoring and evaluation (M&E) arrangement? Were the M&E arrangements realistic and implementable? Did the project adopt **SMART** indicators realistic and trackable in M&E arrangements?
7. Were there any adjustments made on the project design following the recommendations of the mid-term internal evaluation?
8. Did the project design miss out any important element? If so, what were those?

**C. *Project progress and effectiveness***

1. To what extent did the project attain its objectives?
2. What were the major factors influencing the achievement or non-achievement of the project objectives?
3. What were the challenges faced by the project in achieving the results and how were they addressed?
4. To what extent was the project successful in addressing gender equality?
5. To what extent did the project contribute to improving knowledge of and actual working conditions of women and men in the target areas and economic sectors (i.e. construction, SMEs)?
6. To what extent has the project addressed the recommendations made during the mid-term internal evaluation?

**D. *Efficiency in resource use***

1. Have resources (funds, human resources, time, expertise etc.) been allocated and delivered strategically to achieve the project objectives?

2. Given the size of the project, its complexity and challenges, were the existing management structure and technical capacity sufficient and adequate?
3. How well did the project manage finances (including work and financial planning, budget forecasts, spending and reporting)? What monitoring system was put in place to assess and improve resource utilization and its efficiency?

**E. *Effectiveness of project management arrangement***

1. What is the quality and frequency of operational work planning and risk management? (Describe the process in each country and how coordination was done centrally across the three countries).
2. What are the internal and external factors that have contributed to the pace of project implementation? What were the lessons learnt and adopted to ensure effective project management?
3. Did the project receive adequate and timely technical support from ILO/DWT and administrative/ management support from ILO-ROAP? If not, what were the reasons? What else could have been done?
4. To what extent did the gender composition of the management and backstopping team affect the performance of the two projects?
5. How well the two projects manage their budget, including budget forecasts, delivery monitoring, actions taken to improve the delivery, and budget revision and financial reporting on time?
6. To what extent did budget utilisation deviate from original plan? If so, what were the reasons?
7. How effective were project steering and project advisory committees?
8. To what extent donor's monitoring and guidance help project implementation?
9. To what extent the projects followed recommendations and corrective actions following regular monitoring missions and mid-term review?
10. To what extent do the projects' database and M&E arrangements permit collection, analysis and use of sex-disaggregated data, monitor results and prepare regular progress reports?

**F. *Impact orientation and sustainability of the intervention***

1. Has the regulatory and policy environment in the target local areas made more conducive to formalisation (i.e. business registration, policies and legislations passed/drafted, incentives put in place for formalisation) and protective to the risks of formalisation due to the project's interventions and support?
2. Any evidence of formal job growth promoted through job-rich growth strategies and an integrated formalisation assistance in the target local areas?
3. Are there any good practices and tools of promoting formalisation that came about from this project? Have these been adequately documented?
4. Has there been evidence of better understanding of constituents and key stakeholders on informal economy issues at the national level? How has this understanding led to improved policies or institutional practices?
5. Are there any follow-up actions required to continue the momentum of the project?

### **G. Capacity building and institutionalisation**

1. How did the project engage with the tripartite constituents (Government, labour organizations (employers and workers) to institutionalize project interventions?
2. Which types of capacity building activities have been more and less effective and what lessons can be derived from these experiences?
3. How likely are the project outcomes going to be sustainable? What are needed to increase the likelihood of sustainability?

What are potential good practices, especially regarding models of interventions that can be applied further, shared and replicated

### **H. Demonstration of the integration of decent work strategy for the informal economy**

1. To what extent did the project integrate decent work strategy into the project activities?  
Did the project encounter any difficulties/obstructions in implementing the decent work agenda?

#### **I. Gender mainstreaming**

1. To what extent gender concerns were addressed in the project?
2. How did the project address gender issues in workplace faced by workers in the formalization process?
3. To what extent the project was successful in empowering women in the transition from informal to formal economy?
4. To what extent did the project maintain gender disaggregated data on project related activities?

Source: Adapted from the list of questions in the TOR for the evaluation.

## **LIMITATIONS**

The evaluation report draws on available evidence in the form of published and unpublished documents, interviews with key informants in Bangladesh, India, Myanmar, Nepal, the Philippines and Thailand. Due to time and resource constraints, the evaluation team had limited visits to project sites and these did not permit the conduct of independent surveys or large scale data collection through additional primary data collection efforts.

## **EVALUATION FINDINGS AND ASSESSMENTS**

### **STATUS OF MIDTERM EVALUATION RECOMMENDATIONS**

The ILO had commissioned the mid-term evaluation (MTE) of the project in August-September 2014. The evaluation found that the project was highly relevant and recognised the ILO's expertise and the importance of the tripartite stakeholders' engagement in a complex and challenging area formalising workers in the informal economy. It also noted that the project team had established good relationships and networks with a wide range of stakeholders, both at the field and national levels. It noted that the project had been responsive to project partners and had provided need-based support. The MTE offered ten specific recommendations summarised in Table 2. The evaluation's assessment of the implementation of these recommendations are briefly discussed in this section.

**Table 2: Independent Midterm Evaluation Recommendations of WOI Project**

Recommendation	
1. Ensure Continuation of the Project	2. Prepare a Brochure on Definitions of Key Terms
3. Support Sustainability of Enterprise Training Tools	4. Pilot Skill Certification and Development Partnerships
5. Pay More Attention to Issues Relating to Gender Equality	6. Forge Partnerships at the Local Level
7. Support the Simplification of the Enterprise Registration Process	8. Support Initiatives for Digitalising Enterprise Registration and Renewal
9. Support the Process of Registration of Workers with the Municipality in Nepal	10. Initiate Project Work in New Sectors

On the advice of the Lead Evaluator, the project teams in each of the three countries prepared a self-assessment of progress in responding to the MTE recommendations. Annex 7 summarises a consolidated response provided by the CTA. The final evaluation assessed the progress reported by the project teams, and arrived at the following conclusions:

- The recommendation for the project for next phase at midterm was premature as evidence in support of likelihood of project success was scanty at the time. The project activity in India began in December 2012 with the discussion on informal economy at a National Knowledge Sharing Workshop, followed by a study on several capacity development activities on SMEs linked to the automobile industry and awareness raising and advocacy work in 2013 and 2014. The project implementation was severely hampered by civil unrest in Bangladesh and Nepal and earthquake in Nepal in April 2015.
- The project took some positive steps towards gender balance and gender equality in workplaces. Key activities included engagement with FWEAN for promoting women-led micro-enterprises in Nepal; skill development and income generating opportunities to the spouses of workers in automobile industry in Pune, India through an NGO(Chaitanya); training female tourist guides in Nepal; and awareness raising and advocacy work on labour issues in Bangladesh and Nepal. According to the key informants, the wage gap between male and female workers has somewhat narrowed and varies widely across and within the three, but female workers on average still receive at least 25% less in wages compared to their male counterparts. This, however, varies by country and depends on labour demand and supply conditions. Of all the sites visited during the field trips by the evaluation team, none had any provision for basic facilities (e.g. such as separate toilet and breastfeeding room) for women construction workers in Bangladesh and Nepal and women-led petty contractors in construction are far fewer and account for less than 5 percent in both countries. Overall, evaluation notes that in the piloted project areas, gender equity has improved but gender balance particularly in supervisory positions are still a long way to go from the desirable parity level.
- The transient nature of the workers particularly in the construction sector poses significant challenge in registering the informal workers. In Nepal, cross-border movement of workers poses an additional challenge. In India, *Aadhar card* issued to all citizens including those qualifying for social protection does not identify the type of industry workers are engaged. Three issues require continued attention and include the provision of resources, institutional capacity (including technical expertise), and more importantly commitment by the governments at the highest level. Under the project, the Bangladesh Institute of Labour



Studies (BILS) was engaged with piloting issuance of ID cards for construction workers with the support from the Department of Inspection and Factories and Establishments (DIFE).

- The registration and renewal of informal enterprises ensures a positive step towards formalizing businesses. There are, however, many hurdles in the process, including relatively low literacy, resistance to change and lack of adequate awareness. The evaluation team during the field visits noted that the registration process is still manual and digitization has yet to commence. In addition, the mission also noted that due to staffing constraint, the renewal of enterprises does not take place on time making the registration exercise less effective. With project support, concerned local chamber of commerce have established business service desks in Nepal and it is appreciated by the current and aspiring entrepreneurs but the scope of services offered is limited.
- The C-BED and SIYB have a merit from the capacity development and the empowerment of women perspectives as they attempt to prepare existing and aspiring women entrepreneurs. However, the discussion between the mission and the project beneficiaries pointed that such initiatives need sustained and continued efforts in identifying niche areas of comparative advantage rather than the traditional usual off the shelf training like sewing, food preparation and the likes. Moreover, the activities undertaken by the NGO (Chaitanya) are heavily dependent on the external funding sources.
- Aside from registration, skill certification of workers is important but efforts are limited due to low capacity in the concerned certifying agencies. These are popular among both employers and workers but supply cannot cope with high demand particularly in the context of Bangladesh (construction) and Nepal (construction and MSMEs). Tourism in Nepal (particularly in Kaski) appears promising. However, this has yet to materialize in India.
- The social partnership between trade unions and enterprise associations particularly in Bangladesh and Nepal require critical assessment. Often entrepreneurs and trade unions are not necessarily mutually exclusive and in many cases memberships are open to both categories (workers' organization as well as employers' organization). While entrepreneurs tend to maximize their income, they are able to only address workers' concern to a limited extent. In all three countries, the project identified and engaged with social partners who have had prior experience and were easy to work with. However, the evaluation notes that the trade unions do not necessarily bring out the voices of a large number of informal workers, usually not represented by the trade unions.
- The project has supported the developed different kinds of brochures such as OSH awareness in Bangladesh, women entrepreneurship in Nepal, workers' rights in India, and tourism opportunities in Nepal. These are well received by respective stakeholders. Their distribution is, however, limited due to high production costs.
- The midterm evaluation recommendation to expand WOI project's coverage to more number of sectors was premature given the (i) limited resources available in light of complexities in the informal economy, (ii) weak implementation capacity, and (iii) evolving experience in implementing WOI project in constrained environment.

## EVALUATION ASSESSMENT

The evaluation assessment of the *Way Out of the Informality* Project is based on key evaluation parameters adopted by the ILO Evaluation Policy and practices. An assessment along each parameter follows.

## THE RELEVANCE AND STRATEGIC FIT

The project is assessed as *highly relevant* in the South Asian context under which informal economy plays a significant role both in terms of its contribution to the GDP as well as to the employment in informal sectors, particularly for the poor and vulnerable population.<sup>12</sup> The informal employment is typically characterised by a lack of protection of wage payment, undue dismissal, poor pays, unsafe working conditions and absence of social protection, including pensions, sick pays and health insurance. The project is consistent with the ILO's Decent Work Agenda in promoting productive employment and decent work for globalisation and poverty reduction through job creation, rights at work, social protection and social dialogue, with gender equality as a crosscutting objective.<sup>13</sup> The 2002 International Labour Conference (ILC) for the first time adopted the resolution on decent work and the informal economy and with continued efforts, it culminated into the ILO Recommendation 204 in 2015. The project design was based on evidence-based studies conducted by the ILO, with the support of the Norwegian Agency for Development Cooperation (NORAD), on labour laws and the business environment that focused on the bottlenecks preventing formalisation and growth of MSEs in the sub-continent. The project is also consistent with the Decent Work Country Programme in each of the three project countries – Bangladesh, India and Nepal.

Bangladesh's 6<sup>th</sup> Five-Year National Plan (2011-2015) recognized the vulnerability of workers in the informal economy and the 7<sup>th</sup> Five Year Plan (2015/16-2019/20) also mentions the promotion of decent work and the promotion of formal working condition as one of the key targets and it is aligned with the 2030 Agenda on Sustainable Development Goal 8 which calls for promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.<sup>14</sup> The government's commitment is reflected in the Labour Policy, the Labour Law Amendment 2013 and the Labour Rules 2016 with the provision for formalising employment in informal sectors.

In Bangladesh, the WOI project considered several sectors in 2012 but construction sector emerged as one of the major ones because workers in the sector were highly informal and the sector was growing at the rate of 24.4% annually at that time. Construction was primarily led by the private sector and more predominant in urban areas and divisional towns but scattered across the country. The sector has several tiers and the formal enterprises and they were more likely to be the members of Real Estate & Housing Association of Bangladesh (REHAB).<sup>15</sup> However, informality continues to be dominant throughout the value chain composed of small contractors and enterprises that are not necessarily registered but critical in the value chain. Most workers are engaged on daily wages with little job security or social protection and are deprived of OSH measures. The 2011 Bangladesh Labour Force Survey estimated that there were around 2.6 million workers in the informal construction sector, but the knowledgeable sources suggest that the figure could be much more.

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<sup>12</sup> Informal economy accounts for half to two-thirds of non-agricultural employment (<http://ilo.org/global/topics/employment-promotion/informal-economy/lang--en/index.htm>). The 2010 Bangladesh Labour Force Survey reported that the informal sectors generate 90 percent of employment.

<sup>13</sup> <http://www.ilo.org/global/topics/decent-work/lang--en/index.htm>

<sup>14</sup> A PowerPoint presentation prepared by Internal Resources Division, Bangladesh Seventh Five-Year Plan: Accelerating Growth, Empowering Every Citizen

<sup>15</sup> Currently, REHAB has 1,191 member firms and it acts as a lobbying mouthpiece for the sector.

In India, the informal economy is referred as the unorganised sector<sup>16</sup> and the Government set up the National Commission for Enterprises in the Unorganised Sector (NCEUS) to examine the issues of the informal economy. As cited in this Weigo report,<sup>17</sup> continued several attempts to improve the working conditions resulted in the Second National Commission for Labour proposing an Act to consolidate the laws associated with regulation of employment and workers' welfare in the unorganized sector in India and provision of social security cover and welfare, regulation of employment and conditions of work and the promotion of livelihoods. The same Weigo report also cites the NCEUS in its report recommended two legislations for unorganised workers.<sup>18</sup> The 2008 Unorganized Workers Social Security Act ensures access to basic social security.<sup>19</sup> As expressed by a GOI MOLE-India official, GOI has reiterated its commitment to implement the ILO Recommendation 204 and address the concerns of the informal workers. The evaluation concludes that the theme of transition to formalisation was highly relevant for India and would greatly facilitate global commitment to it if India was to take the lead in implementing Recommendation 204. It is, after all, an "Area of Critical Importance" to the ILO. One of the key informants put it "*If the ILO does not promote formalisation in India, we are not doing our job*". It is the reason why the ILO Headquarters made an additional contribution through Regular Budget Supplementary Account (RBSA) Funds to the project.

Nepal is also committed to the ILO Decent Work Country Programme Agenda and the government is committed to improving the working conditions for workers in informal sectors. A 2004 study commissioned by the ILO noted that the informal economy in Nepal was very big and growing. It was transforming itself gradually from subsistence economy to a market-based commercialised economy.<sup>20</sup> Legislation for social protection in Nepal certainly picked up since the 2006 peace accord. There are a number of programmes run by different actors such as the State, NGO/INGOs, civil society, trade unions, financial co-operatives, health providers, and communities etc. However, despite all efforts, formal economy in Nepal only reaches less than 5 percent of the working population. Since both the Labour Act and the Labour Rules are applicable only to those organisations established as per Nepal's laws where more than ten workers are employed, this law is not applicable to those companies with less than ten workers.<sup>21</sup> Nepal's new constitution (2015) recognises the challenges in informal employment but there is no state funded programme particularly directed at the informal economy.

Overall, the project was a good strategic fit for all three countries. Although the informal economy and informal employment were (and is) virtually present in almost all sectors the project had initial difficulties in selecting the sector for the WOI entry points. In the end, the project selected construction in Bangladesh, the automobile in India, and construction, MSMEs and tourism in Nepal. All sectors considered under the project proved relevant at the time of project design. However,

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<sup>16</sup>The unorganised sector includes all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated by on a proprietary or partnership basis and with less than 10 total workers. [http://wiego.org/informal\\_economy\\_law/country-study-india](http://wiego.org/informal_economy_law/country-study-india)

<sup>17</sup> Refer to footnote 27 document for Weigo report.

<sup>18</sup>The recommended bills covered far fetching efforts to recognize (i) 8-hour working day with at least half-hour break, (ii) one paid day of rest, (iii) a statutory national minimum wage for all wage workers and home workers, (iv) penal interest on delayed payment of wages, (v) no deduction from wages in payment of fines, (vi) the rights to organize, (vii) non-discrimination on the basis of sex, caste, religion, HIV/AIDs status and place of origin, (viii) adequate safety equipment at the workplace and compensation for accidents, and (ix) protection from sexual harassment, provision of childcare, and provision of basic amenities at the workplace. Refer to footnote 22 for the source.

<sup>19</sup> The Act is limited because it does not regulate working hours, safety and employment relations.

<sup>20</sup>[http://www.ilo.org/wcmsp5/groups/public/--asia/--ro-bangkok/--ilo-kathmandu/documents/publication/wcms\\_113778.pdf](http://www.ilo.org/wcmsp5/groups/public/--asia/--ro-bangkok/--ilo-kathmandu/documents/publication/wcms_113778.pdf)

<sup>21</sup> [http://www.awo-southasia.org/fileadmin/websites/nepal/South\\_Asia\\_pdf/Nepal\\_s\\_Informal\\_Economy.pdf](http://www.awo-southasia.org/fileadmin/websites/nepal/South_Asia_pdf/Nepal_s_Informal_Economy.pdf)

evaluation team through stakeholder consultation noted that the choice of automobile sector in India was partly as a result of project's consultation with the Ministry of Industry guided by project design which called for engaging with larger companies who could influence the behaviour of suppliers in the value chain and partly based on ILO's earlier work in the Pune area. The inclusion of three intervention areas in Nepal and the construction sector in Bangladesh was guided by tripartite discussion which took a different approach to exploring formalization options, including policy advice.

## VALIDITY OF INTERVENTION DESIGN

As stated earlier, the project design was relevant and had a good strategic fit to all three countries at the time and it had an adequate built-in flexibility to adapt to the evolving or changing circumstances. It was aimed to pilot project support in sectors prone to a high degree of informality and had scope for adding value to economic outputs and facilitate decent work agenda.

The interaction and discussions with key informants and an in-depth review of documents suggested that the project design could have further improved by addressing some of the key issues:

- i. The project design stressed the importance of participation of tripartite constituent. It would have been helpful to outline the framework for the consultation process. Based on key informant interviews, the project preparation itself lacked adequate consultation process, partly driven by tight timeframe for project document preparation and approval. For example, the involvement of a small group of eminent experts from the three project countries with an in-depth knowledge of informality could have reduced the quantity of consultancies needed during the implementation stage and strengthened the project design, permitting time for the actual implementation of project activities. This would also have
- ii. The project design was reasonably flexible and it provided broader guidance for the selection of sectors and pilot districts. It emphasized gender balance of the direct beneficiaries through gender-sensitive selection of sectors and service providers and pointed out that the selection of the districts should take into account priorities of respective countries. It further expected that from a practical angle of project management, the target districts/states should be within the reach of national capital cities where the ILO country offices were located (e.g. Dhaka, New Delhi and Kathmandu). Additionally, other criteria included in the project document the presence of organizations with good implementation capacity and willingness to collaborate and the sector selection to be optimally done to satisfy both job-rich growth potential and a significant presence of "ready-to-formalize groups. The final selection of the pilot areas were to be done through consultations with the key constituents and stakeholders in a clear, transparent and inclusive manner. The project could have benefitted from a proper ex-ante analysis at the design stage in the identification of sectors and areas for the pilot intervention through a robust consultation process and subsequently benefitted project implementation in all three countries sooner than actual start-up.<sup>22</sup>
- iii. In Bangladesh, the tripartite consultation process resulted in the selection of construction sector in three largest cities - Chittagong, Dhaka, and Rajshahi in contrast to original intention

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<sup>22</sup> The project design to some extent benefitted from the work of T.S. Papola and K.P. Kannan who finalized the studies under NORAD project.

in the project document for concentration in or around Dhaka. The project documentation lacks justification for construction sector selection through a gender lens.

In India, the choice of a sector was discussed at the first Steering Committee meeting of the project but no decision was made. Endorsement for the choice of the automobile sector by social partners was obtained only in 2014, one and a half year after the start of the project and after a series of informal consultations. Relatively small component of the project in India was not attractive enough to get traction from GOI. The evaluation agrees that it was an important sector in the Indian economy, represented by a mix of foreign and domestic investment in it and the complex value chains that characterise it with the informality of employment at both ends and of firms at the lower end, justify the choice. Late Dr. T.S. Papola, the part-time member of NCEUS and Dr. K.P. Kannan, Full-time member of the NCEUS, finalized the studies under a NORAD project. As such, the consultation took place but these may not have been adequate.

Initially, the project faced resistance from the highly male workers dominated automobile sector and from the ILO perspective, the project took a less enthusiastic approach as the automobile sector is highly dominated by male workers.<sup>23</sup> The project did not use the gender lens in the selection of sector either. Furthermore, the project design either overlooked the need for a national coordinator in India or overestimated the capacity of CTA to implement activities in Pune from New Delhi. Furthermore, since the project activities on the ground started much later, it could have been more responsive to new economic policies of the Modi government – the National Skills Development Policy, the creation of a separate MSDE, the *Pradhan Mantri Rojgar Protsahan Yojana* that provides incentives for the creation of formal jobs, the digitisation of registration and filing of consolidated returns through the Shram Suvidha Portal that simplifies compliance, etc. The Project could have also built strong linkages with other initiatives/projects of the ILO Country Office, i.e., an existing MOU with the Ministry of Micro, Small and Medium Enterprises, Government of India, projects like Sustaining Competitive and Responsible Enterprises (SCORE), etc.

In Nepal, the selection of the three sectors (construction, MSMEs and tourism) and coverage into seven districts emerged from the tripartite consultation process. The project applied the gender lens in the selection of the sectors. The evaluation notes that the coverage in terms of both sectors and districts was overambitious in the light of human and financial resources available. The project could have been more effective by focussing on one sector for the pilot work like in Bangladesh and India. The geographical coverage could have been limited to either one or two adjoining districts.

- iv. The Outputs and Activities described in the logical framework form an appropriate combination of needs analysis, capacity building of key stakeholders to address them, awareness raising and policy dialogue with relevant assumptions. The evaluation found that the project components were conceptually and logically linked. The indicators, however, were not suitable for monitoring progress. There was too much stress on quantitative and less useful indicators over qualitative ones. For example, the indicator for Outcome 1 "*number of*

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<sup>23</sup> Before this choice was made, the project contributed to larger issues such as the measurement of the informal economy and documentation of good practices in the formalization of employment in South Asian countries as well as research on the cost of formalisation. February 2014 was the high point of the project when the CTA met with representatives of the management of Tata Motors and Mahindra & Mahindra as well as with the Automotive Component Manufacturers' Association of India (ACMA) who were committed to greater compliance with labour laws and had significant control over value chains.

*changes in law and policies that influence ... compliance ... and formalisation*". The number is irrelevant here and the changes may or may not be attributable to the project. Besides, they may influence compliance and formalisation positively or negatively. Similarly, for Outcome 3, the indicator is *"the frequency of use of the term 'formalisation' in key policy documents"* as a measure of the understanding by constituents of good practices and tools produced by the project.

- v. The three outcomes of the project were designed to feed into each other – the knowledge base informing formalisation assistance and revealing insufficiencies in the regulatory and policy environment at a local level that needed correction. The second outcome could have been more narrowly defined and linked to existing initiatives such as the Cluster Development Programme for MSEs.
- vi. The project design could have taken a strategic approach for inter-country knowledge sharing across the three countries by focussing on a single sector across the three countries or three different sectors – one sector unique to each country and facilitated learning across the partner countries.

The project design, overall, was valid and conceptually sound. However, it would have helped to provide details on implementation plan. The initial project period of five years was sufficient to produce a model at the local level and share it with social partners at state and national levels. Given the external environment that favours labour flexibility over labour rights, it is necessary to convince social partners of the economic feasibility of formalisation through a demonstration that could then be scaled up in the second phase of the project.

## PROJECT MANAGEMENT AND EFFECTIVENESS

The evaluation assesses that overall the project has been effective in generating envisaged outputs and outcomes, but with wide variation across the three participating countries. The project brought together the stakeholders from the three countries at different fora for sharing experience and knowledge and promoted cross-country learning in implementing the WOI project. The stakeholder who participated considered these opportunities useful but limited in scope and inadequate. The project effectiveness, however, varied significantly across the three countries. This was a result of nature, scope and engagement with relevant stakeholders. A clear Theory of Change showing the inter-relations between the outcomes, outputs and activities in achieving the expected impact could have helped the project to keep its focus on integrated formalisation assistance for employers and workers in the informal economy.

### Bangladesh

In Bangladesh, as stated earlier, the project selected construction sector in three major cities – Dhaka, Chittagong and Rajshahi. The sector is characterised by vulnerable working conditions prone to injury and accidents and devoid of social security beyond daily wages.<sup>24</sup> The strategic choice of cities relied on population concentration covering three of the four most populous cities in Bangladesh.<sup>25</sup> Most of the project activities concentrated in Dhaka largely because of the presence of most of the stakeholders in the city and convenience in organizing project related events.

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<sup>24</sup> The 2010 Bangladesh Labour Force Survey revealed that the construction sector alone provides employment to over four million workers in the country and mostly this employment are informal in nature. Based on focus group discussion, the sector provides an average of 20 days and 16 days employment to male and female workers, respectively.

<sup>25</sup> <http://worldpopulationreview.com/countries/bangladesh-population/cities/>

The project intervention has been at four different areas - (i) contribution to policy support, (ii) the institutionalization of informal enterprises, (iii) skill development and certification of informal construction workers, and (iv) improvement in working conditions, including due attention to OSH measures in workplaces. The project contributed in the formulation of Labour Rule 2015 which increased the age of apprentice from 22 to 30 thereby enabling more number of construction workers to access skill development opportunities. In terms of institutionalisation, the project facilitated formalisation of 381 informal construction enterprises that received trade licences from local city corporations and municipalities. It also linked with the Government's two national skills development projects implemented by BMET to provide vocational skills training and decent job placement support to 24 female and 94 male trainees. In MOLE-Bangladesh, there is now a focal point to address and facilitate informal economy related issues. In addition, three construction workers' unions have signed a memorandum of understanding with MOLE and facilitated access to Group Insurance Scheme for about 3,000 construction workers.<sup>26</sup> A pilot initiative is underway, with project support to the BILS, to provide a national identification card to construction workers and is nearing finalization as a result of efforts from the tripartite constituents and other stakeholders such as the DIFE.

In the area of capacity development, the project supported (i) the promotion of workers' rights at work and decent work agenda by imparting training to 22 male and two female master trainers of 12 National Trade Union Federation (NTUF); (ii) training of four construction workers' unions and 25 master trainees on OSH and Work Improvement in Small Construction Sites (WISCON) measures about improved work practices and use of safety and personal protective equipment (PPEs), who in turn trained 435 female and 5,772 male workers; (iii) training of 498 skilled construction workers as Master Crafts Persons and trained 25 female and 2,117 male workers through apprenticeship programme; (iv) apprenticeships to 1,623 informal construction workers and 498 are undergoing such training; and attendance of selected GOB officials to attend training at International Training Centre (ITC), Turin.

In order to improve the safety at workplaces, the project provided sample personal protective equipment to a group of registered construction contractors and the project also supported the production and distribution of promotional videos, WISCON and OSH manuals and posters to key stakeholders and target groups to replicate good practices.

The project's key outcomes are summarised in Table 3.

**Table 3: Key Project Key Outcomes of Bangladesh WOI Programme**

*Outcome 1: Local regulatory and policy environment made more conducive to formalisation and protective of the risks of formalisation*

- An amendment of the Labour Law was adopted in 2013 that included specific references to decent work and the companion Labour Rules of 2015 included specific provisions on the informality.
- The Seventh Five-Year Plan (2016-2020) recognises the importance of informal economy as a part of country's decent work agenda.
- The adoption of the Workers Welfare Foundation Act and the subsequent setting up of the Workers Welfare Trust Fund. The law and the Fund is a first in Bangladesh that aims to integrate the worker's entitlements and benefits through a uniform procedure across the country.<sup>27</sup>

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<sup>26</sup> The insurance coverage is 200,000 BDT for two years.

<sup>27</sup> Although the Fund is yet to be fully operational, it has reportedly already accumulated a fund of 2 billion taka which should be considered a major initiative and could go a long way in strengthening the agenda of decent work in Bangladesh.

- The upper age limit for apprentice scheme increased from 22 to 30 years.
- The Government's commitment in implementing national identity card for construction workers may be a precursor to protecting the rights of workers in the construction industry which may include access to social protection, OSH and other genuine entitlements.

*Outcome 2: Formal job growth and integrated formalisation assistance in the target local areas.*

- Linkages with BMET under the project has successfully initiated on-the-job apprenticeship training. This initiative is likely to continue even after the completion of the project in Bangladesh. The 1,633 trained apprentices and 323 master craftsmen who obtain a certification of completion of training thereby placing them at a better position in the job market.
- The apprenticeship toolkit developed by the ILO is currently considered a benchmark and has been used by the government for its self-funded apprenticeship programmes.
- The registration of 362 small construction enterprises has led to the establishment of a trade association (expected to be registered soon) and it is expected that the number could top 500 within few months.
- The project has enhanced awareness about workers' rights and OSH in workplaces.

*Outcome 3: Good practices and tools for promoting formalisation are better understood by national constituents and key stakeholders*

Some examples of good practices are:

- The publication of good practices on the transition to formalisation in South Asia disseminated at a Knowledge sharing workshop in 2012;
- A sub-regional workshop in Delhi in 2013 on measurement of the informal economy highlighted the differences in statistical methods used by the ILO internationally;
- Apprenticeship kit curriculum based on lessons adopted by the Government;
- Organised learning visits to India and Nepal and by the testimony of the participants, these visits were helpful for them in their participation in the WOI project and in particular, in promoting the decent work agenda in Bangladesh; and
- Produced video documenting good practices for further dissemination (available on Youtube and the global ILO website).

The evaluation considers above-listed activities as positive steps in the right direction. As confirmed by key informant interviews and focus group discussions, the project's contribution is well received by both employers and workers, but more needs to be done to really make a dent in the formalisation process. It would help to create a registry of trained workers and who could be tracked over time to see if they are creating a wider awareness and any multiplier effect in the industry.

The project performance in Bangladesh was affected by strikes on various occasions which required readjustments to the scale and scope of the project activities. The Implementation of the pilot initiative on identity cards for construction workers had been delayed by several months due to the time taken to arrive at an agreement that DIFE's Inspector General will be signing the initial batch of the informal construction workers' identity cards.

## **India**

The initial part of WOI-India was devoted to the completion of studies initiated under the earlier NORAD project as well as dialogue/meetings on the studies. The project activities in India commence in 2012 with a national Knowledge Sharing Workshop on Way out of Informality held on 6 December 2012 in New Delhi, followed by three other knowledge sharing events held in New Delhi and another one in Mumbai between 2013 and 2014. The project organized a training for SIBY tools in collaboration with BMS in August 2014 in Pune. The beneficiary level training activities commenced in August 2015 with the training of trainers programme for facilitators on the entrepreneurship development training for informal workers with the ILO C-BED tool for 30 participants under a contract with a NGO (Chaitanya). Between September 2015 and April 2016, another NGO (Ranzunjar) on a contract with



WOI project launched an awareness programme for informal workers on labour laws and workers' rights for informal workers. The project also organized six workshops on voluntary code of conduct for engaging contract workers between October 2015 and November 2016 at different locations. In addition, Vibrant HR organized a training of trainers for the human resource managers on the compliance management in automobile and related companies in Pune, Maharashtra.

The initial part of the India component was devoted to completion of studies initiated under the earlier NORAD Project as well as dialogues/meetings on the studies. As stated earlier, the project focussed on the automobile industry in the district of Pune of Maharashtra State. The late introduction of project activities in India was partly a result of time taken to arrive at the sector selection and also getting a buy-in from the State Government. Furthermore, the project did not have a provision for a National Project Coordinator for India and hence it relied heavily on the CTA. A National Project Coordinator came on board only in 2015. The project outputs fall into two categories – studies and support activities. Table 4 provides a summary of outcomes achieved by the project in India.

**Table 4: Key Project Key Outputs and Outcomes of India WOI Programme**

*Outcome 1: Local regulatory and policy environment made more conducive to formalisation and protective of the risks of formalisation<sup>28</sup>*

- No output planned.

*Outcome 2: Formal job growth and integrated formalisation assistance in the target local areas.*

- The project promoted a Voluntary Code of Conduct for Employers' Organizations on Contract Labour by organizing workshops in Delhi, Mumbai, Pune, Bengaluru, Chennai and Kolkata organised by AIOE, the Employers' Federation of India (EFI) and the Karnataka Employers' Association. The adoption of the Code would ensure improvements in the parity between conditions of work of regular workers and contract workers without going as far as formalising employment.<sup>29</sup> The Mapping of Decent Work Deficits in the automobile industry in Maharashtra done rather late in the project cycle (2016) and it describes the value chain but does not go far enough into the economics of sub-contracting to make a case for the transition towards formalisation. However, it paves the way for some degree of transition towards formalization.
- The project has successfully promoted a budding partnership with the Pimpri-Chinchwad Small Industries Association that has been successful in mediating with the Maharashtra Industries Development Corporation in improving provision of electricity, water, roads, etc. for the automobile industries in the area. It has 4,000 members, 75 percent of whom are active. The project supported the re-design of their web-site to better facilitate communication with their members and expanded their membership.
- The project has successfully raised awareness among the HR managers through the compilation of the *Compliance Management Trainers' Manual*, and the Training of Trainers

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<sup>28</sup> Some changes in legislation that reduce the coverage of labour laws have been introduced at national and local levels, changes that the project did not influence. As stated earlier, in 2015, Maharashtra State amended the Factories Act to raise the minimum number of workers for application of the Act from 10 to 20 if power is used and from 20 to 40 in establishments without power. Hence, more small manufacturing units fall outside the purview of this Act. At the national level, an amendment has been introduced in Parliament to increase the maximum overtime per quarter from 75 hours to 115 hours and to 125 hours if it is in the public interest.

<sup>29</sup>At the time of mission for the evaluation (November 2016), the Code was in its fifth draft awaiting endorsement from the employers' organizations.

(TOT) and its roll out to 532 HR managers (10 percent women) of formal enterprises who are members of Vibrant HR.

- The project has raised awareness about labour laws in simple terms through:
  - The publication of the 'Prashikshan Manual' (a booklet on labour laws in simplified form);<sup>30</sup>
  - The conduct of training of trainers on labour laws and rolled out to 1,400 workers, including 150 women;
  - Ranzunjar Yuva Sanghathan's solidarity between permanent and contract workers in the Chakan automobile cluster and promotion of information and support to informal contract workers;<sup>31</sup> and
  - Street plays performed by the human resource students of the Karve Institute of Social Sciences among the local residents and businesses about the rights of workers and benefits of formalisation in informal sectors.
- Several women benefitted from undertaking income generating activities as a result of the entrepreneurship and development training using the ILO Start and Improve Your Business (SIYB) in 2014 and Community-based Entrepreneurship Development (C-BED) modules in 2015-2016; some of whom were wives of contract workers in the automotive industry.

*Outcome 3: Good practices and tools for promoting formalisation are better understood by national constituents and key stakeholders*

The project published a set of good practices<sup>32</sup> and disseminated it globally to promote a better understanding of the context under which the challenges associated with informality can be addressed. It also organized knowledge sharing workshops and facilitated learning opportunities among the stakeholders. These have collectively improved the knowledge based and understanding about the workers in informal economy. Key activities included:

- A Knowledge sharing workshop in 2012;
- A sub-regional workshop held in Delhi in 2013 on the measurement of the informal economy highlighted the differences in statistical methods used by the ILO internationally and those of the NSSO Employment Unemployment Surveys;<sup>33</sup>
- Key knowledge products produced included the reviews of labour laws applicable to MSEs at national and state levels and the study on the influence of labour law and business regulations on the growth of MSEs have contributed a great deal to the knowledge base of the project, and the study on the automobile sector in three states of India.
- A training programme on the informal economy organised by the ILO's International Training Centre in Turin at a sub-regional workshop in Pokhara, Nepal in 2014;
- Hosted a study tour for stakeholders from Nepal and Bangladesh on Local Economic Development and Social Protection in 2014.
- Provided a technical concept note to the Government of India on measuring informality in 2014.

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<sup>30</sup> Developed by Advocate Inamati.

<sup>31</sup> They have dealt with demands for compensation in case of workplace accidents and handled complaints of misappropriation of PF contributions by informal workers. Cases are resolved by the Ranzunjar volunteers by approaching the HR manager of the concerned enterprise on behalf of the worker.  
[http://www.ilo.org/newdelhi/info/public/fs/WCMS\\_506519/lang--en/index.htm](http://www.ilo.org/newdelhi/info/public/fs/WCMS_506519/lang--en/index.htm)

<sup>32</sup> Thomas Kring and Sandra Rothboeck. 2014. Promoting Transition towards Formalization: Selected Good Practices in Four Sectors, International Labour Organization, ILO DWT for South Asia and Country Office for India, New Delhi

<sup>33</sup> This was followed by several meetings with the Ministry of Statistics and Programme Implementation but the differences in definition are yet to be resolved.

- Facilitating participation of a senior official of the Indian Planning Commission in the UN Panel at the UNGA special event on Promoting Inclusive Growth: Transition from the Informal to the Formal Economy in 2015.

Overall, the evaluation concludes that the achievement of the project on all three outcomes has been weak in India mainly due to the absence of a theory of change and lack of follow-up to meetings held during missions, particularly during the first two years of the project. The project has not taken the necessary steps to demonstrate the feasibility of formalisation of jobs and firms at the local level and missed the opportunity of engaging OEMs in ensuring clean supply chains. The sector faces huge disparity between regular and contract workers and one key informant opined that this may lead to industrial unrest and motivate strikes and violence in production facilities.

As far as gender is concerned, women have participated as trainers and small entrepreneurs but problems faced by women workers in informal employment relationships have not been specifically addressed. The project has contributed to building up a knowledge base on informality in the automobile sector but these findings have not been sufficiently disseminated to the tripartite constituents to promote formalization process. A senior government official in India remarked that the project has not demonstrated the transition to formalisation at the local level. Furthermore, unless projects generate scalable models of intervention with a significant sample size they will not influence Government's labour policy.

The 2013 progress report of the project states that studies in each country a study on the cost of regularisation have been completed and that the project contributed to policy dialogue on it but the study and meeting reports on this were not included in the documents made available to the evaluation team. The project mission reports show that the CTA met with the Principal Secretary Labour, Maharashtra, the Assistant Labour Commissioner and the District Industries Centre in February 2014 and again with the Principal Secretary, Deputy Secretary and Under Secretary in August 2015. At both these meeting requests were made for Strategy Papers from the ILO. The evaluation team did not come across any policy briefs produced in response to these requests from GOI that would be the basis for policy dialogue.

Interestingly, the CTA's February 2014 mission report noted that large value chain aggregators like Tata Motors and Mahindra and Mahindra were already taking initiatives in formalising works. The report noted that OEMs are:

- Limiting the ratio of contractual workers to the permanent workers to 30:70;
- Involving contractual workers only in incidental rather than core manufacturing activities;
- Ensuring that the contractual workers are paid more than minimum wages and are not exploited by the labour contractors;
- Extending certain facilities such as canteen, dress and safety equipment;
- Skills development initiatives for contractual workers and unemployed neighbouring adolescents; and
- Promoting a similar culture in their supply chain.

It is, however, not clearly documented the extent to which the practice is followed up in the supply chain.

The entrepreneurship development training such as SIYB and C-BED while tried under by the project, the experience is mixed for developing enterprise. This is partly due to off-the-shelf approach to training for income generating activities. Also, evaluation contends that it that these were not properly

aligned with project framework. The activities undertaken seem to fulfil the gender requirements of the project to contribute to the growth of jobs through small business start-ups and strengthen capacities of trade unions (in the case of SIYB). It has certainly helped to grow small businesses in rural areas out of women's Self Help Groups (SHG). About 45 percent of those trained attempted to start a business and there are at present six out of ten village-level networks of 10 female entrepreneurs each that are active and use Chaitanya's extensive experience in forming Federations of SHGs and doing process documentation. As far as business registration is concerned, only two ladies who have opened Beauty Parlours have obtained "No Objection Certificates" from the local Panchayat office. The Rapid Assessment of the C-BED training carried out by the Gokhale Institute does a lot of number crunching but does not inform future activities in this domain. The case studies being developed by Chaitanya will probably be more useful.<sup>34</sup> Despite its contribution to local economic development, the Entrepreneurship Development activities do not further the objectives of the project on the transition to the formalisation of enterprises or of employment.

Since the physical activities for formalizing informal workers in automobile sector was not taking place, the project opted for alternative approach and engaged NGOs. The evaluation finds that the project subsequently lost when the project began taking an activity-oriented approach and started working with partners who were not directly concerned with the transition to formalisation (Chaitanya, Ranzunjar Yuva Sanghatna, and Vibrant HR and went into entrepreneurship development as a strategy for job-rich growth without concern for the formalization of the businesses that were created. These being own-account businesses, these activities were not linked to the creation of formal jobs.

The evaluation finds that knowledge sharing between the three countries covered by the project has not been done consistently. For example, learning from study tours hosted by India in 2014 are not reflected in project documents or other dissemination materials, both in hard and soft forms. Overall, the interaction between India and the other two countries in the project for knowledge sharing has been limited. Likewise, support for developing promotional materials also is limited.

## Nepal

Nepal WOI programme, as stated earlier, worked in construction, SMEs, and tourism. The first year largely was exploratory and included selected studies to help the project staff identify key intervention areas. Initially, project work focussed on working with the construction petty contractors operating as small and medium entrepreneurs.<sup>35</sup> The actual project activities commenced in 2013. The project worked with a host of institutions.<sup>36</sup> In 2013, the project provided technical and financial support for capacity and skill development activities for SMEs and the support for construction sector materialised in 2014, followed by support for tourism in 2015. In 2016, all three areas received some form of support from the project (Table 5).

**Table 5: Key Project Outputs and Outcomes of Nepal WOI Programme**

*Outcome 1: Local regulatory and policy environment made more conducive to formalisation and protective of the risks of formalisation*

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<sup>34</sup> Not available at the time of evaluation.

<sup>35</sup> The project used the term *Naike* (meaning leader) but the contractors did not accept the term and wanted to be recognised as small construction contractors.

<sup>36</sup> The institutions included the Federation of Nepal Cottage and Small Industries, the Department of Cottage and Small Industries, Industrial Enterprise Development Institute, the Federation of Women Entrepreneurs Associations, All Federation of Trade Unions, General Federation of Nepalese Trade Unions, Nepal Trade Union Congress (also in association with Japan International labour Foundation), and Pokhara Tourism Council.

The project contributed in introducing informality in draft National Labour Law, National Employment Policy, and 14<sup>th</sup> National Development Plan. It also contributed to a draft Bill on Labour Code drafted to replace the current Labour Code which includes the provision of rules for informal sector workers.

*Outcome 2: Formal Job growth and integrated formalisation assistance in the target local areas*

- The project encouraged and facilitated the registration of construction petty contractors with the local municipalities and district cottage industry and the government revenue offices. The subsequent development included a code of conducts for SMEs, institutional position paper on the informal sector and gender equality developed by the trade unions. At the end of 2014, the project had facilitated registration of 9,850 petty contractors associated with 4,550 registered businesses in the construction sector.<sup>37</sup> The project also facilitated skills certification of 2,000 construction subcontractors (5% women).
- The petty contractors' associations have developed a code of conduct to register with the local municipalities. On a voluntary basis, the associations have established a workers' welfare fund based on a levy on employers, registration fee and association members' donations to cover accidents and death. In the meantime, the construction associations in Chitwan and Kaski districts are pursuing negotiations with an insurance company to provide coverage for workers against accidents and death of their workers based on group insurance scheme.
- 2131 women and 3081 local people received training in entrepreneurship and regulation system along with coaching and counselling support. The project was successful in linking the stakeholders with relevant service and government agencies for business registration, skill testing for construction workers, gender sensitivity in employment practices and encouraging the trade unions to lead the interest of construction workers. The support for tourism sector largely concentrated in Pokhara through an umbrella organization Pokhara Tourism Council's involvement in the production and distribution of tourism.<sup>38</sup> The Pokhara Tourism Council<sup>39</sup> received support from the project to facilitate formalization in Kaski district to undertake a number of activities such as updated code of conduct disseminated among respective stakeholders, trained 316 male and 199 female tourism workers in 2015-2016 in hospitality and behaviour change, safety and security and first aid; 60 individuals in basic Chinese language and 41 in tour guide; and 50 male and 17 female in business development and e-commerce for tourism entrepreneurs.
- The project provided technical input to the Central Bureau of Statistics with finalizing definitions and indicators of informal economy for integration into the National Labour Force Survey. This is expected to provide a reliable estimate of workers in the informal economy.
- The project support led to establishment and registration of enterprises in selected districts. The Federation of Nepalese Chambers of Commerce and Industry undertook an initiative "Extending Business Development Support through Business Help Desk" under the project's financial and technical support to strengthen SMEs capacity by providing business registration and development services. The agency developed and produced information, education and communication (IEC) materials and information packs on registration; conducted a membership campaign; established business help desks at district chambers' offices in all seven districts;

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<sup>37</sup> As reported in the project's Technical Cooperation Progress Report (TCPR) for 2014

<sup>38</sup> The Pokhara Tourism Council is an umbrella organization comprising 11 tourism and non-tourism organizations as its members (<http://www.pokharatourism.org.np/about-pokhara-tourism-council/>)

<sup>39</sup> Pokhara Tourism Council is a non-profit making organisation representing the tourism industry of Pokhara in western Nepal started in 1995.

facilitated links with commercial banks; and capacity development through training on labour law compliance and decent work and monitoring at the local level. Under the project, the agency conducted entrepreneurship training for 38 male and 101 female current and aspiring entrepreneurs and 134 male and 41 female enterprise owners participated business registration and membership campaign, and 76 male and 58 female entrepreneurs from seven districts participated in a one-day coordination and knowledge sharing a workshop. The task was accomplished under a subcontract of the project. It also completed a two-day training on business development for 166 newly registered enterprises in Chitwan (99), Kaski (30) and Sunsari (37).<sup>40</sup> Earlier, the Federation of Nepal Cottage and Small Industries had organised advocacy focus group discussions and distribution of promotional materials. Likewise, the Industrial Enterprise Development Institute had organised Entrepreneurship Skill Development Training (Start and Improve Your Business Level 1) as a training of trainer activities under four different contracts under the project.

- A number of women entrepreneurs were able to increase their income and social status as a result of project support through the Federation of Women Entrepreneurs' Association of Nepal (FEWEAN) implemented "business clinic" aimed at establishing and formalising new businesses, capacity building through training, marketing and extended services for women-led SMEs. FEWEAN implemented project activities under four separate contracts during 2013 to 2016 (8 November – 31 December 2013; 28 February – 30 November 2014; 7 March – 15 April 2016; and 28 March – 30 September 2016). The evaluation concludes that the support for project activities implemented by FEWEAN has been effective leading to awareness raising of women entrepreneurship involving them at different stages from concept to access to finance and successful marketing, basic accounting, promotion through 1<sup>st</sup> Women's Trade Expo and launch of marketing portal Winbiz.

With the project's support, three major trade unions (Nepal Trade Union Congress (NTUC), Gefont and All Nepal Trade Union Federation (ANTUF)) developed their position papers on informal sector and rights of workers under the Promoting Freedom of Association for Informal Economy Workers. All three trade unions focussed on campaigning for an equal wage for male and female, use of OHS measures in work site and facilitating to get registration in local government.<sup>41</sup>

*Outcome 3: Good Practices and tools for promoting formalisation are better understood by national constituents and key stakeholders*

Some of the good practices seen in the project's work in Nepal include:

- A video entitled, YATRA (meaning journey), has been developed and uploaded to the ILO website with good practices in formalising informal employment in Nepal (available on Youtube and the ILO Global Website).
- A booklet developed by the Federation of Nepal Chamber of Commerce and Industries which contains information relevant to formalisation of businesses and enterprises, including registration process, need for legal compliance such as registration with local revenue office for VAT registration, and benefits from formalisation;
- WINBIZ portal developed by the Federation of Women Entrepreneurs Association of Nepal, which opens up an avenue for marketing products within and outside Nepal;

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<sup>40</sup> Final report on Extending Business Development Support through Business Help Desk, Federation of Nepalese Chamber of Commerce and Industry, Kathmandu, 21 November 2016.

<sup>41</sup> Aside from WOI support, NTUC has been running skill based training with support from JILAF on Life Support Seminar and schools for worker's children in Bhaktapur and Morang Districts.

- A website developed by the Pokhara Tourism Council which contains information about Kaski district and information explaining archaeology, geography, culture and people of Kaski;
- A brochure for police dealing with tourists in a hospitable manner.
- Relevant government officials participated in a regional workshop held in India and Nepal and attended a special programme in Turin to gain a better understanding of labour market reforms with a focus on the informal economy under the project support.<sup>42</sup>
- The project reports reveal that promotional booklets and organising training for the tourist guides.

The project's key outputs and outcomes presented above are a result of the project's efforts in advocacy and awareness raising, strengthening knowledge of policy makers and tripartite stakeholders through engagement, and developing a common consensus to address informality in key sectors. The first earthquake in April 2015 and another soon after and border blockade due to political movements have had adverse impact on the project outcomes. The implementation capacity in government agencies also slowed the project progress. Other impeding factors were weak enforcement of legal framework, ambiguity surrounding the definition of informality, the complicated business registration process for small enterprises, different registration entities for different purposes, inadequate skill testing centres, and fragmented approaches to local economic development, including tourism.<sup>43</sup> The evaluation finds that there was no anchor to steer the project in right direction. The project organised different events but there was no logical sequencing or graduation for continued support.

Overall, despite of implementation challenges, the evaluation the project team in Nepal was able to steer the project and achieve reasonable results and generate models for formalization especially among those in the construction and SMEs by providing support in response to the needs of the target beneficiaries. It has raised awareness about the informal workers' rights and employers' obligations for decent workplace and terms of employment. However, the activities were not planned ahead and hence have demonstrated some degree of disconnect between the initial documentation/review work and actual planned activities. As a result, the achievements in terms of project's influence has been limited in terms of generating envisaged results.

### **EFFICIENCY OF RESOURCE USE**

At the time of evaluation, the total project budget for activities USD 4,197,909<sup>44</sup> as against USD5.0 million originally planned. The reduction was largely due to the appreciation of Japanese Yen. As of 15 November 2016, the provisional project expenditure stood at USD 3,358,224, leaving a balance of USD 839,685 for utilisation over 7.5 months. Due to start-up delays including fielding of CTA, 2012 expenditure accounted for only 3.5% of the total, followed by 25.5% in 2013, 29.1% in 2014, 22.8% in 2015 and 19.2% in 10.5 months of 2016. Staffing and consultant cost, including travel, comprised 50.7% of total expenditure, followed by 14.9% for seminars and fellowships, 12.6% in subcontracting project activities to the partner agencies, 11.3% towards programme support accrued to the ILO and

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<sup>42</sup> The ILO's technical support for the amendment of Labour Law and Social Security Law contributed to UNDAF Outcome 2.

<sup>43</sup> The government's focus on tourism development is largely centralised in Kathmandu with little attention given to district and provincial initiatives.

<sup>44</sup> The project also cost-share some of the staff cost based in Bangkok for their support the project (sending resources to countries to support activities, preparing financial report to the donor, etc).

10.3% for administrative, communication, security, stationary and other miscellaneous costs. Only 0.2% of total expenditure went towards the purchase of equipment.

At the country level, the project allocated USD 1.5 million for Bangladesh, 1.0 million for Nepal and remaining amount of total budget for the India and central project management, including CTA based in New Delhi. Both Bangladesh and Nepal were to fully utilise their allocations and the balance amount was to cover six months extension period for activities planned in India and Nepal.<sup>45</sup>

The financial planning relied on annual work plan prepared by CTA in consultation with the National Project Coordinators and as such, the project used funds selectively. The enormity of the problems associated with the informal economy and lack of adequate research findings forced the project to try out different options and with no strategic approach. As a result, several small activities ended up being less coordinated and *ad hoc* with very short implementation period. This increased the transaction costs for the project and hence the use of project resources proved less efficient.

The project should have, for instance, focussed on the implementation partners with stronger influence on enterprises employing informal workers and engaged strategic partners over longer contract periods of time rather than intermittent very short inputs. Given the pilot nature of the project, emphasis should have been in developing models of successful formalisation and activities such as the Rapid Assessment of C-BED training in India could have been avoided. Likewise, given that the project operated in a lean structure, the rationalising geographical spread and the number of sectors in Nepal could have better yielded better efficient use of resources.

## EFFECTIVENESS OF MANAGEMENT ARRANGEMENTS

The PSCs in both Bangladesh and Nepal met more frequently than India as per need and they played an active role in guiding the project in conformity to tripartite positions and government policies. The PSC members received periodic updates from the NPCs. The evaluation noted that due to inclusion of construction, SMEs and tourism, PSC in Nepal was the largest of the three countries with 19 members.

The project management structure comprised a CTA based in New Delhi and another CTA in Bangkok, and a National Project Coordinator and a programme assistant in each of the three participating countries. Although as stated earlier, the project had no provision for the National Project Coordinator (NPC) in India in the original project document, the project engaged a national consultant 2015 based in Pune to coordinate and facilitate project activities with local stakeholders and the activities slowly picked up when NPC joined in 2015 with the support of an intermittently engaged senior consultant based in Mumbai. The project steering (PSC) committee in each country met based on needs and appraised progress from time to time.<sup>46</sup> The PSC meeting was more frequent in Bangladesh and Nepal than in India. The NPCs in all three countries also received guidance from respective the ILO country offices as need. However, the resignation of the CTA in March 2016 left a gap of three months before the current CTA came on board. This gap put the project on back foot for 4- 5 months as usually new activities required approval from the CTA prior to receiving funds from Bangkok.

The project rightly had a well-intended focus for the formalisation of informal workers. The evaluation, however, takes note of three issues. First, the topic of informality is vast and covers over 90 percent of the labour force in all three countries. Since this was a pilot project, it could have saved lot of time and efforts by focussing on a group of targeted beneficiaries across all the three countries. Second, there was no standard definition of the formalization and hence it was subject to interpretation. An operational definition at the commencement of the project could have helped. Third, the project

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<sup>45</sup> The extension period of six months did not cover Bangladesh.

<sup>46</sup> In India, only one Steering Committee meeting had been held, primarily due to short implementation period.



lacked a proper theory of change and hence it proved difficult to implement. Furthermore, while the project attempted to actively utilise tripartite constituent arrangements, the due representation of informal workers was not adequately addressed. In other words, project management arrangement lacked the recognition of the voice of the informal sector workers.

Despite implementation challenges, the project made reasonable progress in Bangladesh and Nepal. The project's activities in India lagged due to (i) not getting adequate traction for the project from GOI, (ii) late recognition and recruitment of a National Project Coordinator and over reliance on a senior consultant based in Mumbai and a junior consultant based in Pune which also prohibited active engagement with relevant stakeholders early on, and (iii) CTA being based in New Delhi and having responsibility for the project in three countries not permitting adequate time for interaction with the Maharashtra Government authorities to promote formalization agenda. The essential link between action at the local level and mobilisation of constituents at the State and national levels was beyond the scope of work of these consultants and as a result the tripartite ownership of the project suffered. Opportunities such as that offered by the meetings with enterprises, local employers and trade unions in February 2014 was lost due to lack of follow-up.

The project's financial management is controlled by the ILO CTA based in the Regional office. However, in-country project staff in all three countries perceived that it was too cumbersome leading to delays in approval for undertaking intended project activities. This is expected in a centralized project. The evaluation was advised that this was an arrangement the ILO had accepted to meet the donor's requirement. This meant that the overall intra-ILO coordination and administrative process involving four offices; CTA based in Bangkok Regional Office, CTA based in New Delhi, the ILO Dhaka Country Office and project staff located in different building in Dhaka (due to space limitation), and it required approval of annual work programme from Bangkok. It would have been better to have a rolling multiple year work programme with financial and administrative authorities delegated to respective ILO country offices through the CTA at New Delhi. The project could have benefitted from an oversight and technical backstopping role from the Bangkok office. Nevertheless, despite of project staff opinion on the role of the CTA based in Bangkok, evaluation found that the Regional Office played a supportive role and responded to the requests and endorsed authorization without much delay.

The resignation of the former CTA in March 2016 and the three-month gap before the appointment of the current CTA caused some delays in project activities especially in India where some new activities had been planned but not yet approved at the time of the former CTA and was probably responsible for the delays and somewhat lack of focus for the project team at the country level. In Bangladesh, the retention of the same NPC throughout the project period helped project implementation and sustained the effort in the ILO remaining engaged with the relevant stakeholders. Likewise, although the first NPC in Nepal moved to another ILO project, his replacement by an experienced person also helped in keeping the momentum going.

## **IMPACT ORIENTATION AND SUSTAINABILITY**

Impact orientation: The project has been implemented as a pilot initiative in the three South Asian countries. The project has influenced the policies and regulatory framework to some extent in Bangladesh and Nepal, but not in India. Through advocacy and dialogue, it has been able to bring forward the formalisation of informal economy agenda at the forefront and at least policy makers and political leaders have started talking about it in all three countries and are in discussion with trade unions. The background documents and topical research papers have enhanced the understanding of the extent of the informal economy and need for formalisation in the interest of workers in the informal sector so that they are gainfully employed in decent jobs and work in safe working conditions. The tripartite mechanism has been useful to promote formalisation of informal workers as well with selective buy-ins from the employers and support from the government agencies. The impact of the

project will be felt once the policies and programmes are introduced with a strong mandate to scale-up interventions supported by access to resources.

It is too early to say how many informal jobs are formalised due to lack of data. There are two issues – formalisation of enterprises and formalisation of workers. The project has emphasised on the formalisation of both enterprises as well as informal workers but to a varied degree in the three countries. In Bangladesh, emphasis on formalization of enterprises is through the promotion of registration and formation of associations of construction workers. At the workers' level, emphasis has been on awareness raising and advocacy, apprenticeship programme, skills certification of the construction workers and preparation for the issuance of identity cards for the workers. In India, the focus has been on supporting Pimpri-Chinchwad Small Industries Association to promote communication among its members. This has led to one-third increase in the association's membership. Similarly, the efforts through street plays and information dissemination and support by NGOs have led to increased awareness and advocacy among the automobile workers and their spouses. In Nepal, the project focus has been more towards the formalization of enterprises through the organizational and capacity development support for the petty contractors; associations, PTC and FEWEAN. At the workers' level, the project's support to the tour guides and tourism hospitality industry in Pokhara has had positive results in boosting their income.

The evaluation notes that challenges to formalization process lie ahead in the current business environment where competition is fierce and firms struggle to keep their cost structure manageable by squeezing their profit margins. The project has sown the seeds demonstrating that formalization is doable and with commitment and support from tripartite constituents this can be achieved.

Sustainability: There is some positive development in sustaining selected achievements under the project in the three project countries. The project has been a good vehicle for the ILO to advance the formalization of informal economy agenda through advocacy and dialogue with respective governments. All three governments unanimously recognise the importance of the issue and have expressed their commitments to address the challenge as well as their expressed their support to the ILO Recommendation 204.

For example, in Bangladesh, BMET introduced apprenticeship scheme in the informal economy under the project which has been recognised for its strategic importance and the Government has taken it as a national priority for skilled human resource development towards gaining middle-income country status by 2021. Another initiative for issuing identity cards to the construction workers with the support of BILS was to commence pilot phase at the time of evaluation team's visit to the country. It has been a long process but is nearly reached a stage at which it can be piloted and based on it expanded to wider coverage and eventually to other sectors. The builders have taken notice of the critical role of OSH in the construction sector and some of them have been able to provide safety gears to construction workers in critical functional areas from their own resources.

In India, street plays to raise awareness by conducted by the human resources students from the Kavre Institute of Social Sciences about workers' rights and safe working environment and information dissemination on legal provisions and workers' rights by a voluntary organizations like Ranzunjar have been very effective on a small scale but quite influential. Both activities have potential to establish a strong marker in the formalization process at workplaces. There is every possibility that this can be sustained with nominal support from the automobile industry if there is a will to do so. These are cost-effective methods and have a potentially long-lasting effect. Local governments can play an instrumental role in identifying or promote similar voluntary organizations elsewhere and arrange funding mechanism through respective employers' bodies so that it would contribute to the win-win environment for both workers and employers.

In Nepal, the awareness about the registration of SMEs and workers' rights have been promising partly due to the initiatives taken by the trade unions and the small construction entrepreneurs'

associations. Similarly, the registration of construction petty contractors and formation of their association has been viewed as successful. The small construction contractors in Bangladesh also have taken similar approach and formed an association of associations of contractors of major cities. The construction sector in both Bangladesh and Nepal have developed a code of conduct, which is a promising beginning.

The Pokhara Tourism Council in Nepal is well placed to undertake tourism promotional and skill development activities with the support of their member associations. The tourism sector ideally should be self-funding, and with the impetus created by the project, Pokhara Tourism Council may explore creating a sustainable funding base for strengthening the capacity of different interest groups – hoteliers, trekkers, travel guides and other players in tourism value chain. They can also persuade Nepal Tourism Board for their active involvement, including resource contribution and technical support. For a sustainable solution, local governments and the national tourism agencies need to be willing partners in sustaining and expanding the benefits of eco-tourism in Pokhara and other destinations in Nepal.

The demand for an apprenticeship in Bangladesh is significantly high and although the Government is committed to expanding nationally. BMET has demonstrated their capacity to provide such opportunities to workers in informal sectors. However, they would have to upgrade their facilities and delivery model which will require substantial external resources. At present, BMET has limited facilities and internal staffing capacities and hence demand shortfall will continue to widen unless the new line of thinking emerges in the Government to identify and promote private sector involvement in this endeavour. The current capacity is not adequate to meet the demand from the formal sector and individuals seeking overseas employment. The apprenticeship programme for the informal workers will require tie-up with private enterprises. An option would be to select a pool of private enterprises that can offer such opportunities to the informal workers, vetted for quality assurance by BMET. GOB also may consider entering into 3-5 years contract with private technical institutes for offering apprenticeship programme for informal workers who would have a better chance to enter into formal sector and/or become gainfully self-employed. For this purpose, GOB may consider setting aside a pool of funds. The private sector players will be able to quickly adapt and respond to changing enabling environment including technology faster than BMET.

Availing identity card for the construction workers through BILS involvement is a step in right direction. However, the production of the cards and mass rollout will hit snag unless the Government proactively recognises and seeks to create a sustainable funding mechanism. According to the BILS researchers, the unit cost of identity card will be less than USD 2, which can be funded on a cost-sharing basis among three parties – government, builders and workers. Issuance of identity cards in itself will not suffice the formalisation requirement and would require maintenance of a registry at the local government unit level in the country. This registry can be used for providing opportunities for the workers to upgrade their skills through continued training and workplace based skill development opportunities.

The construction sector reportedly is the second largest contributor of workplace injuries, accidents and death after road accidents in South Asia. The project was able to introduce OSH and WISCON standards and measures to the construction workers both in Nepal and Bangladesh. Sustaining this initiative will benefit from continued awareness raising and advocacy support in combination of regulatory measures.

In Nepal, the evaluation noted that the respective chambers are continuing funding resource persons at the Business Service Desks even after the expiry of the ILO support, which demonstrates their ownership which can be strengthened with increased support. It notes that the while Business Service Desks at the district chambers offices is a good initiative, the skills and background of resource persons so that proactively they can draw the attention of and provide necessary support for current and

aspiring micro, small and medium entrepreneurs and bringing them under a dynamic platform where they can share their experiences and learn from each other so that the utility of such desks is maximised. These resource persons ideally benefit from having a wider network with agencies involved in registration, financing, technology transfer, marketing, and business development. A partnership between district chambers and FEWEAN may be able to leverage resources from private sector entities. The evaluation took note of work done by FEWEAN in Nepal. The organization thought business support has provided successful model to promote entrepreneurship skills of current and aspiring women entrepreneurs.

Across all three countries and irrespective of a sector of intervention, often there is a stigma attached to the registration process and entrepreneurs tend to view it as an additional cost of doing business along with long documentation requirements and administrative hassles. The benefits of registration are little understood and hence the resistance. It should not be the sole purpose to bring enterprises under government's tax net and entrepreneurs should be benefitting from the access to finance, skilled workforce, insurance and technology. Continued awareness raising and advocacy support will help to bring more informal workers under decent work environment.

The evaluation based on available evidence concludes that the sustainability of the initiative under the project is highly dependent on continued external funding in all three countries. While there are interest and commitment on the part of tripartite constituencies, resource allocation from the government's internal resources on a predictable basis is needed. Efforts are also needed to slow down the process of casualization of regular workers. A more proactive role of the government agencies to support the interests of informal workers will be helpful.

## **CAPACITY BUILDING AND INSTITUTIONALIZATION**

Overall, there has been positive development towards capacity building and institutionalization. The project contributed towards the capacity building of the construction petty contractors both in Bangladesh and Nepal and as a result the contractors have formed their association and have taken steps towards registration. This has enabled them to function as a legitimate enterprises and bid for construction contracts in an organized manner. They are also aware of their legal responsibilities for paying taxes to the authorities. Many of the petty contractors have themselves graduated from being construction workers to contractors and the evaluation considers that this is a major achievement with project support. There are also indications that the workers are more aware of their rights and responsibilities compared to pre-project period. This may be due to a host of other factors as well in conjunction with the project activities. In project areas of project support in Nepal, workers are able to negotiate better wages or terms. This is, however, depends on the seasonality and demand and supply of workers from across the border. The attempts to provide identification cards to the construction workers is viewed as a positive development.

The evaluation notes that the project support to FEWEAN in Nepal has contributed to an enhanced confidence empowered women entrepreneurs and a number of them are capable of running their own enterprises successfully. The project support to local chamber of commerce in Ratnanagar in Kaski and PTC in Nepal has contributed to a number of households running ecotourism enterprises and provided another option for tourists visiting the local areas and enabling extra income for the households. These initiatives need to extend to decent working conditions for the workers in many instances. Likewise, in India, the project has contributed to raising awareness about the workers' rights through the work of Kavre Institute of Social Sciences and the voluntary organization like Ranzunjar.

## **DEMONSTRATION OF THE INTEGRATED DECENT WORK STRATEGY FOR THE INFORMAL ECONOMY**

The evaluation found that the demonstration of the integrated decent work strategy under the project has been largely through awareness raising and advocacy and to some extent in all three countries and through OSH training for the construction workers in Bangladesh and Nepal. In areas where workers are organized, they are able to negotiate better wages and it is particularly evident in Kaski and Chitwan districts of Nepal. The introduction of OSH in the construction sector is a positive development but it will take time to fully integrate into the industry as more follow-up and regulatory measures may be required to sustain the gains to date. The wage disparity between the men and women workers has also narrowed and wage parity has been achieved in a number of locations in construction sector. Given the transient nature of workers, full integration of decent work will take persistent efforts from all stakeholders and longer time frame. In India, increasing casualization of the workforce in automobile and peripheral industries due to stiff competition will remain challenging.

## **GENDER MAINSTREAMING**

Gender mainstreaming under the project depended on the sector and country context. Women comprise a significant part of workers in the construction industry in both Bangladesh and Nepal. However, they are stuck at the bottom of the pyramid and opportunities for them to move up the ladder has been difficult. In Nepal, it is estimated that about 5% of the petty contractors are women. The workers in India's automobile industry in Pune are primarily men. On the other hand, the number of women entrepreneurs particularly in urban and peri-urban areas has shown increasing trend. Similarly, the promotion of women tourist guides along men is also an encouraging sign.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **CONCLUSIONS**

The informal economy in South Asia is huge and accounts for over 90 percent of non-farm jobs. The formalising informal workers is a daunting task but is a dire necessity because it is characterised by poor working conditions, inferior terms of employment, hardly any social protection, and substantial source of tax revenue leakages. Formalising informal employment is consistent with Decent Work Agenda and is a cornerstone of the ILO Recommendation 204. The sector focus in the project varied by country – automobile in India, construction in Bangladesh and Nepal and tourism and SMEs in Nepal. The project activities to a large extent were carried out by subcontracting to different implementation partner agencies with the support of tripartite constituencies in all three countries. Some of the trade unions and employer organisations also received funding support from the project for carrying out project activities.

The project continues to be relevant including countries' target to contribute to the ILO's commitment made at the 2016 International Labour Conference to reduce decent work deficits in global supply chains. It has been a good strategic fit to the participating countries' development agenda. The project has enjoyed broad support from respective governments. While the project design remain valid, it proved overoptimistic given the difficulties associated with the informal economy. It should have narrowed its focus and emphasized pilot intervention with demonstrating impact. A clear theory of change and implementation plan would have helped. The project remained within the budget and covered of six-month extension beyond original closing date. The resource use would have been more efficient with better work and financial planning, avoiding several small contracts and concentrating in working with fewer partners.

The project management tried to accomplish intended project activities and its momentum remained satisfactory in Bangladesh and Nepal but only few activities could be undertaken in India due to distance factor and less frequent engagement with stakeholders at the level it happened in the other two countries. Given that ILO COs have adequate financial management capacity, it would have helped to delegate financial approval authority to respective ILO country offices instead of ILO Regional Office. In terms of impact orientation and sustainability, the evaluation concludes that the project has stimulated discussion at different levels in the three countries on definition, measurement and statistical methods of informality in national and local economies. It has played an important role in raising awareness and influencing labour and employment policies in Bangladesh and Nepal. It has initiated the process of formalisation by piloting registration of small and medium enterprises in respective sectors. The project has contributed to capacity development and institutionalization through facilitating training and the exchange visits of stakeholders from Bangladesh, India and Nepal to India and Nepal and established linkages among the concerned interest groups. It funded a set of studies in all three countries alongside project activities primarily training in the countries. The formalisation process in all three countries have commenced on a small scale and more work needs to be done in order to claim that workers have fully attained formalisation. The intermediary tasks aside from registration of enterprises are registration of businesses with tax offices, facilitating access to finance and technology, full integration in formal value-added marketing channels, workers with proper identification enjoying employment benefits including social protection, and decent workplace at fair market wages. The evaluation also concludes that ILO needs to remain engaged with the countries and demonstrate further integration of decent work strategy for the informal economy above and beyond project's achievements. Similar efforts need to continue to identify and focus key areas where gender mainstreaming would be feasible.

## RECOMMENDATIONS

The journey to the formalization of informal workers has just commenced and the transition process is likely to take considerable time, particularly in South Asia. The evaluation offers a set of eight recommendations for the ILO based on findings.

**Clearly, define logical and sequential steps for the formalization of informal workers.** The ILO Decent Work Agenda calls for a respectable working environment and fair wages and employment terms among other things. An informal worker's starting position tends to be daily wage often below market rate and less than satisfactory working conditions. In the current business environment, the prospects of informal workers gaining permanent employment are less favourable and prone to ever increasing casualization of workers. However, workers deserve their fair share of wages and benefits. The ILO should facilitate a working group of tripartite constituents in each country to develop a framework for logical and sequential steps for an informal worker to be formalized, which may involve stepwise progression at the workplace. This is a high priority area for WOI team for the accomplishment before the closure of the project in June 2017. There is no resource implication for this recommendation.

**Continue to promote policy dialogue on formalization and its scaling up.** At the regional level, the ILO ROAP should continue to promote policy dialogue on formalization agenda in the sidelines of other major events focusing on developing uniform understandings on the definition and measurement as well as ways to scale up the achievements under the WOI project in the three countries and beyond in the region. The policy dialogue should guide the ILO Member States' action plan for implementing the ILO Recommendation 204. This is a high priority area for WOI team for the accomplishment before the closure of the project in June 2017. There is no resource implication for this recommendation.

**Identify and work with strategic partners for promoting formalization of informal workers.** The promotion of formalization requires local and national champions among the tripartite constituencies and strategic implementing partners that are capable of carrying forward, including resource

mobilization, if required. The champions need to work with strategic partners committed to formalization agenda. The strategic partners should comprise public, private and civil society organizations. If strategic partners have implementation capacity, the ILO should consider awarding longer-term result-based contracts so that ownership and commitments to formalization continue well beyond the ILO support. This is a high priority area for WOI team and ILO COs in Dhaka, Kathmandu and New Delhi for the accomplishment before the closure of the project in June 2017. There is no resource implication for this recommendation.

**Continue to promote business-friendly single door policy and implementation mechanism to facilitate formalization of informal enterprises.** Evaluation recognizes that the current Business Service Desk approach for advising SMEs to register and provide information about formalization in Nepal. However, this is deemed inadequate and there is a need to upgrade this service with more qualified resource persons having a wider network with relevant agencies, including access to finance technology and markets promotion. The approach to registration for bringing businesses under tax umbrella need to change and support among other things, access to finance, technology and market promotion. To some extent, FEWEAN is doing this task for women entrepreneurs in Nepal. It is largely concentrated in Kathmandu and has to strengthen its capabilities in selected districts with viable business potential. The renewed approach should be proactive in supporting different business associations like construction workers' association in Bangladesh and Nepal and the Pimpri-Chinchwad Small Industries Association. Formalization is likely to succeed as business owners are convinced about the net benefit from formalization for themselves and their workers. Tripartite working groups should be able to support the process. This is a high priority area for DWT and WOI team for the accomplishment before the closure of the project in June 2017. There is no resource implication for this recommendation.

**Emphasize and prioritize the implementation of OSH standards and measures supported by adequate resources.** Workplace accidents and deaths are common in the likes of construction industry. Irrespective of employment status, OSH standards and measures need to be enforced, if enterprises do not pay heed to it voluntarily. Workers deserve access to safety measures in all kinds of workplaces, and more so in hazardous and accident-prone work environment such as construction and manufacturing. There is no excuse for workers refusing to wear safety gears and the employers not adhering to OSH standards. This is a high priority area for WOI team for the accomplishment before the December 2017. There is modest resource implication for this recommendation and hence efforts would be needed to identify a source of funding to implement this recommendation.

**Raise awareness and strengthen access to social security and grievance redress.** The workers in informal sectors tend to be temporary workers who are most vulnerable and require support. The project's work with Kavre Institute in developing street plays to raise awareness about workers' rights and Ranzunjar's support to temporary migrant workers can be enhanced by supporting them in setting up a "walk-in centre" like those run by Aajevika in Rajasthan and Gujarat. An exposure visit by a few key persons in Ranzunjar to Aajevika can help them launch this. They have been resolving most cases through the intervention of HR managers, and it would be useful to link them to outfits like Vibrant HR as well as to the Pimpri-Chinchwad Small Industries Association. This would also facilitate the registration of migrant workers in the State Social Security Board set up under the Unorganized Workers Social Security Act, 2008. The translation into Marathi of the Guide Book on Social Welfare Schemes would make a useful tool for the volunteers manning this centre. Likewise, in Bangladesh and Nepal, trade unions and local chambers of commerce and industries can play significant role in raising awareness and improving access to social security and grievances. The petty contractors in both countries have voluntarily created a pool of funds for meeting expense associated with workplace accidents. This needs to be institutionalized and strengthened with tripartite arrangements. This is a high priority area for the ILO COs and WOI team and tripartite constituents for the accomplishment before the end of June 2017. There is some resource implication for this recommendation.



**Support the development and finalization of the voluntary code of conduct by employers' organizations.** As a part of Decent Work Agenda, the ILO should encourage and support where possible employers' organizations to develop and finalize their voluntary code of conduct for engaging informal workers and a clear path towards formalization. The Code should be acceptable to tripartite constituents and the ILO can play a major role as an honest broker. This has been in the works in India for sometimes and it should be extended to other countries. These would be more cost-effective and lead to higher compliance than any regulatory measures. However, the Code should not be viewed as a replacement of regulatory framework or need for social dialogue. This is a medium priority area for WOI team for the accomplishment before the closure of the project in June 2017. There is no resource implication for this recommendation.

**Reconsider current project approach and focus on high impact initiatives by engaging with strategic implementation partners.** In target countries of formalization agenda, the ILO should identify up to three strategic national project implementation partners with clear vision, experience and commitments to advance the agenda. These partners should be selected on a competitive basis and be tasked to implement project with clear result-based outcomes. The ILO project staff should not be involved in day-to-day management of project activities but they can play active monitoring roles in ensuring that the partners are on track and are likely to deliver intended outcomes. This is a medium priority area for WOI team for the accomplishment before the closure of the project in June 2017. There is no resource implication for this recommendation.

## LESSONS LEARNED AND GOOD PRACTICES

### LESSONS LEARNED

The project design, implementation and completion provide a set of seven key lessons. These are:

1. **Formalising informal economy is a huge task and requires commitment at the highest level so that required regulatory framework, policies and business environment can be created.** Informal economy accounts for more than 90 per cent of jobs in South Asia and under the current business environment and businesses see any regulatory requirement as an added cost to business and hence tend to avoid even the basic step of registration of enterprises. This also implies substantial leakage of government tax revenue. There is a need for creating incentives for bringing businesses under the formal net which requires governments' commitment from the top supported by the business-friendly regulatory framework, simplified single-window facilities so that entrepreneurs to register and access required institutional services, and clear standardised business operation guidelines, including any workers' employment arrangements. At the moment there is a lack of clarity in what is required and once entrepreneurs start the process, they get quickly put-off by bureaucratic hassles. Entrepreneurs tend to respond if activities are planned effectively. For example, in Nepal, advocacy and awareness campaign increased the registration of businesses by 24% within one year. The lesson is applicable to the countries in South Asia and beyond.
2. **Project focus need to be clearly defined and manageable within a given timeframe and it should be supported by a clear theory of change, multi-year work plan, and results.** The project should have identified target groups *a priori* during the project design stage and prior to its commencement it should have mapped and identified the scope of formalization. This could have helped in the identification of relevant implementation partners. Since this was not done and in the absence of a clear theory of change the project tried to find its way taking different paths in the three countries resulting in less coordinated project activities and delinked outputs. Part of uncertainty was also created by annual work plan preparation exercise and subsequent approval



processes. This could have been avoided with careful background work prior to project design and taking up a pragmatic theory of change with a clear road map in terms of input-output-outcome leading towards intended impact. The project design left the sector choice and geographical coverage to the implementation team. This could have been simplified by taking a realistic view of what can be achieved within the given time and resources available. This is a lesson for wider application to ILO-wide project design strategy and approach.

3. **Implementing partners prefer predictable funding so that they can adequately demonstrate the linkage between activities and output leading to project outcomes.** The project offered several short (sometimes too short) contracts which did not adequately create project ownership on the part of the contractors and their responsibility was limited to the output delivery. It was less clear how those outputs were to be used for generating intended project outcomes. Some of the agencies had four contracts over two to three year period. Interruptions and uncertainty in contracts was not helpful. This is a lesson for wider application to ILO-wide project design strategy and approach.
4. **Formalisation of the informal economy requires a strong partnership with the private sector along with a genuine representation of workers in the informal economy.** The tripartite mechanism is working well in all three countries but it does not adequately service the workers in the informal economy. The mechanism keeps the voice of these workers out of the discussion unless represented by the trade unions. The evaluation recognises that it is not easy to clearly identify a genuine representation of informal workers because they tend to be transitory (moving from one job to most in the absence of safe working conditions, less favourable terms of employment and virtually no social security. This calls for an innovative approach. Likewise, employers' representation needs to ensure that the businesses practice decent work standards. The role of private sector is critical, particularly in the current business environment. The ILO can play a constructive role in ensuring representation of relevant stakeholders. This lesson is applicable to ILO team working on formalization of informal economy at the Headquarters and regional and country offices.
5. **Inter-country collaboration and knowledge sharing/exchange strengthen cross-country learning and adoption of good practices.** The value of cross-country visits and exchange of knowledge was appreciated by stakeholders in all three countries. However, they felt that these were infrequent and inadequate. The varying sectoral focus across the three countries also to some extent limited benefits of such events organised in New Delhi, Kathmandu and Pokhara. The project could have created an online blog platform for different implementing partners to exchange views and enhance mutual information exchange and learning. The way project was implemented also did not help this because activities were undertaken by subcontractors while those who participated in exchange visits or knowledge sharing events had little to do with project implementation. The lesson is applicable for knowledge dissemination and management approach in ILO-wide project design.
6. **The adoption of voluntary code of conduct requires buy-ins from all relevant stakeholders.** In India, employers' organizations are in the process of coming up with their voluntary code of conduct. It would have been helpful to include public enterprises and municipalities since they are the biggest employers of casual workers.<sup>47</sup> Likewise, it would have helped to include

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<sup>47</sup> The ILO has already involved them in plans for the implementation of Recommendation 204. Recent government initiatives in simplifying registration procedures and filing of consolidated returns relative to various labour laws, making inspection need-based and transparent, reducing corruption in cases of non-compliance must be publicised by the tripartite partners through their local level members.

representations from trade unions. This by no means imply replacement of regulatory framework and social dialogue. This is a generic lesson and would apply to all circumstances.

7. **The incentives from formalization need to be disseminated widely to both employers and workers.** The consideration of incentives from formalization can speed up formalization process. A study commissioned by the project shows that an important incentive to formalisation is to facilitate access to credit particularly for small manufacturing units at the bottom of the value chain. At present, there are no incentives to formalise such enterprises.

## GOOD PRACTICES

The project produced a publication on good practices in formalising jobs in the construction, private transport, hotels and tourism and domestic work sectors. It describes the integrated framework towards formalisation as stipulated in the ILC resolution of 2002 that aims to eliminate the negative aspects of informality while ensuring that opportunities for livelihood and entrepreneurship are not destroyed. The cases described are largely based on organisation, certified skills training and access to social protection for informal workers without going as far as incorporating them into the mainstream economy. As informal workers are very often migrant workers, support services at both source and destination remain vital. Gender issues come into play in all areas of work. However, none of the good practices involves enterprise formalisation or policies that could incentivise this. The paper highlights the importance of the Government's commitment to formalisation, the need for social dialogue and for incentives, and capacity building rather than punitive sanctions as the motor of the transition.

The project, during the course of its five year implementation, generated a number of good practices. Some of them are presented in this evaluation report.

1. **The formation of an association of small construction contractors represents positive steps towards formalisation.** In Bangladesh and Nepal, small construction contractors have formed their associations and these associations are registered with local authorities. The association has brought together like-minded contractors who had graduated from the status of workers to the contractors and they understand difficulties and challenges faced by informal workers. In both countries, they practice some of the decent work standards such as equal pay for male and female workers. In Bangladesh, some of them have started providing OSH measures including safety gears for critical/dangerous works. Formalization process is long and arduous but as an initial step it provides an avenue for moving in right direction.
2. **The chambers of commerce and industries have extended support to the informal enterprises with the provision of business service desk.** In Nepal, the district chambers of commerce and industries in project supported districts have established Business Service Desk where the current and aspiring entrepreneurs can seek information on business registration, access to finance, registration with tax authorities, among other services. Initially, the desk was manned for few months with the support of the project. Recognizing its merit, the chambers have decided to retain these service desks funded from their internal sources. This ensures ownership and sustainability of the initiative introduced under the project.
3. **Private enterprises can provide apprenticeship to informal workers to the construction workers.** The apprenticeships are usually provided by formal sector. In Bangladesh, BMET organized apprenticeship with a pool of private enterprises where the informal workers who have usually limited education are able to learn the skills with practical experience. The workers coming out of the programme are able to earn higher wages and better working conditions with building construction companies. This helps to strengthen decent work in work palces.

4. [The compilation of labour laws into a Training Manual and the training of Ranzunjar volunteers have enhanced the grievance redressal service they offer to contract workers in the Chakan cluster in Pune, India.](#) These volunteers are mainly permanent workers in the automotive industry. This outreach by permanent workers to informal workers on a voluntary basis is a good practice that merits replication in other manufacturing sectors. The pre-condition for this was the commitment of one permanent worker to assist contract workers in his enterprise who suffered from the lack of social and job security. With better knowledge of legal provisions, these volunteers can now go beyond grievance redressal to facilitating access to government schemes and to social security. They have already helped many to obtain *Aadhar* cards as the first step towards recognition of their status. The audience for awareness raising and advocacy are not proficient in legal matters. It is always helpful to convey the message in a simpler form for wider understanding and acceptability. Furthermore, use of volunteers is an approach for ensuring sustainability.
5. [The project has created a sizeable knowledge base on the laws and policies applicable to MSEs, the incentives and disincentives to formalisation and the cost-benefits of regularisation of firms.](#) Dissemination of findings, however, has been sporadic and has not sufficiently informed relations with the social partners or action on the ground. Other tools such as the Compliance Manual and booklet on social security and welfare schemes as well as street plays by KISS have been used to create awareness among HR managers on the duties of companies and among workers of their rights. Grievance redressal has improved because of the training supported by the project but needs to be scaled up. Firms need to be convinced about the net economic gain and social responsibility and for this to happen there is a need to disseminate pros of formalisation more effectively in different forms.

## ILO Lesson Learned Template

**Project Title:** Way Out of Informality: Facilitating Formalization of Informal Economy in South Asia

**Project TC/SYMBOL:** RAS/12/51M/JPN RAS/13/51M/JPN

**Name of Evaluator:** Ganesh P. Rauniyar

**Date:** 21/04/2017

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	<p>Formalizing informal economy is a huge task and requires commitment at the highest level so that required regulatory framework, policies and business environment can be created. Informal economy accounts for more than 90 per cent of jobs in South Asia and under the current business environment and businesses see any regulatory requirement as an added cost to business and hence tend to avoid even the basic step of registration of enterprises. This also implies substantial leakage of government tax revenue. There is a need for creating incentives for bringing businesses under the formal net which requires governments' commitment from the top supported by the business-friendly regulatory framework, simplified single-window business services delivery facilities so that entrepreneurs can register and access required institutional services, and clear standardized business operation guidelines, including any workers' employment arrangements. At the moment there is a lack of clarity in what is required and once entrepreneurs start the process, they get quickly put-off by bureaucratic hassles. Entrepreneurs tend to respond if activities are planned effectively. For example, in Nepal, advocacy and awareness campaign increased the registration of businesses by 24% within one year.</p>
<b>Context and any related preconditions</b>	<p>The informal economy is highly unorganized and workers tend to be mobile. The enterprises including micro, small and medium enterprises view formalization as an added cost of doing business. Administrative hassles and bureaucratic procedure tend to deter formalization process.</p>
<b>Targeted users / Beneficiaries</b>	<p>ILO DWT, ILO CO (Dhaka, Kathmandu and New Delhi) and other ILO offices in sub-region, region, and headquarters; Ministry of Labour and Employment; local governments; trade unions; and the workers in the informal economy.</p>
<b>Challenges /negative lessons - Causal factors</b>	<p>Inadequate representation of informal workers on the tripartite mechanism, no clear incentives seen due to formalization; civil disturbances in Bangladesh and Nepal during implementation; project activities start-up delays in India.</p>
<b>Success / Positive Issues - Causal factor</b>	<p>The ILO Decent Work Agenda and willingness of governments to address the challenges faced by informal workers demonstrated by their commitment to the ILO Recommendation 204; willingness on the part of trade unions to bring concerns of informal workers to the tripartite mechanism.</p>
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	<p>Inadequate resources available, and available resources spread over too many activities.</p>

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The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	Project focus need to be clearly defined and manageable within a given timeframe and it should be supported by a clear theory of change, multi-year work plan, and results. The project should have identified target groups <i>a priori</i> during the project design stage and prior to its commencement it should have mapped and identified the scope of formalization. This could have helped in the identification of relevant implementation partners. Since this was not done and in the absence of a clear theory of change the project tried to find its way taking different paths in the three countries resulting in less coordinated project activities and delinked outputs. Part of uncertainty was also created by annual work plan preparation exercise and subsequent approval processes. This could have been avoided with careful background work prior to project design and taking up a pragmatic theory of change with a clear road map in terms of input-output-outcome leading towards intended impact. The project design left the sector choice and geographical coverage to the implementation team. This could have been simplified by taking a realistic view of what can be achieved within the given time and resources available.
<b>Context and any related preconditions</b>	The informal economy is highly unorganized and workers tend to be mobile. The enterprises including micro, small and medium enterprises view formalization as an added cost of doing business. Administrative hassles and bureaucratic procedure tend to deter formalization process.
<b>Targeted users / Beneficiaries</b>	ILO DWT, ILO CO (Dhaka, Kathmandu and New Delhi) and the other ILO offices in sub-region, region, and headquarters; Ministry of Labour and Employment; local governments; trade unions; and the workers in the informal economy.
<b>Challenges /negative lessons - Causal factors</b>	Lack of focus of work and clear theory of change, an extra layer of project management at the ILO Bangkok Regional Office, civil disturbances in Bangladesh and Nepal during implementation; project activities start-up delays in India.
<b>Success / Positive Issues - Causal factor</b>	Willing partners to facilitate formalization process and governments' commitment to address the issue.
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	Staff turnover at critical periods, oversight in project design for a national project coordinator based for WOI-India.

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**Name of Evaluator:** Ganesh P. Rauniyar

**Date:** 21/04/2017

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	Implementing partners prefer predictable funding so that they can adequately demonstrate the linkage between activities and output leading to project outcomes. The project offered several short (sometimes too short) contracts which did not adequately create project ownership on the part of the contractors and their responsibility was limited to the output delivery. It was less clear how those outputs were to be used for generating intended project outcomes. Some of the agencies had four contracts over two to three year period. Interruptions and uncertainty in contracts was not helpful.
<b>Context and any related preconditions</b>	No prior serious effort to address employment in the informal economy; inadequate literature on pragmatic ways to tackle formalization process, and uncertainty associated with annual budgetary allocations.
<b>Targeted users / Beneficiaries</b>	ILO DWT, ILO CO (Dhaka, Kathmandu and New Delhi) and the other ILO offices in sub-region, region, and headquarters; Ministry of Labour and Employment; local governments; trade unions; and the workers in the informal economy.
<b>Challenges /negative lessons - Causal factors</b>	Limited implementation capacity against intensive efforts required to remain engaged with concerned stakeholder groups and difficulties in identification of project implementation partners committed to advance formalization agenda.  The short contractual arrangement implied less ownership in partner agencies for providing continuity to the planned activities and lack of internal resource mobilization mechanism along with approval process for work programme and budget on annual basis as well as for each activity meant that the transaction costs was high in addition to delays in the implementation of some of the planned activities.
<b>Success / Positive Issues - Causal factor</b>	Sound understanding of partners' capabilities to address stakeholder needs.
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	Complexities in implementation arrangements with multiple stakeholders and an additional layer of project work programme and financial management at the by the ILO Regional Office in Bangkok level.

## ILO Lesson Learned Template

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**Project TC/SYMBOL:** RAS/12/51M/JPN RAS/13/51M/JPN

**Name of Evaluator:** Ganesh P. Rauniyar

**Date:** 21/04/2017

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	The formalization of the informal economy requires a strong partnership with the private sector along with a genuine representation of workers in the informal economy. The tripartite mechanism is working well in all three countries but it does not adequately service the workers in the informal economy. The mechanism keeps the voice of these workers out of the discussion unless represented by the trade unions. The evaluation recognizes that it is not easy to clearly identify a genuine representation of informal workers because they tend to be transitory (moving from one job to most in the absence of safe working conditions, less favourable terms of employment and virtually no social security. This calls for an innovative approach. Likewise, employers' representation needs to ensure that the businesses practice decent work standards. The role of private sector is critical, particularly in the current business environment. ILO can play a constructive role in ensuring representation of relevant stakeholders.
<b>Context and any related preconditions</b>	The formalization of the informal economy was not a priority in the development programmes in the participating countries. There were no obvious partners with formalization experience on the ground to work with. The approach had to be tailor-made for each sector and country.
<b>Targeted users / Beneficiaries</b>	ILO DWT, ILO CO (Dhaka, Kathmandu and New Delhi) and the other ILO offices in sub-region, region, and headquarters; Ministry of Labour and Employment; local governments; trade unions; and the workers in the informal economy.
<b>Challenges /negative lessons - Causal factors</b>	The short contractual arrangement implied less ownership in partner agencies for providing continuity to the planned activities and lack of internal resource mobilization mechanism along with approval process for work programme and budget on annual basis as well as for each activity meant that the transaction costs was high in addition to delays in the implementation of some of the planned activities.
<b>Success / Positive Issues - Causal factor</b>	The strong commitment of project staff and persistent engagement with stakeholder groups; commitment of some of the implementation partners.
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	Complexities in implementation arrangements with multiple stakeholders and an additional layer of project work programme and financial management at the by the ILO Regional Office in Bangkok level; turnover of CTA and national project coordinator in Nepal and delayed realization of the need for a national project coordinator for India.

## ILO Lesson Learned Template

**Project Title:** Way Out of Informality: Facilitating Formalization of Informal Economy in South Asia

**Project TC/SYMBOL:** RAS/12/51M/JPN RAS/13/51M/JPN

**Name of Evaluator:** Ganesh P. Rauniyar

**Date:** 21/04/2017

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	Inter-country collaboration and knowledge sharing/exchange strengthen cross-country learning and adoption of good practices. The value of cross-country visits and exchange of knowledge was appreciated by stakeholders in all three countries. However, they felt that these were infrequent and inadequate. The varying sectoral focus across the three countries also to some extent limited benefits of such events organized in New Delhi, Kathmandu and Pokhara. The project could have created an online blog platform for different implementing partners to exchange views and enhance mutual information exchange and learning. The way project was implemented also did not help this because activities were undertaken by subcontractors while those who participated in exchange visits or knowledge sharing events had little to do with project implementation.
<b>Context and any related preconditions</b>	No prior serious effort to address employment in the informal economy; inadequate literature on pragmatic ways to tackle formalization process; perceived high cost associated with the formalization of workers adding to the cost of doing business.
<b>Targeted users / Beneficiaries</b>	ILO DWT, ILO CO (Dhaka, Kathmandu and New Delhi) and the other ILO offices in sub-region, region, and headquarters; Ministry of Labour and Employment; local governments; trade unions; and the workers in the informal economy.
<b>Challenges /negative lessons - Causal factors</b>	Negative perception about the formalization of the informal economy due to perceived high cost of compliance.
<b>Success / Positive Issues - Causal factor</b>	The strong commitment of project staff and persistent engagement with stakeholder groups and genuine commitment of some of the implementation partners.
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	Limited resources, too many activities and larger geographical coverage for the pilot project.



## ILO Lesson Learned Template

**Project Title:** Way Out of Informality: Facilitating Formalization of Informal Economy in South Asia

**Project TC/SYMBOL:** RAS/12/51M/JPN RAS/13/51M/JPN

**Name of Evaluator:** Ganesh P. Rauniyar

**Date:** 21/04/2017

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	<b>The adoption of voluntary code of conduct requires buy-ins from all relevant stakeholders.</b> In India, employers' organizations are in the process of coming up with their voluntary code of conduct. It would have been helpful to include public enterprises and municipalities since they are the biggest employers of casual workers. <sup>48</sup> Likewise, it would have helped to include representations from trade unions. This by no means imply replacement of regulatory framework and social dialogue.
<b>Context and any related preconditions</b>	Need for buy-ins from the employers is critical for the success of any voluntary code of conduct.
<b>Targeted users / Beneficiaries</b>	ILO DWT, ILO CO New Delhi and the other ILO offices in sub-region, region, and headquarters; Ministry of Labour and Employment; local governments; trade unions; and the workers in the informal economy. It can also be applied in other countries under similar circumstances.
<b>Challenges /negative lessons - Causal factors</b>	The employers may have different views on voluntary code of conduct and may not be willing to comply in entirety.
<b>Success / Positive Issues - Causal factor</b>	ILO Decent Work Agenda promoting better working conditions and employment terms; the willingness of tripartite constituencies to collaborate on formalization agenda.
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	Resource availability and need for commitment of staff to remain engaged with the governments and industries.

<sup>48</sup> The ILO has already involved them in plans for the implementation of Recommendation 204. Recent government initiatives in simplifying registration procedures and filing of consolidated returns relative to various labour laws, making inspection need-based and transparent, reducing corruption in cases of non-compliance must be publicised by the tripartite partners through their local level members.

## ILO Lesson Learned Template

**Project Title:** Way Out of Informality: Facilitating Formalization of Informal Economy in South Asia

**Project TC/SYMBOL:** RAS/12/51M/JPN; RAS/13/51M/JPN

**Name of Evaluator:** Ganesh P. Rauniyar

**Date:** 21/04/2017

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	The incentives from formalization need to be disseminated widely to both employers and workers. The consideration of incentives from formalization can speed up formalization process. A study commissioned by the project shows that an important incentive to formalization is to facilitate access to credit particularly for small manufacturing units at the bottom of the value chain. At present, there are no incentives to formalize such enterprises.
<b>Context and any related preconditions</b>	No prior serious effort to address employment in the informal economy; inadequate literature on pragmatic ways to tackle formalization process.
<b>Targeted users / Beneficiaries</b>	ILO DWT, ILO CO (Dhaka, Kathmandu and New Delhi) and the other ILO offices in sub-region, region, and headquarters; Ministry of Labour and Employment; local governments; trade unions; and the workers in the informal economy.
<b>Challenges /negative lessons - Causal factors</b>	Limited involvement of tripartite constituents in advancing formalization agenda; need to trial different options to advance the agenda; continued differences in defining, measuring and reporting informal employment statistics.
<b>Success / Positive Issues - Causal factor</b>	Willingness in tripartite constituencies to advance formalization of informal economy agenda; commitment towards ILO Recommendation 204.
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	High staff turnover and limited resources.

## ILO Emerging Good Practice Template

**Project Title:** Way Out of Informality: Facilitating Formalisation of Informal Economy in South Asia

**Project TC/SYMBOL:** RAS/12/51M/JPN; RAS/13/51M/JPN

**Name of Evaluator:** Ganesh P. Rauniyar

**Date:** 21/04/2017

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GP Element	Text
<b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b>	The formation of an association of small construction contractors represents positive steps towards formalization. In Bangladesh and Nepal, small construction contractors have formed their associations and these associations are registered with local authorities. The association has brought together like-minded contractors who had graduated from the status of workers to the contractors and they understand difficulties and challenges faced by informal workers. In both countries, they practice some of the decent work standards such as equal pay for male and female workers. In Bangladesh, some of them have started providing OSH measures including safety gears for critical/dangerous works.
<b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b>	The formation of associations need to be at the sector level and can be replicated over larger geographical areas within the country. As stated above, registration is an initial step and relevant building blocks need to be identified and linked so that there is a progression towards formalization.
<b>Establish a clear cause-effect relationship</b>	The project has raised awareness about the need for formalizing employment in the informal economy. In addition, it has identified partners to advance the agenda and some of these partners could be taken up as strategic partners to work with in the future.
<b>Indicate measurable impact and targeted beneficiaries</b>	Given the nature of the project to be a pilot, the impact to date has been limited but prospects for future remain positive.
<b>Potential for replication and by whom</b>	Governments, the ILO, and other development partners, private sector promoters.
<b>Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)</b>	The project has a strong link with the ILO DWCP in all three countries as well as the ILO Gender Policy and governments' national priorities to promote local economic development.
<b>Other documents or relevant comments</b>	-

## ILO Emerging Good Practice Template

**Project Title:** Way Out of Informality: Facilitating Formalisation of Informal Economy in South Asia

**Project TC/SYMBOL:** RAS/12/51M/JPN; RAS/13/51M/JPN

**Name of Evaluator:** Ganesh P. Rauniyar

**Date:** 21/04/2017

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GP Element	Text
<b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b>	The chambers of commerce and industries have extended support to the informal enterprises with the provision of business service desk. In Nepal, the district chambers of commerce and industries in project supported districts have established Business Service Desk where the current and aspiring entrepreneurs can seek information on business registration, access to finance, registration with tax authorities, among other services. Initially, the desk was manned for few months with the support of the project. Recognizing its merit, the chambers have decided to retain these service desks funded from their internal sources.
<b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b>	The good practice can be applied and replicated in other sectors as well given right partners are engaged in this endeavour. It requires local organizations with a strong commitment to the formalization of informal workers.
<b>Establish a clear cause-effect relationship</b>	Raising awareness about workers' rights to employment terms and social protection is fundamental in encouraging them to organize and register and chart formalization process.
<b>Indicate measurable impact and targeted beneficiaries</b>	If done properly, demand for facilitation is likely to be strong and at the same time, employers would become more sensitive to offering employment opportunities on fair terms.
<b>Potential for replication and by whom</b>	The potential for replication by the ILO and tripartite constituents remains high.
<b>Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)</b>	The project has a strong link with the ILO DWCP in all three countries as well as the ILO Gender Policy and governments' national priorities to promote local economic development. It is directly linked to the adoption of ILO Recommendation 204.
<b>Other documents or relevant comments</b>	-

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GP Element	Text
<b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b>	Private enterprises can provide apprenticeship to informal workers to the construction workers. The apprenticeships are usually provided by formal sector. In Bangladesh, BMET organized apprenticeship with a pool of private enterprises where the informal workers who have usually limited education are able to learn the skills with practical experience. The workers coming out of the programme are able to earn higher wages and better working conditions with building construction companies.
<b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b>	The applicability and or replication of the above good practice is likely to be guided by the availability and commitment of private enterprises. The practice adopted will be feasible in the periphery of manufacturing industries in India and elsewhere.
<b>Establish a clear cause-effect relationship</b>	Awareness raising is critical for encouraging workers in the informal economy to enter into formalization process.
<b>Indicate measurable impact and targeted beneficiaries</b>	The impact would be substantial if practiced with due care and in good terms with HR managers in industries.
<b>Potential for replication and by whom</b>	The potential for replication by civil society organizations is high.
<b>Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)</b>	The project has a strong link with the ILO DWCP in all three countries as well as the ILO Gender Policy and governments' national priorities to promote local economic development. It is directly linked to the adoption of ILO Recommendation 204.
<b>Other documents or relevant comments</b>	-

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The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GP Element	Text
<b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b>	The compilation of labour laws into a Training Manual and the training of Ranzunjar volunteers have enhanced the grievance redressal service they offer to contract workers in the Chakan cluster in Pune, India. These volunteers are mainly permanent workers in the automotive industry. This outreach by permanent workers to informal workers on a voluntary basis is a good practice that merits replication in other manufacturing sectors. The pre-condition for this was the commitment of one permanent worker to assist contract workers in his enterprise who suffered from the lack of social and job security. With better knowledge of legal provisions, these volunteers can now go beyond grievance redressal to facilitating access to government schemes and to social security. They have already helped many to obtain <i>Aadhar</i> cards as the first step towards recognition of their status.
<b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b>	The good practice can be applied and replicated in other sectors as well given right partners are engaged in this endeavour. It requires local organizations with a strong commitment to the formalization of informal workers.
<b>Establish a clear cause-effect relationship</b>	Raising awareness about workers' rights to employment terms and social protection is fundamental in encouraging them to organize and register and chart formalization process.
<b>Indicate measurable impact and targeted beneficiaries</b>	If done properly, demand for facilitation is likely to be strong and at the same time, employers would become more sensitive to offering employment opportunities on fair terms.
<b>Potential for replication and by whom</b>	The potential for replication by the ILO and tripartite constituents remains high.
<b>Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)</b>	The project has a strong link with the ILO DWCP in all three countries as well as the ILO Gender Policy and governments' national priorities to promote local economic development. It is directly linked to the adoption of ILO Recommendation 204.

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The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GP Element	Text
<b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b>	The project has created a sizeable knowledge base on the laws and policies applicable to MSEs, the incentives and disincentives to formalization and the cost-benefits of regularization of firms. Dissemination of findings, however, has been sporadic and has not sufficiently informed relations with the social partners or action on the ground. Other tools such as the Compliance Manual and booklet on social security and welfare schemes as well as street plays by KISS have been used to create awareness among HR managers on the duties of companies and among workers of their rights. Grievance redressal has improved because of the training supported by the project but needs to be scaled up.
<b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b>	The good practice can be applied and replicated in other sectors as well given right partners are engaged in this endeavour. It requires local organizations with a strong commitment to the formalization of informal workers.
<b>Establish a clear cause-effect relationship</b>	Raising awareness about workers' rights to employment terms and social protection is fundamental in encouraging them to organize and register and chart formalization process.
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<b>Other documents or relevant comments</b>	-

## ANNEX 1: TERMS OF REFERENCE



### International Labour Organization

#### Final Independent Evaluation Terms of Reference (as of 03 October 2016)

<b>Project Title</b>	Way out of informality: facilitating formalization of informal economy in South Asia
<b>TC Project Code</b>	RAS/12/51M/JPN and RAS/13/51M/JPN
<b>Starting Date</b>	1 June 2012
<b>Ending Date</b>	31 December 2016
	No cost extension: (if any)
<b>Type of Evaluation</b>	Independent Final Independent
<b>Evaluation Period</b>	1 June 2012 – 30 November 2016
<b>Countries covered</b>	Bangladesh, India, Nepal
<b>ILO Administrative Unit</b>	ILO Regional Office for Asia and the Pacific
<b>ILO Technical units</b>	Decent Work Team for South Asia
<b>Financing Agency</b>	Government of Japan through the ILO/Japan Multi-Bilateral Programme
<b>Donor contribution</b>	USD 4,197,909
<b>Evaluation manager</b>	Lourdes Kathleen Santos Macasil
<b>ToR version</b>	03 October 2016

### Introduction and rationale for evaluation

This terms of reference (TORs) concerns the final evaluation of the regional project *on Way out of informality: facilitating formalization of informal economy in South Asia*. The project covers three



countries: Bangladesh, India and Nepal. Having commenced in 2012 for an agreed duration of 5 years the project will end in December 2016. In line with ILO evaluation policy, mid-term and end of project evaluation needs to be organized. The project has undertaken a mid-term evaluation from August-September 2014.

The final independent evaluation will be carried out for the purposes of accountability and organisational learning. The evaluation aims to assess the extent to which the project objectives have been achieved and to identify lessons learned and best practices. As per ILO evaluation guidelines, the evaluation will assess the project against the evaluation criteria of relevance, validity of design, effectiveness, efficiency, impact and sustainability.

The independent final evaluation will be conducted by an independent evaluator and will be managed by the ILO Evaluation Manager based in ILO Liaison Office for Myanmar with quality assurance provided by Regional Evaluation Officer, ILO Regional Office for Asia and the Pacific. The evaluation manager will prepare TORs and will subsequently finalize it in a consultative process involving key stakeholders of the sub-regional project including the donor. The evaluation will comply with United Nations Evaluation Guidelines (UNEG) Norms and Standards and the ethical safeguards will be followed.

### **Brief background on project and context**

South Asia is known to have the highest incidence of informal economy along with Africa in terms of number of persons employed, and the informal economy in Bangladesh, India and Nepal is estimated to absorb 50 to 60 percent of non-agricultural working population, comprising wage labourers, self-employed persons, unpaid family labour, piece-rate workers, and other hired labour. This share rises to 80 to 90 percent if agricultural workers are included.

While informal economy derives certain benefits such as providing livelihood to those who would otherwise be without work or income, and large entrepreneurial potential, among others, the decent work deficit is a major concern of the informal economy where workers may be characterized by varying degree of dependency and vulnerability often resulting in a high degree of poverty. Women, persons with disability, people affected by HIV-AIDS, bonded labourers and migrant workers are often at the lower end of the precarious and poorly paid work, and are subject to further social exclusion. Large decent work deficits in the rapidly growing informal economy in the context of limited growth of formal sector employment is a major challenge for the constituents in South Asia in realizing decent work for all.

The ILO has been promoting decent work for all, and addressing the needs of vulnerable groups in the informal economy is central to ILO interventions. There have been on-going efforts by the ILO and its constituents to address the informal economy issues in one way or another through various technical cooperation projects and policy advisory services. In order to enhance efforts to address the informal economy issues, the Way out of Informality (WOI): Facilitating the Transition from the Informal to the Formal Economy in South Asia stated in 2012 with the following objective, outcomes and strategies:

#### ***The project's development objective***

*To contribute to the shift in growth and employment policies to those that facilitate an accelerated expansion of formal sector, curb the growth of informal economy and reduce vulnerable employment*

### *The expected outcomes*

Outcome 1: The regulatory and policy environment in the target local areas made more conducive to formalization and protective to the risks of informalization,

Outcome 2: Formal job growth promoted through job-rich growth strategies and an integrated formalization assistance in the target local areas, and

Outcome 3: Good practices and tools of promoting formalization better understood by the constituents and key stakeholders at the national level in South Asia.

### *Project strategy*

The project has been designed to demonstrate the integrated decent work strategy for the informal economy with emphasis on knowledge management and participatory dialogue.

The integrated decent work strategy for the informal economy covers seven interconnected policy areas: 1) growth strategy and quality employment generation; 2) regulatory environment, including enforcement of international labour standards and core rights; 3) organization on representation and social dialogue; 4) equity (gender, ethnicity, race, caste, disability, age); 5) entrepreneurship, skills, finance, management, access to markets; 6) extension of social protection; 7) local (rural and urban) development strategies. The project intended to apply the integrated approach to the extent possible.

Knowledge management is mainstreamed into the project strategy. Relevant studies, including good practices and innovative approaches, when available, will be shared to stakeholders through informed dialogue. The project also planned to conduct selected studies and surveys that may provide critical information and address knowledge gaps. Further, participatory dialogue is embedded in the project implementation processes. Through dialogue, consensus of stakeholders will be brought about and lead to successful engagement. The project plays a facilitative role in support of the efforts and actions of the tripartite constituents and stakeholders to create a conducive policy and regulatory environment towards the formalization and prevention of informalization of targeted local economies.

### *Linkages with national development framework, donor strategy, UNDAF and DWCP*

The project is linked to the following Country Programme Outcomes:

- Bangladesh (BGD103): Improved coverage of social protection and rights for workers in selected sectors, including for migrants
- India (IND101): Decent and productive employment integrated into socio-economic policies thru policy/action research
- Nepal (NPL104): Labour laws will have been improved and their implementation made effective for creating enabling environment for jobs

The project also links to the development goals of the three countries: (i) draft sixth Five Year Plan of Bangladesh (2011-2015) that recognizes the vulnerability of the workers in the informal economy; (ii) 12<sup>th</sup> Five Year Plan (2012-2017) of India that indicates the recognition of the Government on the need

to create sufficient number of productive jobs in the non-agricultural sector; and (3) Nepal's 3-year Interim Plan (2007/08-2009/10) that aims to reduce poverty and existing unemployment and establish sustainable peace in the country with an emphasis on employment generation and income opportunities.

### **Management set-up**

The project has been executed by the ILO under the overall guidance of the Regional Director for Asia and the Pacific and the Chief Technical Advisor of the ILO/Japan Multi-Bilateral Programme.

The project implementation was supported by a team of staff consisting of:

- Chief Technical Advisor based in Delhi, India
- National Project Coordinators (NPCs) based in Dhaka in Bangladesh, New Delhi in India and Kathmandu in Nepal. The NPC for India had initially not been included in the project design, however, based on the needs to accelerate the project implementation at the country level, NPC for India joined in June 2015.
- Administrative Assistants based in Bangladesh, India and Nepal.

Technical guidance was provided by relevant specialists of the Decent Work Team for South Asia in New Delhi (DWT – Delhi) as well as the ILO HQs and Regional Office in Bangkok. To complement daily management of the project in the technical, programmatic, financial and administrative spheres, donor reports are required on a regular basis.

## **Purpose, scope and clients of evaluation**

### **Purpose**

This independent final evaluation of the Project is being carried out in line with the requirements of the ILO Evaluation Policy<sup>49</sup>. ILO project evaluations are conducted to provide an opportunity for the Office and its funding partners to assess the appropriateness of design as it relates to the ILO's strategic and national policy framework, and consider the effectiveness, efficiency and sustainability of project outcomes. Project evaluations also test underlying assumptions about contribution to a broader development goal.

The purpose of this evaluation is to assess the relevance of the intervention objectives and approach; establish how far the intervention has achieved its planned outcomes and objectives; the extent to which its strategy has proven efficient and effective; and whether it is likely to have a sustainable impact. It is an opportunity to take stock of achievements, performance, impacts, good practices and lessons learned from the implementation of the project towards the formalization of workers and economic units in the informal economy businesses and workers and prevent the informalization of jobs in the formal economy.

Knowledge and information obtained from the evaluation will be used to inform the design of future similar ILO activities in India, Nepal and Bangladesh or countries in similar situations. It will also provide lessons for country-level implementation of Recommendation 204 concerning the Transition from the

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<sup>49</sup> <http://www.ilo.org/eval/Evaluationguidance/lang--en/index.htm>

Informal Economy to the Formal Economy, which was passed during the 104<sup>th</sup> International Labour Conference in 2015.

#### Clients and users of the evaluation are

- ILO Regional Director for Asia and the Pacific
- ILO Decent Work Team in New Delhi, management, programme and finance units
- Representatives of governments
- Representatives of workers' organizations
- Representatives of employers' organization
- Country stakeholders: Please see annex 1 on list of stakeholders
- ILO HQ, DWT-New Delhi and CO Dhaka technical and programme backstopping officers
- ILO-Japan as the funding agency

#### Scope

The evaluation will include all the activities undertaken by the project during the project period (1 June 2012– 30 November 2016) and will cover all geographical coverage of the project. In addition to the capacity building and knowledge sharing activities at the central and regional levels, pilot activities were implemented in the following areas:

- Bangladesh: Chittagong, Dhaka and Rajshahi
- India: Pune (Maharashtra State)
- Nepal: Bhaktapur, Chitwan, Kaski, Kathmandu, Lalitpur and Sunsari

The evaluation shall include all stages of the project, including initial project design, work planning, and implementation monitoring and reporting. The evaluation shall also refer to the progress reports submitted to the donor, particularly the achieved outcomes and how lessons learned and recommendations were progressively followed up to attain desired results. The evaluation should also look at actual implementation mechanisms in line with initially planned implementation mechanisms, from the institutional set-up to the implementation plan and budget expenditures. How the strategies and approaches have progressed, changed or evolved over the four-year implementation period shall be examined to draw lessons from project experience.

Gender equality is an important cross cutting policy driver of the ILO. The evaluation will look particularly at how gender equality concerns were integrated throughout its methodology, strategies/approaches, data and all deliverables, including in the final report.

The evaluation shall verify good practices, if any, impacts and lessons learned from the implementation of the project. At the end of the evaluation, a set of practical recommendations for possible immediate adoption/ application should be made available, and could be further integrated to in ILO practices in future ILO projects. The evaluation shall identify approaches and / or activities that have proven to be particularly innovative, unique or otherwise valuable that can be referred to in regard to the formalization of the informal economy and preventing the informalization of the formal economy.

#### Evaluation questions and criteria

The evaluation will focus and assess on the following:

1. **Relevance and strategic fit:** To evaluate the outcomes of the project and assess whether the project has achieved its immediate objectives as well as contributed to the broader framework, specifically the project's *development objectives* and the *DWCP of India, Nepal and Kathmandu*.
  1. To what extent the project continued its relevance and responsiveness to address issues faced by the women and men workers in the informal economy?
  2. To what extent were project strategies, tools (including training tools) and approaches have been flexible to ensure appropriateness to address informal economy issues and respond to the changing situations in the countries covered?
  3. Has the gender approach been taken into consideration in the project?
  4. What is the extent to which the project approach is strategic and based on the ILO comparative advantages?
  5. Were the project strategies and interventions appropriate for promoting the transition from informality to formality?
2. **Validity of intervention design:** Assess the appropriateness of the results framework and appropriateness of its indicators, targets and the overall M&E strategy and practices
  1. Were the design and the logframe valid and consistent? Have there been adjustments in the logframe throughout the project implementation?
  2. Did the design appropriately identify risks and key assumptions? Did the project have a mitigation strategy taking into account the situation in the countries covered?
  3. How was the process of consultation and identification of problem and strategies done during the project design stage? How did the consultation results affect the project design?
  4. Did the project design adequately consider the gender dimensions of the problem, challenges, and interests of the women target groups and of the planned interventions?
  5. Have there been adjustments made on the project design following the recommendations of the mid-term internal evaluation?
3. **Project progress and effectiveness:** Assess the progress of the project against its immediate objectives, expected outputs and outcome targets, as well as the delivery of quality outputs.
  - a. To what extent has the project attained its objectives?
  - b. What were the major factors influencing the achievement or non-achievement of the project objectives?
  - c. What were the challenges faced by the project in achieving the results and how were they addressed?
  - d. To what extent was the project successful in addressing gender equality?
  - e. To what extent has the project contributed to improving knowledge of and actual working conditions of women and men in the target areas and economic sectors (i.e. construction, SMEs)?
  - f. To what extent has the project addressed the recommendations made during the mid-term internal evaluation?
4. **Efficiency of resource use:** Measure how economically resources/inputs (funds, expertise, time, etc.) are converted to results
  - a. Have resources (funds, human resources, time, expertise etc.) been allocated and delivered strategically to achieve the project objectives?

- b. Given the size of the project, its complexity and challenges, were the existing management structure and technical capacity sufficient and adequate?
  - c. How well did the project manage finances (including work and financial planning, budget forecasts, spending and reporting)? What monitoring system was put in place to assess and improve resource utilization and its efficiency?
5. **Impact orientation and sustainability of the intervention:** Provide the overview of sustained impact of the project against the following outcomes
- a. Has the regulatory and policy environment in the target local areas made more conducive to formalization (i.e. business registration, policies and legislations passed/drafted, incentives put in place for formalization) and protective to the risks of informalization due to the project's interventions and support?
  - b. Any evidence of formal job growth promoted through job-rich growth strategies and an integrated formalization assistance in the target local areas?
  - c. Are there any good practices and tools of promoting formalization that came about from this project? Have these been well-documented?
  - d. Has there been evidence of better understanding of constituents and key stakeholders on informal economy issues at the national level? Provide elaboration of the evidence and how this understanding has led to improved policies or institutional practices.
  - e. Are there any follow-up actions required to continue the momentum of the project?
6. **Effectiveness of management arrangements:** To what extent the management system is appropriate to achieve desired results and outcome within a timely, effective and efficient manner; including
- a. What is the quality and frequency of operational work planning and risk management? Describe the process in each country and how coordination was done centrally across the three countries.
  - b. What are the internal and external factors that have contributed to the pace of project implementation? What are the lessons learnt to ensure effective project management?
7. **Capacity building and institutionalisation:** The implementation arrangements put in place by the project to ensure appropriate capacity building of its institutional counterparts.
- a. How did the project engage with the tripartite constituents (Government, labour organizations (employers and workers) during project implementation and to institutionalize project interventions?
  - b. Which types of capacity building activities have been more and less effective and what lessons can be derived from these experiences?
  - c. How likely are the project outcomes going to be sustainable? What are needed to increase the likelihood of sustainability?
  - d. What are potential good practices, especially regarding models of interventions that can be applied further, shared and replicated?
8. **The demonstration of the integrated decent work strategy for the informal economy:** An important area of enquiry for this evaluation is to understand how the integrated decent work strategy for the informal economy has been demonstrated and proven effective to address the challenges of the informal economy as well as facilitate the formalization process. The evaluation shall investigate the link between policy and implementation levels and see the

viable role of institutions to ensure coherence and produce the desired results. It shall also examine which technical areas in the intervention model were successfully integrated and synergized and which ones were engaged less. Provide the reasons or lessons learned.

9. **Gender Mainstreaming:** The gender dimension should be considered as a cross-cutting concern throughout the methodology, deliverables and final report of the evaluation. In terms of this evaluation, this implies involving both men and women in the consultation, evaluation analysis and evaluation team. Moreover the evaluator should review data and information that is disaggregated by sex and gender and assess the relevance and effectiveness of gender-related strategies and outcomes to improve lives of women and men. It shall also draw lessons on which strategies had been effective in bringing about gender balance and what had remained as challenges. All this information should be accurately included in the inception report and final evaluation report.

### Methodology to follow

The evaluation will use a combination of quantitative and qualitative methods and the final methodology will be determined by the evaluator, taking into account suggestions from the stakeholders, in consultation with the evaluation manager. The detailed methodology will be elaborated by the evaluation team on the basis of this TORs and documented in the Inception Report, which is subject to approval by the evaluation manager.

It is expected that the evaluation will apply mixed methods that draw on both quantitative and qualitative evidence and involve multiple means of analysis. These include but not limited to: -

- Desk review of relevant documents and related to the background of the project, context of the countries covered (statistics, national plans, informal sector definitions, etc.) performance and progress related to the project, including the initial project document, mid-term evaluation report, progress reports, monitoring and evaluation plan, mission reports, contracts and implementation agreements with partners, in-built project knowledge etc.
- Interviews with the concerned staff in the ILO offices in the DWT New Delhi, Country offices in Bangladesh and Nepal, management, programme and finance units, project team including key staff of other ILO projects that are linked to this project, and ILO staff responsible for technical backstopping of the project in ILO HQ, ROAP or DWT New Delhi either through conference calls or face-to-face interviews early in the evaluation process. An indicative list of persons to interview will be prepared by the project in consultation with the evaluation manager.
- Interviews with the donor, project implementing partners, tripartite constituents, project target groups (participants in project activities) and other stakeholders, e.g. business management organizations, CSOs, community organizations, deemed relevant to answer the evaluation questions. Focus group discussions can also be arranged with selected implementing partners and beneficiaries.
- Field trip(s) to selected locations for more in depth reviews at outcomes level of the respective project interventions. These will be based on suggestions from the project team and stakeholders in consultation with the evaluation manager.



- Identify project good practices that contribute towards transition to formality.
- Stakeholders' validation workshop in each country will be held – upon completion of the field trips, to present the preliminary findings to key stakeholders.

Interview questionnaires per country will be prepared by the consultant in consultation with the evaluation manager to ensure context-specific questions and will be translated into the local language for ease of reference, if needed. While the evaluator can propose changes in the methodology, any such changes should be discussed with and approved by the evaluation manager, and provided that the research and analysis suggests changes and the indicated range of questions are addressed, the purpose maintained and the expected outputs produced at the required quality. All data should be sex-disaggregated and different needs of women and men and those marginalized groups should be considered throughout the evaluation process.

It is expected that the evaluator will work to the highest evaluation standards and codes of conduct and follow the UN evaluation standards and norms. Transparency and objectivity will be observed at all times. ILO's policy guidelines for results-based evaluation (2nd edition) 2012 provides the basic framework, the evaluation will be carried out according to ILO standard policies and procedures. ILO adheres to the United Nations Evaluation Group (UNEG) norms and standards on evaluation as well as to the OECD/DAC evaluation quality standards.

### **Main deliverables: inception report, draft and final reports**

#### **The evaluation shall result in a concise evaluation report detailing:**

The overall and specific performance of the project as assessed in terms of relevance and strategic fit of the intervention; validity of intervention design; intervention progress and effectiveness; efficiency of resource use; effectiveness of management arrangements; impact orientation and sustainability of the intervention; as defined in the ILO Guidelines for the Preparation of Independent Evaluations of ILO Programmes and Projects. The assessment shall provide information, such as below, but not limited to;

- progress made against indicators of achievement;
- contribution to the UNGP, Donor strategy, ILO Decent Work Country Programmes in Bangladesh, India and Nepal and any other broader national processes; validity of the design and quality of implementation;
- evaluation of the processes applied within the project particularly in terms of the timely delivery of project outcomes;
- Whether gender is properly mainstreamed in the project cycle, from planning to implementation, to monitoring and evaluation;

#### **Key deliverables are as follows:**

- (1) Draft **inception report**- upon the review of available documents and an initial discussion with the project management. The inception report should set out any changes proposed to the methodology or any other issues of importance in the further conduct of the evaluation. The inception report will
  - describe the conceptual framework that will be used to undertake the evaluation;
  - sets out in some detail the approach for data collection, the evaluation methodology, i.e. how evaluation questions will be answered by way of data collection methods, data sources, sampling and selection criteria, and indicators;



- sets out the detailed work plan for the evaluation, which indicates the phases in the evaluation, their key deliverables;
  - set out a plan for data collection, interviews or discussions;
  - sets out the list of key stakeholders to be interviewed
- (2) Conduct interviews and consultations with the tripartite constituents and relevant stakeholders and hold informal feedback meetings with stakeholders
- (3) Validate the findings through an evaluation stakeholders workshop
- upon completion of field trips, to present the preliminary findings at a stakeholders meeting to be organized by the project team
  - facilitation during and delivering a PowerPoint presentation at the stakeholders workshop
- (4) Produce and submit the following:
- a draft evaluation report, including an Executive Summary (following standard ILO format) of key findings, conclusions and recommendations (The report should be set-up in line with the ILO's 'Quality Checklists 4 and 5' for Evaluation Reports which will be downloaded from the link in the annex)
  - Final evaluation report incorporating feedback from ILO and implementing partners
  - Stand-alone evaluation summary (standard ILO format)

The total length of the report should be a maximum of 40 pages for the main report, excluding annexes. Annexes can provide background and further details on specific components of the project evaluated.

**The evaluation report should include:**

1. Title page (standard ILO template)
2. Table of contents
3. Executive summary (standard ILO template)
4. Acronyms
5. Background and project description
6. Purpose of evaluation
7. Evaluation methodology and evaluation questions
8. Project status and findings by outcome and overall
9. Conclusions and recommendations
10. Lessons learnt and potential good practices (please provide also template annex as per ILO guidelines on Evaluation lessons learnt and good practices) and models of intervention
11. Annexes (list of interviews, overview of meetings, proceedings stakeholder meetings, other relevant information)

## Management arrangements, work plan, formatting requirements and time frame

### Management arrangements

Financing: This evaluation will be fully financed by the ILO-Japan project (RAS/12/51M/JPN). The funds will cover the costs of the consultant(s), evaluation missions and conduct of the stakeholders' workshops.

### Evaluator (International Consultant)

The final evaluation will be led by an international evaluator who will be responsible to produce the above deliverables. He/she will be required to ensure the quality of data (validity, reliability, consistency, and accuracy) throughout the analytical and reporting phases. It is expected that the report will be written in an evidence-based manner.

#### *Qualification of the evaluator*

- A minimum of 8 year experience in design, management and evaluation of development projects; Experience in designing evaluation tools that fit the need of the exercise, conducting desk reviews and evaluation missions, drafting of evaluation reports;
- Experience in evaluations of ILO and UN programmes and projects;
- Experience in the technical areas of human rights, development policy, informal economy, gender an added advantage;
- Experience and knowledge of socio-economic development trends and strategy in South Asia, in particular in India, Nepal and Bangladesh.
- Ability/ experience in facilitating an evaluation stakeholders' workshop;
- Ability to write concisely in English;
- Experience or knowledge in the region and ability to communicate in the local languages is an asset.

### Evaluation team member/National consultant

The team leader will be supported by a national consultant in each country who will provide support during the whole process of the evaluation. Evaluation team member reports to the evaluation team leader. Specifically, the national consultant will be responsible for the following tasks:

- Conduct a desk review of relevant documents and translate documents to English, if required
- Pro-actively provide relevant local knowledge and insights to the team leader
- Be available and present during the evaluation mission
- Take part in the interviews with ILO constituents and key stakeholders, assist the team leader including interpreting between the local language to English and vice versa, to make notes during interviews, and to write brief reports on main observations and conclusions
- Contribute to the main report to be written by the team leader - the national consultant may be asked to contribute to certain sections in the draft and final report as requested by the Team Leader (International Consultant).
- Participate and jointly facilitate the stakeholders' workshop.

- Provide interpretation, where needed.

#### Qualification of the team member:

Preferably a local consultant with expertise in evaluation. Knowledge of local context, of other related local programmes/projects, and of associated local institutions and government structures will be a great asset.

#### Evaluation manager

Lourdes Kathleen Santos Macasil, International Senior Programme Officer of ILO Liaison Office Myanmar (santos@ilo.org) will take the responsibility as Evaluation Manager for this final evaluation of the project, and will develop a TOR in consultation with all concerns and manage the whole evaluation process. Evaluation team leader reports to the evaluation manager.

#### Quality assurance

Regional M&E officer ILO Regional Office for Asia and the Pacific, Bangkok will provide quality control throughout the evaluation process. The final evaluation report will only be considered final when it gets approved by the ILO Evaluation Office.

#### Administrative and logistic support

The ILO Project team consisting of the Chief Technical Advisor and the National Project Coordinators will provide relevant documentations, administrative and logistic support to the evaluation team. The project team will also assist in organizing a detailed evaluation mission agenda, and to ensure that all relevant documentations are up to date and easily accessible by the evaluator.

#### Roles of other key stakeholders

All stakeholders particularly those relevant ILO staff, the donor, tripartite constituents, relevant government agencies, and key other project partners – will be consulted throughout the process and will be engaged at different stages during the process. They will have the opportunities to provide inputs to the TOR and to the draft final evaluation report.

#### Work plan

Key Steps	Deadlines
1. ILO Evaluation Manager (EM) to collect inputs to the evaluation design from the project stakeholders	By 08 Sept
2. ILO EM drafts a Terms of Reference (TOR) for the independent final evaluation by incorporating inputs from the stakeholders.	By 14 Sept
3. ILO EM shares the TOR with the project stakeholders and seek final inputs for finalization.	By 30 Sept
4. ILO EM to seek approval from EVAL on the final TOR	By 3 Oct
5. ILO EM calls for application for evaluation consultant(s).	By 5 Oct
6. ILO EM selects evaluation consultant (s).	By 12 October

7. Evaluation consultant (s) start the evaluation assignment. a. Inception report b. Field mission c. Data analysis d. Stakeholders workshop	Mid to early November
8. Evaluation consultant (s) prepares a draft report of final evaluation to be submitted to the EM. EM to share the draft report with the project stakeholders.	Mid November
9. EM consolidates comments to the draft report and share with the evaluation consultant (s) for revisions	Late November
10. Evaluation consultant(s) to finalize the report and submit to the EM. The EM will share the final report with the project stakeholders for feedback.	Early December
11. EVAL to review and approve the final report	Early December

The evaluation is estimated to take a total of approximately 35 workdays (minimum).

#### **Annexe 1: Relevant ILO evaluation guidelines and standard templates**

Code of conduct form (To be signed by the evaluators)

[http://www.ilo.org/eval/Evaluationguidance/WCMS\\_206205/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_206205/lang--en/index.htm)

Checklist No. 3 Writing the inception report

[http://www.ilo.org/eval/Evaluationguidance/WCMS\\_165972/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_165972/lang--en/index.htm)

Checklist 5 Preparing the evaluation report

[http://www.ilo.org/eval/Evaluationguidance/WCMS\\_165967/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_165967/lang--en/index.htm)

Checklist 6 Rating the quality of evaluation report

[http://www.ilo.org/eval/Evaluationguidance/WCMS\\_165968/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_165968/lang--en/index.htm)

Template for lessons learnt and Emerging Good Practices

[http://www.ilo.org/eval/Evaluationguidance/WCMS\\_206158/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_206158/lang--en/index.htm)

[http://www.ilo.org/eval/Evaluationguidance/WCMS\\_206159/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_206159/lang--en/index.htm)

Guidance note 7 Stakeholders participation in the ILO evaluation

[http://www.ilo.org/eval/Evaluationguidance/WCMS\\_165986/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_165986/lang--en/index.htm)

Guidance note 4 Integrating gender equality in M&E of projects

[http://www.ilo.org/eval/Evaluationguidance/WCMS\\_165986/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_165986/lang--en/index.htm)

Template for evaluation title page

[http://www.ilo.org/eval/Evaluationguidance/WCMS\\_166357/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_166357/lang--en/index.htm)

Template for evaluation summary:

<http://www.ilo.org/legacy/english/edmas/eval/template-summary-en.doc>

## ANNEX 2: LIST OF STAKEHOLDERS IN THE PROJECT

Stakeholder Group	Common Stakeholders	Bangladesh	India	Nepal
ILO	ILO-HQ ILO ROAP	ILO-CO Dhaka	ILO-CO New Delhi	ILO-CO Kathmandu
Donor	Ministry of Labour, Government of Japan	Embassy of Japan in Bangladesh	Embassy of Japan in India	Embassy of Japan in Nepal
Government		Ministry of Labour and Employment	Ministry of Labour and Employment	Ministry of Labour and Employment
Private Sector		Employers’ organizations, Employers	Employers’ organizations, Employers	Employers’ organizations, Employers
Beneficiaries		Workers, workers’ organizations and trade unions	Workers, workers’ organizations and trade unions	Workers, workers’ organizations and trade unions
Other		Research organizations/ Think tanks	Research organizations/ think tanks	Research organizations/ think tanks

**Note: Annex 2a-2c lists project stakeholders in India, Bangladesh, and Nepal (as provided by the Project Office, New Delhi.**

## ANNEX 2a: LIST OF STAKEHOLDERS (India)

Name	Position and Affiliation
Dr. Bino Paul	Dean and Professor, Center for Labour Studies, Tata institute of Social Sciences
Mr. Ashok Tulashiram Bochare	President, Ranzunjar Yuva Sanghatana
Dr Sudha Kothari	Managing Trustee, Chaitanya
Mr. R. S Maker	President, Employers Federation of India
Mr. Shankar Salunkhe	President, Vibrant HR Professionals Associations
Dr. Rajas K. Parchure	Director, Gokhale Institute of Politics and Economics
Mr. Prabhakar	President, Karnataka Employer Association
Dr Dwalokar	Director, Karve Institute of Social Service
Prof. K V Ramaswamy	Indira Gandhi Institute for Development Research
Mr. Belsare	President, Pimpri-Chinchwad Small Industries Association (PCSIA)
Ms. Anuja Bapat	Director (LC & ILAS), Ministry of Labour and Employment
Dr. T.C.A. Anant	Secretary and Chief Statistician of India, Ministry of Statistics and Programme Implementation
Ms. Sunita Chibba	Senior Advisor and DG, Ministry of Skill Development and Entrepreneurship
Ms. Sunita Sanghyi	Adviser (Skill E & MU), National Institution for Transforming India (NITI Aayog)
Mr. Arvind Kumar	Secretary Labour, Government of Maharashtra, Industry, Energy & Labour Dept.
Mr. Baldev Singh	Principal Secretary (Labour & Admin), Government of Maharashtra, Industry, Energy & Labour Dept.
Mr. Virjesh Upadhyay	General Secretary, Bharatiya Mazdoor Sangh (BMS)
Mr. Prabhkar Banasure	Former State General Secretary, Bharatiya Mazdoor Sangh (BMS)
Mr. B.P. Pant	Advisor, All India Organisation of Employers
Mr. B. C. Prabhakar	President, Karnataka Employers Association (KEA)
Mr. Hideki Kagohashi	Enterprise Development Specialist, ILO DWT, ILO Country Office for Philippines
Mr. Thomas Kring	Ex-CTA WOI Project, UNDP Myanmar
Ms. Anjana Chellani	Programme Officer, ILO DWT for South Asia and Country Office for India
Ms. Tina Staeremose	Special Advisor to the Deputy Director General Policy, ILO Geneva
Ms. Eva Majurin	Enterprise Specialist, ILO DWT for South Asia and Country Office for India
Ms. Sandra Rothboeck	EXCOLL with ILO
Ms. Coumba Diop	ITC, Turin
Mr. K.P. Kannan	Former Director, Centre for Development Studies
Ms. Gujan	
Mr. G.B. Reddy	
Mr. B.P. Mallick	
Mr. A C Pandey	Ex-Joint Secretary, Ministry of Labour and Employment
Dr. Smita Premchandar	EXCOLL with ILO
Dr. Ashok Sahu	EXCOLL with ILO
Ms. Smita Kulkarni	EXCOLL with ILO
Dr. Rajendra mehrotra	EXCOLL with ILO
Mr. Dhananjay Pingale	EXCOLL with ILO
Adv/ Srinivas Inamati	EXCOLL with ILO
Mr. Yssuhiro Sensho	First Secretary – Economic, Embassy of Japan

## ANNEX 2b: LIST OF STAKEHOLDERS (Bangladesh)

No.	Name of the Contact Person	Position & Organization
1.	Mr. Shaikh Md. Nurul Haque	General Secretary, Bangladesh Nirman Sramik League, Dhaka
2.	Mr. Md. Abu Bakar Siddik	Joint Secretary, Bangladesh Nirman Sramik League, Dhaka
3.	Mr. Md. Rabiul Islam	President, Imarat Nirman Sramik Union Bangladesh (INSUB) Rajshahi
4.	Mr. Md. Abdur Razzak	General Secretary, Imarat Niramam Sramik Union Bangladesh (INSUB), Dhaka
5.	Mr. Pulak Ranjan Dhar	General Secretary, Bangladesh Building & Wood Workers' Federation (BBWWF), Dhaka
6.	Mr. Md. Arifur Rahman	Assistant General Secretary, BBWWF
7.	Mr. Abdul Latif	Managing Director, Basic Builders Limited, Dhaka
8.	Mr. Mohammed Alauddin	Chief Executive Officer, Heaven Assets Limited, Chittagong
9.	Mr. Md. Abdur Rashid	Project Manager, Farid Properties Limited, Rajshahi
10.	Mr. AR Chowdhury Repon	Executive Director, Bangladesh Occupational Safety, Health & Environment (OSHE) Foundation, Dhaka
11.	Mr. Syed Sultan Uddin Ahmmed Assistant Executive Director	Bangladesh Institute of Labour Studies, Dhaka
12.	Mr. Shakil Akhter Chowdhury Member, Executive Committee	Bangladesh Institute of Labour Studies, Dhaka
13.	Mr. Md. Abul Kashem	Vice President, Imarat Niramam Sramik Union Bangladesh (INSUB), Dhaka
14.	Ms. Shahida Parveen	Office Secretary, Trade Union Kendra, Dhaka
15.	Ms. Rehana Khanam	President, UMA Manufacture & Exporters & Member, Jatiya Sramik League, Chittagong
16.	Dr. Mostafiz Ahmed	Assistant Professor, Department of Social Work Jagannath University, Narayanganj
17.	Mr. Md. Abdul Jalil	Consultant, Vocational Training & Informal Sector, Dhaka
18.	Mr. Md. Feroj Alom Molla	Consultant, Informal Economy & Workplace Improvement Chittagong/Rajshahi
19.	Mr. Sk. Al-Ferubi	Consultant, Apprenticeships Training, Dhaka
20.	Ms. Shayera Khatun	Women Secretary, Imarat Niramam Sramik Union Bangladesh (INSUB), Dhaka
21.	Ms. Shamim Ara Lovely	President, Narayanganj Sador Upazila Sromojibi Nirman Sromik Union, Narayanganj
22.	Mr. Taherul Islam	Program Manager, OSHE Foundation, Dhaka
23.	Ms. Nazma Yesmin	Project Coordinator, Bangladesh Institute of Labour Studies Dhaka
24.	Md. Nurunnabi	President, Bangladesh Jatiyabadi Nirman Sramik Dal (BJNSD) Chittagong



## ANNEX 2c: LIST OF STAKEHOLDERS (Nepal)

### Government Agencies

1.	Ms. Aabha Shrestha Karna	Joint Secretary	Ministry of Labour and Employment (MoLE)
2.	Mr. Jiwan Kumar Rai	Under Secretary	Ministry of Labour and Employment (MoLE)
3.	Mr. Hikmat Bhandari	Statistic Officer	Ministry of Finance
4.	Dr. Rudra Suwal	Deputy Director General	Central Bureau of Statistics (CBS)
5.	Mr. Paban Timilsena	Director	Department of Cottage and Small Industries (DCSI)
6.	Mr. Krishna Prasad Acharya	Chief of the Office	District Office of the Cottage and Small Industries, Pokhara, Kaski
7.	Mr. Kashi Ram Gaire	Executive Officer	Ratnanagar Municipality

### Employers' Organization

1.	Mr. Hansa Ram Pandey	Director	Federation of Nepal Chamber of Commerce and Industries (FNCCI)
2.	Ms. Rita Bhandary	President	Federation of Women Entrepreneurs' Association of Nepal (FWEAN)
3.	Mr. Laxmi Prasad Tripathi	President	Lekhnath Chamber of Commerce and Industries (LCCI)
4.	Mr. Gyan Bahadur Bisural	President	Ratnanagar Chamber of Commerce and Industries (RCCI)
5.	Mr. Bishnu Bahadur Luitel	Vice President	Federation of Nepal Cottage and Small Industries (FNCSI)
6.	Mr. Som Bahadur Thapa	President	Pokhara Tourism Council (PTC)

### Workers' Organization

7.	Mr. Dhan Bahadur BK	Vice President	All Nepal Federation of Trade Unions (ANTUF)
8.	Mr. Jitendra Jonchhe	Deputy Secretary General	General Federation of Nepalese Trade Unions (GEFONT)
9.	Mr. Khila Nath Dahal	Chairperson	Joint Trade Union Coordination Centre (JTUCC)
10.	Mr. Laxman Basnet	President	Nepal Trade Union Congress (NTUC)
11.	Mr. Laxman Shahi	General Secretary	South Asian Regional Trade Union Council (SARTUC)
11.	Mr. Laxman Shahi	Representative	Japan International Labour Foundation (JILAF)

### **Sub Contractors' Association**

1.	Mr. Kedar Adhikari	President	Association of Building Construction (ABC) East Chitwan
2.	Mr. Kul Bahadur Rai	Secretary	Chitwan Nirman Sewa Sangh (CNSS), Bharatpur - 2, Chitwan West
3.	Mr. Gunja Lal Shrestha	President	Shree Shram Nirman Byabsayi Samiti, Pokhara
4.	Mr. Arjun Thapa	President	Nirman Byabsayi Samiti, Pokhara

### **Experts and Consultants**

5.	Mr. Kedar Bhattarai	Consultant	ILO
6.	Mr. Bikash Bista	Consultant	ILO
7.	Mr. Santosh Gupta	Consultant	ILO
8.	Mr. Bishnu Bahadur Khatri	Consultant	ILO
9.	Mr. Amish Poudel	Consultant	ILO
10.	Mr. Ashok Shrestha	Consultant	ILO
11.	Ms. Salita Gurung	Consultant	ILO

### **ILO Staff**

12.	Mr. Richard Howard	Director	ILO Country Office for Nepal
13.	Ms. Nita Neupane	Programme Officer	ILO Country Office for Nepal
14.	Mr. Prakash Sharma	National Project Coordinator	ILO-Way Out of Informality Project
15.	Mr. Milan Shrestha	Programme Assistant	ILO-Way Out of Informality Project

## **ANNEX 3: LIST OF WOI PROJECT DOCUMENTS REVIEWED**

### Way out of Informality Project

#### **Bangladesh**

- 1 Leaflet on insurance scheme for the construction workers by Workers' Welfare Foundation, MoLE (in Bangla)
- 2 Brochure – Decent Work, Decent Life, NCCWE/ILO (in Bangla)
- 3 Handbook on Work Improvement in Construction Enterprises & Occupational Safety and Health, OSHE Foundation
- 4 Japan and the ILO: Supporting Decent work in Asia-Pacific (Programme Brochure)
- 5 Way out of Informality: A Critical Assessment of the Bangladesh Sub-component, by Smita Premchander, June 2014
- 6 Project Document (Pro Doc), Bangladesh, WOI project
- 7 Project Brief: Way out of informality: Facilitating formalisation of Informal economy in South Asia (2013 – 2016)
- 8 Report "Knowledge Sharing & Planning Workshop" (27 May 2013), ILO Dhaka
- 9 The informal economy of Bangladesh: An exploratory study of five selected sectors for moving towards formalization, May 2013, ILO Dhaka
- 10 Informal Employment Practices in Bangladesh Construction Sector, and Opportunities for Formalization, November 2013, ILO Dhaka
- 11 Issuance of National Identity Card for Construction Sector Workers of Bangladesh, Opportunities and Obstacles: A Feasibility Study, April 2015, ILO Dhaka
- 12 WOI Project Bangladesh Progress & Achievements at Glance, brief prepared by WOI Team, ILO Dhaka

- 13 Informal issues of the Construction Sector in Bangladesh & Opportunities of Formalisation, Programme Implementation Strategy, ILO Dhaka, January 2014
- 14 Video-documentaries prepared by ILO/WOI project team in Bangladesh; (1) Apprenticeship; (2) Informality in Construction Sector in Bangladesh; (3) OSH and (4) Workers Rights training in Bangladesh
- 15 WOI Project Factsheet, Project Team in Bangladesh
- 16 Report Stakeholders' Meeting & Knowledge Sharing in Chittagong: Opportunities for & Transitioning to Formalisation. Employers' & Workers' Organizations, Chittagong, 28 September, 2016
- 17 Report National Workshop on the Construction Sector: Challenges & Opportunities for Transitioning from the Informal to the Formal Economy , 21 September, 2013, ILO Dhaka
- 18 Project Progress & Achievement: Way Out of Informality Project, Bangladesh, June 2015
- 19 Project Advisory Committee (PAC ) Meeting minutes, 18 July 2013
- 20 Labour Law, the Business Environment and Growth of Micro and Small Enterprises: Bangladesh Country Report, ILO Dhaka, 2014
- 21 COMPETENCY SKILLS LOG BOOK (CSLB): MASONRY , ILO Dhaka
- 22 OSH Policy (in Bangla), Government of Bangladesh, November 2013
- 23 National Child Labour Elimination Policy, Government of Bangladesh, March 2010
- 24 Bangladesh Workers' Welfare Foundation Act (in Bangla), Government of Bangladesh, February 2013
- 25 Bangladesh Workers' Welfare Foundation Rules (in Bangla), Government of Bangladesh, August 2015
- 26 Bangladesh Labour Force Survey, 2010
- 27 National Labour Policy, Government of Bangladesh, May 2012
- 28 Bangladesh Labour Law, Government of Bangladesh, July 2013
- 29 Bangladesh Labour Rules, Government of Bangladesh, September 2015

	<b>India</b>
30	Institute for Human Development, Productivity and Informality in India's Manufacturing Sector, ILO, Delhi
31	Kannan, K.P. 2014. India Country Report: Labour Laws and Growth of Micro and Small Enterprises, ILO, Delhi
32	Mahapatra, P. K.. 2013. Measurement of the Informal Economy in India, Power-point presentation, NSSO, Ministry of Statistics and Programme Implementation, GOI
33	Papola, T.S. 2014 Informality among small scale manufacturing enterprises in the automobile sector; A study in three states (Haryana, Maharashtra and Tamil Nadu), ILO, Delhi
34	Parchure, R. K. & Talule C. D. 2016. Rapid Assessment of entrepreneurship development training with C-Bed for potential and existing entrepreneurs in Pune, Gokhale Insitute of Politics and Economics, Pune
35	Paul, B. et al. 2016. Mapping of Decent Work Deficit in the Automobile Sector in Pune, Tata Institute of Social Sciences, Mumbai.
36	Premchander, S. 2014. Way out of Informality: Mid-term Evaluation Report
37	Ramaswamy, K. V. 2016 Mapping Labour Legislation applicable to Micro, Small & Medium Enterprises in Maharashtra and their impact on Formalization, Indira Gandhi Institute of Development Research, Mumbai

37	Rothboeck, S. & Kring, T. 2014. Promoting Transition towards Formalization: Selected Good Practices in Four Sectors, ILO, New Delhi
38	White, S. 2014. Labour Laws, the Business Environment and Growth of Micro and Small Enterprises in South Asia, ILO, New Delhi
39	The Compliance Management Trainers' Manual
40	The Guidebook for Social Welfare Schemes
41	The Prashikshan Booklet on Labour Laws
42	Institute for Human Development, <i>Productivity and Informality in India's Manufacturing Sector</i> , ILO, Delhi
43	Kannan, K.P. 2014. <i>India Country Report: Labour Laws and Growth of Micro and Small Enterprises</i> , ILO, Delhi
44	Mahapatra, P. K.. 2013. <i>Measurement of the Informal Economy in India</i> , Power-point presentation, NSSO, Ministry of Statistics and Programme Implementation, GOI
45	Papola, T.S. 2014 <i>Informality among small scale manufacturing enterprises in the automobile sector; A study in three states (Haryana, Maharashtra and Tamil Nadu)</i> , ILO, Delhi
46	Parchure, R. K. & Talule C. D. 2016. <i>Rapid Assessment of entrepreneurship development training with C-Bed for potential and existing entrepreneurs in Pune</i> , Gokhale Insitute of Politics and Economics, Pune
47	Paul, B. et al. 2016. <i>Mapping of Decent Work Deficit in the Automobile Sector in Pune</i> , Tata Institute of Social Sciences, Mumbai.
48	Premchander, S. 2014. <i>Way out of Informality: Mid-term Evaluation Report</i>
49	Ramaswamy, K. V. 2016 <i>Mapping Labour Legislation applicable to Micro, Small &amp; Medium Enterprises in Maharashtra and their impact on Formalization</i> , Indira Gandhi Institute of Development Research, Mumbai
50	Rothboeck, S. & Kring, T. 2014. <i>Promoting Transition towards Formalization: Selected Good Practices in Four Sectors</i> , ILO, New Delhi
51	White, S. 2014. <i>Labour Laws, the Business Environment and Growth of Micro and Small Enterprises in South Asia</i> , ILO, New Delhi
52	<i>The Compliance Management Trainers' Manual</i>
53	<i>The Prashikshan Booklet on Labour Laws</i>
54	The Guidebook for Social Welfare Schemes
	<b>Nepal</b>
55	Premchander, S. 2014 Way out of informality: Mid-term Evaluation Report
56	Bajracharya, Puskar; Shrestha, Rajendra Prasad. 2014. Labor Laws, the Business Environment and Growth of Micro and Small Enterprises, WOI/ILO, Kathmandu, Nepal
57	Sedai, Ramchandra. 2013 Informality in Tourism Sector in Nepal, WOI/ILO, Kathmandu, Nepal
58	Agreement between Government of Nepal and ILO Country Office for Nepal for the implementation of Way Out of Informality Project

59	Agreement for Technical Collaboration among Ministry of Labour and Employment, Department of Cottage and Small Industry, The International Labour Organization and Mega Bank Nepal Limited for Way Out of Informality (Wol): Facilitating Formalization of Informal Enterprise in Nepal
60	ILO-Way Out of Informality Project, Nepal: Technical Cooperation Progress Reports (TCPs), 2012-2015
61	ILO Nepal Decent Work Country Programme, 2013-17
62	UN Development Assistance Framework for Nepal, 2013-17
63	National Employment Policy of Nepal, 2015
64	Presentations of National Project Coordinators on Way Out of Informality Project in Nepal
65	ILO Way Out of Informality Project, Nepal: Factsheet
66	A Video- Yatra: A journey towards formalization
67	A Study Report on Informality in Tourism Sector in Nepal, 2013
68	A Study Report on Informality in Construction Sector in Nepal, 2013
69	Mission Reports of Project Staffs of ILO Way Out of Informality Project
70	DCSI Final Progress Reports. 2013 and 2014
71	FNCSI Final Progress Reports, 2013 and 2014
72	FWEAN Final Progress Reports, 2013, 2014, 2015
73	FWEAN Activity Report: Sensitization Workshop on Formalizing Women Led Informal Business, 2015 FWEAN Completion Report: 1st International Women's Trade Expo 2016, Nepal
74	FNCCI Final Progress Reports, 2015 and 2016
75	IEDI: A Report on Training of Emerging Construction Entrepreneurs (IYB Module of SIYB), 2014
76	
77	IEDI: A Report on Start and Improve Your Business (SIYB Level 1) Training of Trainers, 2014 IEDI: A Report on Entrepreneurship Skill Development Training (SIYB L1) ToEE and ToGE Module, 2013
78	Reports prepared by different trade unions: ANTUF's Gender Sensitive Policy to address Informality, 2015
79	GEFONT's Gender Sensitive Policy to address Informality, 2015
80	NTUC's Gender Sensitive Policy to address Informality, 2015
81	ANTUF: Final Progress Report on Formalizing Informal Construction Workers, 2014
82	GEFONT: Final Progress Report on Formalizing Informal Construction Workers, 2014
83	NTUC: Final Progress Report on Formalizing Informal Construction Workers, 2014
84	
85	Trade Union Manual for Organizing Informal Economy Workers in Nepali, 2012

86	ILO Recommendation 204 concerning the Transition from the Informal to the Formal Economy, 2015 (No. 204) in Nepali
87	Meeting Minutes of National Steering Committee, 20 Feb 2013, 03 October 2013, 04 March 2016 and 7 March 2015
88	Meeting Minutes of Task Force formed by National Steering Committee to identify indicators of Informal Economy, Informal Enterprise and Informal Employment, 05 March 2013, 06 May 2014
89	Way Out of Informality Project-Nepal Cost Sharing Activities with other sources
90	ILO Way Out of Informality Project, Nepal: Database of Training/Workshops during December 2012-November 2016
91	Report of National Workshop on ILO Recommendation 204 and Developing a Roadmap for Formalizing Informal Economy in Nepal, 2016
92	Report of Definition and Indicators of Informal Economy for Nepal: Sharing and Finalizing Workshop, 2016
93	Benefits and preferences extended to Micro, Cottage and Small Industries under various policy documents and legislations, 2015
94	Policy brief on Formalization of informal, small, and micro-enterprises in Nepal, 2015
95	Workshop report on Regional Tripartite Workshop on Transitions to Formality and Decent Work, 2015
96	Report of the National Seminar on Formalizing Informal Economy: Approaches, Learning and Experiences, 2014
97	Nepal Country Report on Labour Laws, The Business Environment and Growth of MSEs, 2013
98	Workshop report on Sharing the Study Report on Informality in Tourism Sector and Planning Workshop, 2013
99	Workshop report on Sharing the Study Report on Informality in Construction Sector and Planning Workshop, 2013
100	Study on Suggestions and Recommendations Provision in Review of Existing Policy, Act and Regulation for Registration of the Informal Cottage and Small Industries, 2013
101	Report of Knowledge Sharing Workshop and Project Planning Workshop, 2012
102	A Mid-term Evaluation Report of the Way Out of Informality Project by Smita Premchander, Oct 2014
103	Way Out of Informality: A Critical Assessment of the Bangladesh Component of the Sub Regional Project, Smita Premchander, June 2014
104	Way out of informality: facilitating formalization of informal economy in South Asia, Technical Cooperation project document (PRODOC)
105	Document provided by the WOI Project Office, New Delhi
106	Way out of Informality: Facilitating Formalisation of the Informal Economy in South Asia, Annual TCPR, 4 <sup>th</sup> Report. Jan-Dec 2015, ILO
107	Way out of Informality: Facilitating Formalisation of the Informal Economy in South Asia, Annual TCPR, 3 <sup>rd</sup> Report. Jan-Dec 2014, ILO
	Way out of Informality: Facilitating Formalisation of the Informal Economy in South Asia, Annual TCPR, 2 <sup>nd</sup> Report. Jan-Dec 2013, ILO

108	Way out of Informality: Facilitating Formalisation of the Informal Economy in South Asia, Progress Report. June – December 2012, ILO
109	Update on the Implementation of the Way out of Informality Sub-Regional Project, January to June 2014 by Thomas Kring
110	Update on the Implementation of the Way out of Informality Sub-Regional Project, January to June 2013 by Thomas Kring
111	Brief Reporting on progress made in project ‘way out of informality’, 7 September 2012
112	Way out of informality: facilitating formalization of informal economy in South Asia –
113	Comparison for the implementation in 2015 and Work Plan in 2016
114	Way out of informality: facilitating formalization of informal economy in South Asia – Comparison for the implementation in 2014 and Work Plan in 2015 Annual Review Meeting, Presentation by Thomas Kring, CTA WOI Project, January 2016)
115	National Knowledge-Sharing Workshop on ‘Way out of Informality’ Workshop Report, Ministry of Labour and Employment/ILO, Regal, Hotel Royal Plaza, 19, Ashoka Road, 6 December 2012
116	Informal Meeting with Trade Unions and Employers’ Organizations: Social Dialogue on ILO Recommendation on Transition from the Informal to the Formal Economy, 2015 (No. 204), Note-to-File, ILO New Delhi Office, Monday, 5 September 2016
117	“K Knowledge Sharing Workshop on Measuring for the Informal Economy”, Oberoi Hotel, New Delhi, 14-15 May 2013.
118	Project expenditure statements up to 15 November 2016

## ANNEX 4: LIST OF PERSONS INTERVIEWED

### BANGLADESH

#### ILO

1	Gagan Rajbhandari	Deputy Country Director, ILO-CO Dhaka
2	Shahabuddin Khan	Programme Officer, ILO-CO Dhaka
3	Harunur Rashid	Harunur Rashid, National Project Coordinator, WOI
4	ANM Tanjel Ahsan	Programme Officer, B-SEP/ILO
5	Jamal Uddin Ahmed	Programme Assistant, WOI
6	Md. Feroz Alam Molla,	Consultant, ILO
7	Md. Abdul Jalil	Consultant, ILO

#### Donor

1	Jasmine Subasat	Adviser, Embassy of Japan, Dhaka
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#### Government

1	Khondakar Mostan	Joint Secretary, Ministry of Labour and Employment (MOLE)
2	Humayun Kabir Hossain	Deputy Chief, MOLE
3	Md. Nurul Islam	Director, Training Standard and Planning, BMET
4	SK. Al-Ferubi	Assistant Director, Apprenticeship Section, BMET

#### Private Sector and Workers' Organizations

1	Md. Abdul Latif	Managing Director, Basic Builders Ltd.
2	Eusuf Kabir	Superintendent Engineer, Basic Builders Ltd.
3	Saquib Qureshi	Secretary, Bangladesh Employers' Federation (BEF)
1	Pulak Ranjan Dhar	General Secretary, BCWWF
2	Md. Arifur Rahman, Sk.	Assistant General Secretary, BBWWF
3	Md. Nurul Haque,	General Secretary, Bangladesh Nirman Shramik League
4	AB Siddik Mintu,	Bangladesh Nirman Shramik League
5	Shayren Khatun,	Women Affairs Secretary, INSAB
6	MA Razzak,	General Secretary, INSAB
7	Md. Saiful,	Assistant Secretary, INSAB
8	Md. Sohrab,	Joint Secretary, INSAB
9	Md. Shahjahan Mia,	Sub-contractor/owner, Shahjahan Enterprise
10	Md. Sultan,	Sub-contractor/owner, Sultan Enterprise
11	Md. Nur Hossain,	Sub-contractor/owner, Nur Enterprise
12	Md. Abul Kashem,	Sub-contractor/owner, Rider Enterprise
13	Md. Abdul Mazid Molla, Md.	Sub-contractor/owner, Bonnya Enterprise
14	Mokhlesur Rahman	Sub-contractor/owner, Rakibul Hassan Enterprise
15	Md. Monir Hossain,	Sub-contractor/owner, Akhi Enterprise
16	Md. Harunur Rashid,	Sub-contractor/owner, Toha Enterprise
17	Md. Litan Akon,	Plumber, Imarat Nirmal Shramik Union, Bangladesh
18	Md. Kader,	(INSUB)
19	Plumber	Mason
20	Md. Liton,	Plumber
21	Md. Jahangir,	Rod Binder
22	Md. Sanowar,	Carpenter
23	Md. Sultan Saber	Tiles Craftsman
24	Hossain,	Electrician
25	Md. Imran,	Electrician
26	Md. NasirMd. Deloar,	Member, INSUB
27	Ahmed Razzak Khan,	Enterprise owner
28	Md. Rezaul,	Enterprise owner
29	Md. Ahmed Razzak Chowdhury,	Enterprise Owner
	Md. Fazlul Haque, Md. Azad Hossain,	
30	Md. Sobuz, Enterprise owner	Owner, Messrs. Fazlul Haque Enterprise
31	Md. Yusuf Ali,	Sub-contractor



32	...	Md. Mostafizur, Owner, Tamim enterprise
33	Md. Alauddin, Mohammad Saiful	Owner,
34	Islam, Md. Harunur Rashid,	Yusuf Enterprise
35	Md. Ali Hossain	Enterprise owner
36	Ms. Rokhsana,	INSUB
37	AB Siddik Mintu, BNSL	INSUB
38	Md. Ariful Rahman MA Bellal, B	BNSL
39	...	Sub-contractor
40	...	INSUB
41	...	MA Razzak, INSU

#### Other Stakeholders

1	AR Chowdhury Repon, Md. Nur Alam,	Executive Director, OSHE Foundation
2	Nazma Yasmin,	OSHE Foundation
3	Syed Sultanuddin Ahmed,	Project Coordinator, Bangladesh Institute of Labour Studies (BILS)
4	Mostafiz Ahmed,	Executive Director, BILS
5	SM Kamrizzaman Fahim,	Assistant Professor, Jagannath University
6	Shajib Dey,	Research Assistant, BILS
7	...	Research Assistant, BILS

#### Workshop Participants

1	Mohammad Saiful Islam	Member, Imarat Nirman Sramik Union Bangladesh (INSUB)
2	Md. Sohrab Hossain	Joint Secretary, INSUB
3	Md. Harun ur Rashid	Subcontractor, Harun Enterprise, Dhaka
4	Md. Ali Hossain	Member, INSUB
5	Sayera Khatun	Women Secretary, INSUB
6	Pulak Ranjan Dhar	General Secretary, Bangladesh Construction & Wood Workers' Federation (BCWWF)
7	Sheikh Md. Nurul Haque	General Secretary, Bangladesh Nirman Sramik League (BNSL)
8	Md. Nur Alam	Programme Officer, Occupational Safety, Health & Environment (OSHE) Foundation
9	Rokhsana	Women Secretary, BNSL
10	AB Siddik Mintu	Assistant Secretary, BNSL
11	Md. Abdur Razzak	General Secretary, INSUB
12	M A Bellal	Member, INSUB
13	Nazme Yasmin	Project Coordinator, Bangladesh Institute of Labour Studies (BILS)
14	Shajib Dey	Researcher, BILS
15	Sultan Uddin Ahmmed	Executive Director, BILS
16	Md. Arifur Rahman	Assistant General Secretary, Bangladesh Building & Wood Workers' Federation (BBWWF)
17	Md. Elias Kabir	Project Manager, Basic Builders Limited
18	Sheikh Al-Ferubi	Assistant Director, Bureau of Manpower, Employment & Training (BMET)
19	Md. Feroz Alam Molla	Informal Economy Consultant, Way Out of Informality Project ILO Bangladesh
20	Md. Abdul Jalil	Informal Economy Consultant, Way Out of Informality Project ILO Bangladesh
21	Aya Matsuura	CTA, WOI
22	Harunur Rashid	National Project Coordinator – WOI Bangladesh
23	Jasmin Subasat	Economic Advisor, Embassy of Japan, Dhaka
24	Sahabuddin Khan	Programme Officer, ILO-CO Dhaka
25	Jamal Uddin Ahmed	Programme Assistant, WOI-Bangladesh

26	Kirti Nishan Chakma	National Consultant, Final Independent Evaluation, WOI Project
27	Ganesh Rauniyar	Lead Evaluator and Team Leader, Final Independent Evaluation, WOI Project

## INDIA

### ILO

1	Panudda Boonpala,	Director, DWT New Delhi
2	Sher Sigh Verick	Deputy Director, ILO-CO New Delhi
3	Aya Matsuura	CTA, WOI – ILO South Asia
4	Anjana Chellani	ILO-SCORE, New Delhi (former ILO Backstopping Officer for WOI)
5	Narasimhan Gadiraju	National Project Coordinator –WOI-India, ILO-CO New Delhi
6	---	CTA, BSEP
7	Thomas Kring	Former CTA- WOI, ILO-South Asia (skype call)
8	Sigeki Kagohashi	Former ILO-WOI Project Officer responsible for designing the WOI Project (e-mail exchange)
9	Yasuo Ariga	CTA, ILO-Bangkok (e-mail exchange)
10	Dhananjaya Pingale	Local Consultant for WOI, Pune

### Government

11	Anuja Bapat	Director, Ministry of Labour and Employment, New Delhi
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### Employers' and Workers' Organizations

12	Sandeep Belsare	President, Pimpri-Chinchwad Small Industries, Association, Pimpri, Pune
13	B.P. Pant	Advisor, All India Organization of Employers / Council of Indian Employers, New Delhi
14	Maker	President, Employers' Federation of India
15	Santosh Gaurav,	Secretary, Ranzunjar Yuva Sanghatana, Chakan, Pune
16	Sachin Kenkude,	Trainer, Ranzunjar Yuva Sanghatana, Chakan, Pune
17	Jyoti Chowdhury,	Trainer, Ranzunjar Yuva Sanghatana, Chakan, Pune
18	Jyoti Jadhav,	Office Assist, Ranzunjar Yuva Sanghatana, Chakan, Pune
19	..	Ranzunjar volunteer, Chakan, Pune

### Others

20	Sharmila Karvey	Coordinator, Karve Institute of Social Services
21	Deepak Walkar,	President, Karve Institute of Social Services
22	Manjusha Ambedkar	Translator, Independent Consultant, WOI
23	Rajas Parchure	Professor, Gokhale Institute, Pune
24	K. V. Ramaswamy,	Professor, Indira Gandhi Institute of Development Research, Mumbai (skype call)
25	Bino Paul	Professor, Tata Institute of Social Sciences, Mumbai
26	Srinivas Inamati	Advocate, Pune
27	Vishal Bhange,	Vibrant HR
28	Bhalu Cumba,	Vibrant HR
29	Sampat Paradhi,	Vibrant HR
30	Vivek Vibhute	Vibrant HR
31	Shankar Salunkhe	President, Vibrant HR
32	Smita Kulkarni	Master Trainer, SBY
33	Rajen Mehrotra	Senior Consultant, WOI
34	Sudha Kothari	Managing Trustee, Chaitanya, Rajgurunagar, Pune
35	Pramod Kulkarni	C-BED Trainer, Chaitanya, Rajgurunagar, Pune
36	Sushma Ranchandra Rasal	Coordinator, Chaitanya, Rajgurunagar, Pune
37	Archana Gokul Sole	Facilitator, Meelancharkawadi, Rajgurunagar, Pune
38	Kamal Chandrakant pawar	Facilitator, Valgaon, Rajgurunagar, Pune
39	Sangita Ajay Bhagwat	Facilitator, Shelpimplegaon, Pune
40	Shenaz Samir Khan	Facilitator, Bhosel Rase, Pune

41 Ambika Vithal Survase

## NEPAL

### ILO

- 1 Prakash Sharma National Project Coordinator, WOI-Nepal, ILO-CO  
Kathmandu
- 2 Milan Shrestha National Project Coordinator, WOI-Nepal, ILO-CO  
Kathmandu
- 3 Bikash Bista WOI Consultant (former DG, Central Bureau of Statistics,  
Kathmandu)
- 4 Bishnu Khatri WOI-Nepal Consultant
- 5 Ashok Shrestha WOI-Nepal Consultant
- 6 Anish WOI-Nepal Consultant
- 7 Santosh Gupta WOI-Nepal Consultant
- 8 Prakash Bhattarai WOI-Nepal Consultant

### Government

- 9 Jeevan Kumar Rai Under-Secretary, Ministry of Labour and Employment,  
Kathmandu

### Donor

- 10 Nauro Katte Researcher/Adviser, Embassy of Japan to Nepal,  
Kathmandu
- 11 Rahish Shrestha Economic Researcher, Embassy of Japan, Kathmandu

### Private Sector/Workers and Employers' Organizations

- 12 Gunjan Lal Shrestha Chairperson, Sree Shram Nirman Samiti (SSNS), Pokhara  
Vice-Chairperson, SSNS, Pokhara
- 13 Tej Kumar Limbu Treasurer, SSNS, Pokhara
- 14 Durga Bahadur Sunar Secretary, SSNS, Pokhara
- 15 Krishna Kumar Shrestha Member, SSNS, Pokhara
- 16 Tirtha Rana Magar Member, SSNS, Pokhara
- 17 Santosh Rai Member, SSNS, Pokhara
- 18 Tek Bahadur Adhikari Member, SSNS, Pokhara
- 19 Kamal Bahadur Tamang Vice-President, Pokhara Tourism Council, Pokhara
- 20 Chirranjibi Pokhrel General Secretary, Pokhara Tourism Council, Pokhara
- 21 Ramu Gautam Treasurer, Pokhara Tourism Council, Pokhara
- Narayan Prasad Sapkota Member, Pokhara Tourism Council, Pokhara
- 22 Deepak Adhikari Trekking/City tour guide, Pokhara
- 23 Dipesh Babu Subedi City tour guide, Pokhara
- 24 Saraswati Thapa Trek Item Shop Owner, Pokhara
- 25 Naba Raj Adhikari
- 26
- 27 Laxmi Praad Tripathi Chairperson, Lekhnath Chamber of Commerce and  
Industries (LCCI), Lekhnath, Kaski
- 28 Pabitra Shrestha Assistant Officer, ILO Desk, LCCI
- 29 Menuka Shrestha Member, LCCI
- 30 Arjun Prasad Lamsal Chairperson, Homestay, Lekhnath, Kaski
- 31 Bishnu Rimal Entrepreneur, Khudi Lekhnath District Small Cottage
- 32 Bishnu Hari Industry Department, Khudi, Lekhnath
- 33 Devki Baral Entrepreneur, Pokhara
- 34 Asha Lal Dangol Chairperson, Lalitpur Bhukampa Partoddhamak Nirman  
Sansthan (LBPNS), Lalitpur
- 35 Sukra Raj Maharjan Secretary, LBPNS
- 36 Radheshyam Tendukar Treasurer, LBPNS
- 37 Jhamak Lal Bonjom Member, Bhawan Nirman Karmi Samuha, Kathmandu  
(BNKS)
- 38 Jit Bahadur Lungeli Member, BNKS
- 39 Sarita Rai Member, BNKS
- 40 Bishwa Shrestha RCCI

41	(Ineligible name)	RCCI
42	Anita Tamang	Entrepreneur, Parsa
43	Sunita Shrestha	Entrepreneur – Beautician, Ratnanagar
44	Bishnu Lal Maharjan	Chairperson, Chitwan Nirman Sewa Sangha (CNSS)
45	Dhan Bahadur Gurung	Member, CNSS
46	Kul Bahadur Rai	Secretary, CNSS
47	Shakar Bahadur Shrestha	Member, CNSS
48	Prem Parlami	Member, CNSS
49	Kedar Adhikari	Secretary, Purbi Chitwan Nirman Sewa Sangha
50	Kapil Ghimire	President, Purbi Chitwan Nirman Sewa Sangha
51	Darshana Shrestha	Board Member/Secretary, FWEAN, Kathmandu
52	Deepika Lalchan	Project Coordinator, FWEAN
53	Rita Pokhrel	Legal Advisor, FWEN
54	Ramola Sthapit	Manager, FWEAN
55	Pratima Shakya	Entrepreneur, FWEAN
56	Basu Maya Tamanag	Entrepreneur, FWEAN
57	Fulkumari Adhikari	FWEAN
58	Ishwor Kumar Shrestha	FNCCI, Kathmandu
59	Khil Nath Daha	Chairperson, ANTUF
60	Dhan Bahadur B.K.I	Vice Chairperson, ANTUF
61	Indra Dev Yadav	JILAF Focal Person

## ANNEX 5: MISSION AGENDA FOR THE FINAL INDEPENDENT EVALUATION OF WOI PROJECT (19 NOVEMBER – 12 DECEMBER 2016)

### SUMMARY

Country	Date(s)	Activity
New Zealand-India	19 – 20 Nov 2016	Travel from Paraparaumu, New Zealand to New Delhi (via Auckland and Singapore) ETD 07:30 am 19 Nov/ETA 05:50 am 20 Nov
India	20 - 24 Nov 2016	Meetings/Discussion/Wrap-up
India - Bangladesh	25 Nov 2016	Travel from New Delhi to Dhaka
Bangladesh	26 Nov–01 Dec 2016	Meetings/Discussion/Stakeholder workshop
India - Nepal	02 Dec 2016	Travel from Dhaka to Kathmandu
Nepal	02-10 Dec 2016	Meetings/Discussion/Wrap-up or Stakeholder Workshop
Nepal – New Zealand	11 -12 Dec 2016	Travel from Kathmandu to New Zealand (via Singapore)

### INDIA (20 – 24 November 2016)

Sr. No.	Time	Meeting / Discussion	Venue / Location	Agenda	Status
<b>Sunday, 20 Nov 2016</b>					
1	03.00 PM 05.00 PM	Initial briefing by Aya and Narasi	Hotel	Initial briefing	Confirmed.
<b>Monday, 21 Nov. 2016</b>					
2	09.30 AM 10.30 AM	Dr. Sher Verick, Dy. Director, ILO, India,	ILO Office	Discussion on Way Out of Informality project and country context.	Confirmed
3	10.30 AM 11.00 AM	Ms. Panudda Boonpala, Director, DWT New Delhi	ILO Office	Discussion on Way Out of Informality project and country context.	Confirmed.
4	11.00 AM 01.00 PM	Ms. Anjana Chellani, ILO Backstopping Programme Officer	ILO Office	Discussion on Way Out of Informality project, its background and development, and country context.	Confirmed.
<b>01.00 PM to 02.00 PM - Lunch</b>					
5	02.00 PM 04.00 PM	Mr. G.L. Narasimhan, NPC, WOI, India	ILO Office	Discussion on Way Out of Informality project in India context and evaluation support	Confirmed
6	04.00 PM 05.00 PM	Ms. Aya Matsuura, Chief Technical Advisor, WOI	ILO Office	Discussion on Way Out of Informality project and evaluation support.	Confirmed
<b>Tuesday, 22 – 23 Nov. 2016 - Pune field mission</b>					
<b>Thursday, 24 Nov. 2016</b>					
7	09.00 AM 10.45 AM	Discussion with the project staff	ILO Office	Desk review of project documents and interaction with staff	Confirmed
8	10:45 AM 11.25 AM	Skype calls with Mumbai based project partners ( Prof. Ramaswamy)	ILO Office	Indira Gandhi Institute for development research report on labour laws for MSME automobile sector and impact on formalization in Pune	Rescheduled - Confirmed
9	12.00 AM 01.00 PM	All India Organization of Employers (AIOE-FICCI) – Mr. Pant	AIOE Office	Discussion on workshops on contract labour at Chennai & Kolkata	Confirmed

<b>01.00 PM to 02.00 PM - Lunch</b>					
10	02.00 PM 03.45 PM	Team work	ILO Office	Review of meeting notes	Confirmed
11	04.30 PM 05.30 PM	Meeting with MoLE, Ms. Anuja Bapat, Director	Office of MoLE	Interaction with Director, MoLE on WOI project and India relevance	Confirmed.
<b>Friday, 25 Nov. 2016</b>					
12	09.00 AM 10.00 AM 10.10 AM	Debriefing Go to the Airport & Depart for Dhaka	ILO Office	Debriefing and discussion on follow-up actions	

Following scheduled skype calls could not take place due to unavailability of the stakeholders.

1	TBD	Skype calls with Mumbai based project partners ( Prof. Bino Paul)	TBD	Tata Institute of Social Sciences on Research report on decent work deficits in automobile sector in Pune	30 Nov 2016 rescheduled
2	TBD	Skype calls with Mumbai based project partners – EFI – Mr. Maker	TBD	Employers Federatio9n of India (EFI) - Discussion on workshops on contract labour at Mumbai & Pune	To be rescheduled
3	TBD	Skype calls with Bangalore based project partners – KEA – Mr. Prabhakar	TBD	Karnataka Employers’ Association (KEA) - Discussion on workshop on contract labour at Bangalore	To be rescheduled
4	TBD	Skype call with Embassy of Japan Representative in India	TBD	Donor’s perspective on the project outcome	To be rescheduled
5	TBD	Skype call with Mr. Rajen Mehrotra	TBD	Indira Gandhi Institute	30 Nov 2016 rescheduled

Note: TBD = to be decided.

#### **Pune (Field Visit 22-23 November 2016)**

<b>Sr. No.</b>	<b>Time</b>	<b>Meeting / Discussion</b>	<b>Venue / Location</b>	<b>Agenda</b>	<b>Status</b>
<b>Day:1- Tuesday, 22 Nov. 2016: 08:30 AM to 10:40 AM - Travel from New Delhi to Pune by morning flight</b>					
1	11:00 AM 12:15 PM	Karve Institute of Social Services (KISS)	Campus of KISS, Pune	Discussion on Street Plays for informal workers on “Rights and benefits of organizing”.	Confirmed
2	12.15 AM 12.45 PM	Ms. Manjusha Amdekar (Consultant)	Campus of KISS, Pune	Discussion on Translation Work of CBED (entrepreneurship development training) tool and Labour Law Trainers’ Manual). This person also worked closely with Chaitanya.	Confirmed
<b>12.45 PM to 13:45 PM - Travel from Karve Institute to Gokhale Institute</b>					
3	13:45 PM 14.30 PM	Gokhale Institute of Economics and Politics	Campus of Gokhale Institute, Pune	Discussion on impact assessment of CBED training & Labour Laws awareness programs.	Confirmed
5	04.00 PM 05.00 PM	Mr. Shrinivas Inamati (Consultant)	Office of Mr. Shrinivas, Pune	Discussion on Compliance Management Trainings, Labour Laws awareness programmes	Confirmed

	16:00 PM 17:00 PM	Bharatiya Mazdoor Sangh (BMS), Pune	To discuss SIYB ToT programme conducted during 2014 with Ms. Smita Kulkarni (Master Trainer)	where he was the resource person. To discuss SIYB ToT programme conducted during 2014 with Ms. Smita Kulkarni (Master Trainer)	Confirmed
5	17:00 PM 18:45PM	Vibrant HR Association	Office of Mr. Shrinivas, Pune	Discussion on roll out of compliance management trainings to HR managers of enterprises.	Confirmed
<b>Day:2 – Wednesday, 23 Nov. 2016</b>					
6	09:30 AM 10:30 AM	Mr Dhananjaya	Hotel	Discussion on field level staff's perspective on the project	Confirmed
7	11:00 AM 12:15 PM	Pimpri Chinchwad Small Industries Association	Pimpri, Pune	Website Developed for capacity building to service members better through technology.	Confirmed
<b>12:30 AM to 13:30 PM - Travel from Pimpri to Chakan</b>					
8	13:30 PM 14:15 PM	Ranzunjar Yuwa Sanghatana	Chakan, Pune	Discussion on roll out of Labour Laws Trainings for Informal Workers and also website developed to service members better through technology.	Confirmed
<b>14:15 PM to 15:00 PM - Travel to Chaitanya at Rajgurunagar</b>					
9	15:00 PM 16:10 PM	Chaitanya, NGO	Rajgurunagar	Discussion on roll out of CBED trainings and Case studies being prepared on aspiring entrepreneurs	Confirmed
<b>16:15 PM to 17:50 PM - Travel from Rajgurunagar to Pune Airport 18:50 – 20:15 PM Departure flight to New Delhi</b>					

## BANGLADESH (25 NOVEMBER – 02 DECEMBER 2016)

Sr. No/	Time	Meeting/Discussion	Venue/Location	Agency	Status
<b>Friday 25 Nov 2016: Travel from New Delhi to Dhaka</b>					
<b>26 November 2016, Dhaka</b>					
1	10:00-12:00	Project briefing	Hotel Ascott Plaza, Baridhara	National Project Coordinator & Admin./Program Assistant if permissible	Confirmed
2	14:00-16:00	Meeting partner workers' organizations	ILO Skills Program Office Gulshan-1 Dhaka	<ul style="list-style-type: none"> <li>• Imarat Nirman Sramik Union Bangladesh (NSUB)</li> <li>• Bangladesh Building &amp; Wood Workers' Federation (BBWWF)</li> <li>• Bangladesh Nirman Sramik League (BNSL)</li> <li>• Bangladesh Construction &amp; Wood Workers' Federation (BCWWF)</li> </ul>	Confirmed

<b>Monday, 27 November 2016</b>					
3	10:00-11:00	Training Provider	BMET Office Kakrail Dhaka	Bureau of Manpower, Employment & Training (BMET): Apprenticeships Office	Confirmed
4	15:00-15:30	Workers' Organization	Bangladesh Institute of Labour Studies (BILS) Office, Dhanmondi Dhaka	National Coordination Committee for Workers' Education (NCCWE): National Trade Unions' Federation	Confirmed
5	15:30-16:30	Research Team	BILS Office Dhanmondi Dhaka	BILS Advisory & Research Team	Confirmed
6	08:30-09:30	Skills for Employment Expert	ILO B-SEP Office, Gulshan-1 Dhaka	Bangladesh-Skills for Employment & Productivity (B-SEP) project Experts	Confirmed
7	12:00-13:00	Country Office Staff	ILO CO-Dhaka Gulshan-1 Dhaka	Country Director, Deputy Director, Program Officer	Confirmed
8	13:00-14:00	Occupational Safety, Health and Hazards	OSHE Office Mirpur Dhaka	Occupational Safety, Health & Environment (OSHE) Foundation	Confirmed
9	15:00-16:00	Project Workplace	Mirpur, Dhaka	Sub-contractors/Master Crafts Persons/Construction Workers/Apprentices	Confirmed
<b>Tuesday, 29 November 2016</b>					
10	11:30-12:30	Employers organization	BEF Office, Motijheel Dhaka	Bangladesh Employers' Federation (BEF)	Confirmed
11	10:00-11:00	Government agency	Secretariat	Ministry of Labour & Employment (MOLE)	Confirmed
<b>Wednesday, 30 November 2016</b>					
12	11:00-12:00	Donor perspective	Project Office	Dr. Jasmin Embassy of Japan, Dhaka	Confirmed
13	14:00-15:00	Construction industry	Construction site	Basic Builders Limited (project partner) Site visit Aftab Nagar	Confirmed
<b>Thursday, 01 December 2016</b>					
13	10:00-13:00	Stakeholder Workshop	BIL-S	Feedback and sharing initial findings with the stakeholders	Confirmed
14	19:00-20:00		Ascott	Mission wrap-up meeting with CTA	Confirmed



## NEPAL (2 – 10 DECEMBER 2016)

Day/Date	Time	Activities
02 Dec 2016 Friday	13:30	Arrival from Dhaka and establish contact with the project NPC and the national consultant
03 Dec 2016 (Saturday)	13:00-15:00	Briefing meeting with Project team (Prakash Sharma and Milan Shrestha and Shailendra Kumar Jha)
	08:00-9:00	Briefing meeting with Project Coordinator in Kathmandu
04 Dec 2016 (Sunday)	10:30-10:55	<b><u>Departure to Pokhara, Kaski</u></b>
	12:30-17:00	Meeting with project implementing partners - Pokhara Tourism Council (PTC), Sub-Contractor Association
	10:00-17:00	Meeting continues with other project partners - Lekhnath Chamber of Commerce and Industries (LCCI), District Office of the Cottage and Small Industries
05 Dec 2016 (Monday)	09:20-09:45	<b><u>Return from Pokhara</u></b>
06 Dec 2016 (Tuesday)	12:00 -13:00	Meeting with ILO Country Director and Programme officer and Project Management Team, other projects managers
	14:00-15:00	Meeting with petty contractors of the construction sector
	15:30- 16:30	Meeting with Ex-ILO Consultants (Bishnu Kharti, Santosh Gupta, Ashok Shrestha, Kedar Bhattarai and Bikash Bista)
	10:20-10:45	<b><u>Departure to Bharatpur, Chitwan</u></b>
07 Dec 2016 (Wednesday)	12:00-13:00	Meeting with Chitawan Nirman Sewa Sangh Bharatpur - 2, Chitawan West
	14:00-17:00	Meeting with Association of Building Construction (ABC) East Chitawan, Ratnanagar Chamber of Commerce and Industries (RCCI) and Ratnanagar Municipality
	10:55-11:20	<b><u>Return back to Kathmandu</u></b>
08 Dec 2016 (Thursday)	13:00 - 14:30	Meeting with Ministry of Labour and Employment (MOLE)
	14:30-16:30	Meeting with Federation of Women Entrepreneurs Association of Nepal (FWEAN)
	09:30-10:30	Meeting with Japanese Embassy
09 Dec 2016 (Friday)	11:30-13:00	Meeting with national Trade Union Federations - ANTUF, GEFONT, NTUC, SARTUC and JILAF
	14:00-17:00	Sharing of preliminary findings
10 Dec 2016 Saturday		Review of Notes and Consolidation of Documents
11 Dec 2016 Sunday		Departure from Kathmandu for New Zealand
12 Dec 2016 Monday		Arrival back in New Zealand (home base)

## ANNEX 6: EVALUATION MATRIX - EVALUATION OF WAY OUT OF INFORMALITY PROJECT

Evaluation Question	Indicator	Data Source	Method	Data Collection Responsibility	Frequency of Data Collection	Cost of Data Collection	Analysis Responsibility
<b><i>Relevance and strategic fit</i></b>							
1. To what extent the project was relevant at the inception, implementation and at completion?	Evidence of participatory consultation with	Project document,	Document reviews and content analysis of relevant documents, including those pertaining to project design and approval process; key informant interviews; and focus group discussions	Evaluation team with the support of the project teams in the three countries	Once	No direct cost involved, only requires document retrieval	Lead Evaluator
2. Did the project strategies and interventions planned in the project design appropriately promote the transition from informality to formality in the participating countries of South Asia?	and involvement in project design by relevant stakeholders associated with informal economy,	mid-term evaluation report, DWCP reports, problem tree and need analysis document, labour policies on informal economy, gender analysis document					
3. To what extent were project strategies, tools (including training tools) and approaches have been flexible to ensure appropriateness to address informal economy issues and respond to the changing situations in the countries covered?	public and private sector actors and civil societies; Evidence of consistency of project design with the national labour policies on informality, DWCP and UNDAF;						
4. How well did the project approach build on the ILO's core strengths/comparative advantages?							
5. To what extent did the project align with the objectives and priorities of the participating countries' Decent Work Country Programmes (DWCPs), UNDAF and the respective countries' national/state labour policies and strategies?	Existence of gender action plan, if any; Ownership of the process by the national/state governments in project design		Qualitative analysis of relevant				

- How well did the project design and selected means of action reflect cultural sensitivity, capacity of implementing partners, and gender needs of workers in informal economy?

**Validity of intervention design:**

1. To what extent did the project design and interventions take into account implementing partners' capacities for an effective participation of the relevant stakeholders in project management?	Preparedness of the executing and implementing agencies to undertake project activities, evidence of problem tree analysis and need assessment, implementation capacity in implementing partners; evidence of gender analysis undertaken as a part of project design exercise; quality of logframe, result matrix, monitoring and evaluation arrangements, and indicators used; adequacy of risks	Project document, project files, mid-term evaluation report, monitoring and evaluation reports, progress reports	Content analysis of project related documents; key informant interviews, focus group discussions	Evaluation team, with the support of project teams in each of the three countries	Only once	No direct cost implications, relevant information can be sourced through document reviews and interviews with key informants.	Evaluation Team Leader
2. Was the project design adequate and effective in addressing the needs of targeted beneficiaries? How realistic was the project design to deliver expected project objectives in terms of available project timeframe and resources committed? Did the project design reflect adequate consultations with relevant stakeholders and needs of workers in informal economy?							
3. To what extent did the project address gender needs and interests of workers in informal economy? Did the project design adequately consider the gender dimensions of the problem, challenges, and interests of the men and women target groups and of the planned interventions?							
4. Were the project design and the logframe valid and consistent? Was the project logframe flexible for periodic updates to address changing context or relevance?							

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|--|--|
| 5. Did the project design appropriately identify risks and key assumptions? Did the project contain a risk mitigation strategy taking into account the situation in the countries covered? Was the strategy realistic?   | identification and risk mitigation measures; uptake of midterm evaluation recommendations; |
| 6. To what extent did the project design incorporate an operational monitoring and evaluation (M&E) arrangement? Were the M&E arrangements realistic and implementable? Did the project adopt <b>SMART</b> indicators realistic and trackable in M&E arrangements? | identification of any missed opportunities   |
| 7. Was there any adjustments made on the project design following the recommendations of the mid-term internal evaluation?   |  |
| 8. Did the project design miss out any important element? If so, what were those?  |  |

***Project progress and effectiveness***

- |  |                                     |                           |                         |                             |                        |                        |                        |
|--|-------------------------------------|---------------------------|-------------------------|-----------------------------|------------------------|------------------------|------------------------|
| 1. To what extent did the project attained its objectives?   | Achievement of outputs and          | Project progress          | Document review, key    | Evaluation team with the    | Once during the course | No direct cost         | Evaluation Team Leader |
| 2. What were the major factors influencing the achievement or non-achievement of the project objectives? | outcomes against the annual and end | reports, mission reports, | informant interviews,   | support of project teams in | of evaluation          | implication beyond the |                        |
| 3. What were the challenges faced by the project in achieving the results and how were they addressed?   | of the project targets; adjustments | reports, outputs          | focus group discussions | the three countries         |                        | cost of evaluation     |                        |
| 4. To what extent was the project successful in addressing gender equality?                              | made during the course of project   | implementation to         | knowledge products,     |                             |                        |                        |                        |
|  | respond to emerging                 | MTE                       |                         |                             |                        |                        |                        |

- |    |   |   |
|----|---|---|
| 5. | To what extent did the project contributed to improving knowledge of and actual working conditions of women and men in the target areas and economic sectors (i.e. construction, SMEs)? | challenges, list and quality of knowledge products produced, integration of MTE |
| 6. | To what extent has the project addressed the recommendations made during the mid-term internal evaluation?  | recommendations during implementation   |

***Efficiency of resource use***

- |    |  |  |   |  |   |                            |                            |                       |
|----|--|--|---|--|---|----------------------------|----------------------------|-----------------------|
| 1. | Have resources (funds, human resources, time, expertise etc.) been allocated and delivered strategically to achieve the project objectives?  | Fund release and utilization on a six-monthly basis,                                     | Project financial records,                | Review and analysis of project finances, | Evaluation team with support from the project finance related staff at the ILO-ROAP and country offices | Once during the evaluation | No direct cost implication | Evaluation Tam Leader |
| 2. | Given the size of the project, its complexity and challenges, were the existing management structure and technical capacity sufficient and adequate?   | Status of institutional capacity;  | Notes form key informant interviews,      | Key informant interviews                 |   |                            |                            |                       |
| 3. | How well did the project manage finances (including work and financial planning, budget forecasts, spending and reporting)? What monitoring system was put in place to assess and improve resource utilization and its efficiency? | Quality of financial planning and management, Consistency between work plan and finances | Budget allocation and utilization process |  |   |                            |                            |                       |

***Impact orientation and sustainability of the intervention***

- |    |  |  |                             |                                   |                 |                 |  |  |
|----|--|--|-----------------------------|-----------------------------------|-----------------|-----------------|--|--|
| 1. | Has the regulatory and policy environment in the target local areas made more conducive to formalization (i.e. business registration, policies and | Evidence of regulatory and policy changes in | Project documents, progress | Document review and analysis, key | Evaluation team | Once during the |  | Evaluation Team Leader with the support of |
|----|--|--|-----------------------------|-----------------------------------|-----------------|-----------------|--|--|

	legislations passed/drafted, incentives put in place for formalization) and protective to the risks of informalization due to the project's interventions and support?	formalizing workers in informal economy;	reports, key informant interview notes, focus group discussion notes,	informant interviews, focus group discussions		evaluation process	No direct cost implication	national consultants
2.	Any evidence of formal job growth promoted through job-rich growth strategies and an integrated formalization assistance in the target local areas?	Social protection measures adopted to supporting workers in informal economy,						
3.	Are there any good practices and tools of promoting formalization that came about from this project? Have these been adequately documented?	No. and types of jobs created for formalizing the workers in informal economy,	Documented good practices and tools					
4.	Has there been evidence of better understanding of constituents and key stakeholders on informal economy issues at the national level? How this understanding has led to improved policies or institutional practices?	Quality of good practices and tools adopted for formalization,						
5.	Are there any follow-up actions required to continue the momentum of the project?	Effectiveness of awareness and advocacy measures for formalization						
<b><i>Effectiveness of project management arrangement</i></b>								
1.	What is the quality and frequency of operational work planning and risk management? (Describe the process in	Quality assessment of work plans and	Key informant interview notes, project documents,	Document review and analysis,	Evaluation team	Once during the evaluation	No direct cost implication	Evaluation Team Leader with support from the

each country and how coordination was done centrally across the three countries).	risk mitigation measures,	progress reports	Key informant interviews with relevant stakeholders	national consultants
2. What are the internal and external factors that have contributed to the pace of project implementation? What were the lessons learnt and adopted to ensure effective project management?	Response by the project to the changing on the ground situation, including stakeholders' involvement,			
3. Did the two projects receive adequate and timely technical support from the ILO/DWT and administrative/management support from the ILO-ROAP? If not, what were the reasons? What else could have been done?	Type and quality of technical backstopping from the ILO offices,			
4. To what extent did the gender composition of the management and backstopping team affect the performance of the two projects?	Status of gender action plan,			
5. How well the two projects manage their budget, including budget forecasts, delivery monitoring, actions taken to improve the delivery, and budget revision and financial reporting on time?	Financial planning and fund utilization,			
6. To what extent did budget utilization deviate from original plan? If so, what were the reasons?	Minutes of project advisory/steering committees and quality of decisions taken,			
7. How effective were project steering and project advisory committees?	Evidence of positive learning and use of			
8. To what extent donor's monitoring and guidance help project implementation?				
9. To what extent the projects followed recommendations and corrective actions following regular monitoring missions and mid-term review?				

10. To what extent do the projects' database and M&E arrangements permit collection, analysis and use of sex-disaggregated data, monitor results and prepare regular progress reports?

lessons in implementation

**Capacity building and institutionalisation**

1. How did the project engage with the tripartite constituents (Government, labour organizations (employers and workers) to institutionalize project interventions?

Meeting notes,  
Quality of decisions arrived,

Project documents, mission reports,

Document review, key informant interviews and focus group discussions with beneficiaries

Evaluation team

Once during evaluation

No direct cost implication

Evaluation Team Leader

2. Which types of capacity building activities have been more and less effective and what lessons can be derived from these experiences?

Evidence of institutional strengthening in terms of technical and managerial capacity in implementing partners,

Technical papers,  
Manuals and handbook,

Training records,

Institutional membership list,

3. How likely are the project outcomes going to be sustainable? What are needed to increase the likelihood of sustainability?

Likely sustainability of institutional development initiatives introduced by the project,

4. What are potential good practices, especially regarding models of interventions that can be applied further, shared and replicated?

Quality of positive experiences and lessons adopted in implementation,



Good practice examples

**Gender Mainstreaming**

1. To what extent gender concerns were addressed in the project?	Evidence of gender empowerment	Guidance on gender mainstreaming and empowerment	Document review,	Evaluation Team	Once during evaluation	No direct cost required	Evaluation Team Leader
2. How did the project address gender issues in workplace faced by workers in the formalization process?	Gender ratio achieved in supporting workers in informal economy	Gender disaggregated records of attendance at the project sponsored events	Key informant interviews,				
3. To what extent the project was successful in empowering women in the transition from informal to formal economy?			Focus group discussions				
4. To what extent did the project maintain gender disaggregated data on project related activities?							

**Integration of Decent Work Programme Strategy**

1. To what extent did the project integrate decent work strategy into the project activities?	Evidence supporting better working conditions, including fair wages, organization of informal workers	Guidance on decent work integration in project activities,	Document review,	Evaluation Team	Once during the evaluation	No direct cost implication	Evaluation Team Leader
2. Did the project encounter any difficulties/obstructions in implementing the decent work agenda?			Key informant interviews,				
			Focus group discussions				

## ANNEX 7: MIDTERM EVALUATION RECOMMENDATIONS AND IMPLEMENTATION STATUS

### Recommendation

1. **Ensure Continuation of the Project:** The Project is highly relevant and critical for the governments, trade unions and enterprise associations in the three countries of operation. New ground is being broken, and initiatives are being piloted, strengthened and scaled up. The range of initiatives is also wide, addressing worker, enterprise as well as policy issues. As it will take time to develop the innovative approaches being developed to a stage where scale up and replication is possible, the Project be continued and taken into a second phase, where some of the work initiated in this phase (2012-16) can be completed and strengthened.

### Bangladesh

The project in Bangladesh continued till today without any interruption, and ensuring active participation of the tripartite constituents and all project stakeholders.

Due to security situations in Bangladesh, the donor decided to discontinue project supported by the Ministry of Labour, Health and Welfare, Japan, through the ILO/Japan Multi-bilateral programme. However, the donor agreed to the limited time extension up to 31 January 2017 to complete all activities as appropriate.

### Implementation Status

#### India

The project in India received no-cost extension up to June 2017. The project in India will work to consolidate key project outputs so that they can be shared with the relevant stakeholders at the national and local levels to promote decent work through formalizing the informal economy.

#### Nepal

The project in Nepal received no-cost extension up to June 2017. The project in Nepal will work to support the relevant partners in developing their sustainability plans, in addition to consolidating good practices for dissemination and further replication.

The issue of informality has been integrated in national laws and policies – draft Labour Law and Social Security Act are at the final stage of the endorsement by the parliament. The ILO office and different projects including WOI extended support for finalising these draft bills.

Formalizing the informal economy is an objective of the National Employment Policy developed by the Ministry of Labour and Employment. The WOI Project extended technical assistance together with others. Action plan and

**2. Prepare a Brochure on Definitions of Key Terms:** formal/informal work, formal/informal enterprise, and organised/unorganised sector. This is a demand from and will support all Project stakeholders, and support national policy makers as well

Bangla training module developed for project participants.

Similarly training templates developed in Bangla as used to impart training to target participants

Project has not prepared any informational materials on definitions and indicators of informal economy. However, project discussed this matter with Labour Secretary, Maharashtra when it was suggested to the project that measurement of informal economy be piloted in Pune. This exercise of survey for informal economy was not undertaken due to insufficient time. The project also had several meetings with the Ministry of Statistics on the measurement of informal economy. The Ministry suggested that project may work on this with the State Government.

inter-ministerial strategy integration work is also going on for further implementation.

Implementation of building code is taken into consideration by the local municipalities, important for formalising construction sector workers.

The 14<sup>th</sup> Development Plan has also covered the issue of formalization.

Definition and indicators of the informal economy, developed in consultation with the Government, Employers and Workers' Organizations, are finalised and integrated in the questionnaire of National Labour Force Survey (NLFS) by the Central Bureau of Statistics (CBS).

The learning and experiences of the project addressing the information economy issues in Nepal is being documented. The documentation will be shared as inputs to a global publication by the ILO which will be published in 2017.

NTUC developed a handbook containing

**3. Pay More Attention to Issues Relating to Gender Equality**

by giving special attention to gender balance in participation in all Project activities. Further, pilots may be started for improving women workers' skills, and organising women construction workers as a precursor to empowering them to negotiate better and gain access to their rights

Promoting gender equality is a key concern of the project. Training on discrimination at work and women construction workers' empowerment organised through construction workers' unions.

The project also encouraged the participation of women to benefit from the project activities, though the number of women beneficiaries remained relatively low: Training activities for trade unions  
Organization of workers into trade unions  
Apprenticeship training  
Registration of enterprises

Capacity building for the government officials (the project supported the participation of several officials of the Ministry of Labour and Employment in the ILO Turin Course on

Considering the usefulness and the importance of having a brief information material on the informal economy (with key concepts and terms, etc.), the project plans to develop such material in 2017.

The project has worked with:

- Contract workers in automobile sector in Pune, Maharashtra (predominantly a male dominated sector) to promote their awareness on workers' rights (Activity with Ranzunjar). The women are engaged mostly in peripheral occupations such as housekeeping, hospitality, office jobs and not in the core production function.
- Women home-based workers to improve their livelihoods entrepreneurship development trainings (using Community-based Enterprise Development (C-BED) tool). These beneficiaries are

information on formalization, social protection, available government services for their members and target groups.

Gender aspects has been taken into consideration in all interventions in the project targeted sectors: construction, SMEs and tourism, e.g.:

- Included gender issues and sensitization materials in training sessions, resulting in improved practices to promote gender equality (e.g. having female toilet at a construction site, paying equal wage to women and men in the construction sector in some districts).
- The project coordinated with the Women Committee of the Federation of Nepal Chamber of Commerce and Industry (FNCCI) for formalising informal businesses.

Formalizing the Informal Economy. As the participants in 2015 were all male officials, the project supported the participation of a female official in November 2016 to contribute to the capacity building of female officials, along male officials on the informal economy issues).

mainly from households where the male members are engaged with automobile sector.

- HR managers (mainly men) on compliance management training (Activity with Vibrant HR).
- The project has tried to sensitize the partner agencies to promote gender equality in all their activities.

The project also mainstreamed gender in activities such as street plays by KARVE Institute in October 2016 (Street play script by Karve was developed based on the results from the needs assessment done by workers (60/40% men/women, plus, the script integrated information on equality, non-discrimination, sexual harassment committee at the workplace).

- Worked with the Federation of Women Entrepreneurs Association of Nepal (FWEAN) to support entrepreneurship development and formalization among women micro and small enterprises (MSEs).
- Chambers of Commerce prioritizing support to female-led MSEs for training and business support desk for formalization (registration, tax reporting, etc.).
- Trade Unions (ANTUF, GEFONT and NTUC) recognized the need to take into account gender issues in addressing informality and developed Gender Sensitive Policy.
- Nepal Trade Union Congress (NTUC) conducted sensitisation and skill development training focusing on women workers within the project.
- Ensured participation of women in project supported workshops

<p><b>4. Support the Simplification of the Enterprise Registration Process,</b> through a joint study (involving government, worker and enterprise associations) for strategizing and piloting ways of streamlining the enterprise registration process.</p>	<p>Promoted the registration of enterprises at local city and/or municipal corporations (applicable for all businesses in Bangladesh)</p>	<p>In the automobile sector in Pune, many of the enterprises with more than the specified thresholds are already registered under the Factories Act. Hence the project focused on promoting better compliance management of enterprises to various labour laws. Also, for the beneficiaries of C-BED trainings who are aspiring to become entrepreneurs, project is actively promoting formalization of enterprise through obtaining a “No Objection Certificate” from the local government authority such as village council.</p>	<p>(e.g. Knowledge sharing workshop on construction sector, November 2016 in Kathmandu).</p> <ul style="list-style-type: none"> <li>• Sex disaggregated data is recorded for all training and workshops supported or implemented by the project.</li> </ul> <p>Information kit- handbook, and brochures containing registration information have been developed and disseminated:</p> <ul style="list-style-type: none"> <li>• FWEAN developed a handbook for women entrepreneurs.</li> <li>• FNCCI developed and disseminated information package for small businesses.</li> <li>• ANTUF developed a booklet covering information about registration.</li> <li>• The Department of Cottage and Small Industries developed a brochure explaining the flow for the business registration, required documentation, and shared widely in the project districts.</li> </ul>
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- Mobile business registration camps conducted in different locations, in order to facilitate small business registration process. Orientation training was also conducted for village secretaries.
- The project supported the Department of Cottage and Small industries in broadcasting public service announcement on enterprise registration. The project also supported the installation of hoarding board on business registration in the project's target districts.
- The project held a series of meetings to discuss the ease of registration process at the district office of the Department of Cottage and Small Industries.

The project supported the establishment of four Business Help Desks by local chambers under the

<p><b>5. Support the Process of Registration of Workers with the Municipality in Nepal,</b> which is a potential entry point for access to social security schemes, as well as benefiting from government initiatives relating to the business, such as setting of wage standards.</p>	<p>In Bangladesh, it is mandatory for any workers to get registered with a trade union for access to government social protection schemes.</p>	<p>The project through Ranzunjar (NGO) has facilitated provision of Aadhar cards (Unique Identification Cards) for members of Ranzunjar and their family members. This linkage makes them eligible to access various social security schemes of central and state governments.</p>	<p>Federation of Local Chambers of Commerce and Industry (FNCCI) and one in Kathmandu by FWEAN to extend business development services. The project supported a number of joint consultation meetings and workshops with municipal officials and petty contractors to raise awareness on formalization and decent work, and discussed about registering petty contractors in the construction sector, which resulted in the establishment of a system at the local municipalities in the project's target districts to register the petty contractors, and monitor the construction process by also inspecting the working conditions of the workers at the sites.</p>
<p><b>6. Support Sustainability of Enterprise Training Tools,</b> using a two track approach: one that supports SIYB trainer associations to be established and become sustainable and another that enables enterprise associations and unions to pilot and low cost and</p>	<p>No enterprise training could be organised. However, enterprises formed a new district based association, and a national federation: Bangladesh Small Construction Owners' Federation (BSCOF), following the study visit to Nepal.</p>	<p>The project focused on sustainability issues while implementing local activities through continuous sensitization of project partners. The project carried out community based enterprise development trainings (C-BED) for home-based workers through Chaitanya (NGO) which is</p>	<p>The project conducted Start and Improve Your Business (SIYB) training for a selected group of entrepreneurs and petty contractors of the construction sectors. The project also supported tailor-made courses on entrepreneurship development for target</p>



flexible enterprise training packages.

currently supporting the establishment of Business Support Groups for aspiring entrepreneurs (beneficiaries) to promote sustainability.

groups of FNCCI, FNCSI and FWEAN.

The project supported the development of websites for partner agencies to enable them to leverage technology for more effective delivery of service to members.

The project also enabled cross-linking of Ranzunjar (local union) with a local institute (Karve) for social service where the NGO mobilized audience for the street plays conducted by the institute.

The project staff (NPC, India) conducted a separate training workshop for Vibrant HR Association on "Capacity Development for Sustainability of Networks" to ensure sustainable delivery of services for their members after the completion of the project.

**7. Pilot Skill Certification and Development Partnerships** with national, district and local organisations in all

Skills certification in Bangladesh to formalise informal skills conducted through government's

The project explored possibility to work on skills certification of workers with LabourNet in Pune in

The project facilitated the workers/contractors' access to skills testing and certification. A total of 276

<p>three countries. Such initiatives will help workers directly, to be better recognised and benefit from formal skill certification.</p>	<p>apprenticeships certification system.</p> <p>Another newly introduced certification system – ‘Recognition of Prior Learning’ is available to extend benefit to any informal worker of any age on skill and competency level.</p>	<p>2016. Discussions were also held with Ranzunjar and LabourNet to link workers to access skills training for certification under the Automotive Sector Skills Council of National Skill Development Corporation (NSDC). However, collaboration could not be realized due to the limited timeframe left to implement, monitor, and evaluate the pilot on skills certification.</p>	<p>construction workers appeared in assessment on “Brick Layer/ Mason” and certified by the National Skill Testing Board in 2015 and 2016. This pilot initiative appears as a good example for replication in other areas.</p>
<p><b>8. Forge Partnerships at the Local Level</b>, with local branches of unions and enterprise associations in the relevant sectors; this will increase the efficiency and effectiveness of the formalising initiatives in the informal sector.</p>	<p>Partnerships developed with construction workers’ unions and small enterprises, other social partners namely, Bangladesh Institute of Labour Studies (BILS) &amp; Occupational Safety, Health &amp; Environment (OSHE) Foundation</p> <p>Collaboration is continuing with public Technical Training Centres (TTCs) &amp; a private institute: MAWTS for extending skills training for informal workers and their dependents</p>	<p>The project recruited a National Project Coordinator (NPC) for India in July 2015 to supplement the coordination function of the Chief Technical Advisor (CTA). A local consultant was also hired to facilitate the local coordination with project partners. The mechanism of financial authority and flow of funds continued as before. The project identified several local partner agencies in Pune to undertake specific activities. This included local union of workers (Ranzunjar), NGO (Chaitanya) and local network of enterprises (Vibrant HR).</p>	<p>The Project maintained good collaboration and partnership with:</p> <ul style="list-style-type: none"> <li>• Municipalities</li> <li>• District Offices of Cottage and Small Industries</li> <li>• Local Chambers</li> <li>• Trade Unions</li> <li>• Sub-contractors’ associations.</li> </ul>
<p><b>9. Support Initiatives for Digitalising Enterprise</b></p>	<p>Under technical collaboration between the</p>	<p>The project had not pursued this action item.</p>	<p>The project encouraged the Department of Cottage and</p>

**Registration and Renewal:**

The Nepal chapter of the Project could assist a pilot in two or three districts for digitalising of the registration and renewal process using hardware and software (MIS design) support, along with human resource development.

ILO, the Ministry of Labour and BLS - data base for registered workers is in the process of development to issue national ID cards for construction workers.

It is in the process of development and to be managed by the Department of Inspection for Factories & Establishments (DIFE) of the Government of Bangladesh.

**10. Initiate Project Work in New Sectors,** such as transport sector in Bangladesh, agricultural sector in Nepal, and food sector in India. Stakeholders in the three countries have demanded work in these sectors, and valuable lessons are likely to be learnt about formalisation.

In Bangladesh, no other sector than construction could be touched upon, though a discussion took place in 2016 to expand the project's coverage to transport sector. Due to the size of the construction sector and inadequate fund and time, the scope could not be extended. However, a consultation with transport sector trade unions was held to discuss issues, which were recorded for potential future interventions by donors.

The project continued to work with automobile sector in India.

Small Industries for digitalizing registration and renewal process of the small enterprises. The department fully agreed and is in the process of moving forward.

The project could not extend the coverage to new sectors due to limited fund and capacity, although there is a high demand. However, the project works to promote that the policy work covers all sectors.