

Lao PDR Decent Work Country Programme (2011-2015)

Review Report

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Limitations of the review

The DWCP review period entailed approximately one week on the ground in Lao PDR, with resultant constraints in terms of the full range of stakeholders able to be consulted in the time available. As a result there were limited opportunities to (i) follow-up consultations with stakeholders to deepen discussion, verify information etc and (ii) consult other international development partners based in Lao PDR who may have had 'third party' perspectives to offer based on their engagement with the ILO and its tripartite constituents. There was furthermore no opportunity under the DWCP review schedule for consultations with provincially-based authorities and stakeholders outside Vientiane Capital.

However, the DWCP review overlapped with a relevant separate independent evaluation involving the same international consultant in Lao PDR. Although focused on the ILO/China South-South Cooperation Project to Expand Employment Services in Cambodia and Lao PDR, 2014-2015, this evaluation nonetheless offered opportunities for further insights on the implementation of the DWCP and ILO engagement in Lao PDR more broadly, including in the context of field visits to three provinces (Luang Prabang, Champasak and Vientiane Province).

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1. EXECUTIVE SUMMARY AND RECOMMENDATIONS

1.1 Summary overview

1.1.1 Review background

The review of the ILO Decent Work Country Programme in Lao PDR took place from 7 – 21 March 2016, including a field mission to Lao PDR from 14-21 March 2016. The following key findings draw on the feedback of tripartite partners (including in the context of a national tripartite stakeholders meeting in Vientiane on 21 March 2016); other international development partners; ILO staff in the Regional Office for Asia-Pacific (ROAP) and the Country Office (CO) which covers Lao PDR; the ILO National Coordinator for Lao PDR based in Vientiane; and ILO technical cooperation project staff based in Vientiane. A comprehensive review was also carried out of relevant documentation provided by ROAP and CO in Bangkok, ILO staff in Lao PDR and other relevant agencies.

1.1.2 Relevance of the DWCP

Stakeholder feedback universally commended the overall contribution of the ILO to Lao PDR's rapidly developing transition towards moving out of Least Development Country (LDC) status. Documentary evidence and stakeholder feedback indicated close alignment between DWCP priorities and those of Lao PDR as reflected in the 7th National Social and Economic Development Plan (NSED) which was operational during the DWCP period. Key features of the Lao PDR context were found to be well reflected in the formulation of the DWCP Project Document, including its youthful population; rural-urban divide, largely rural and subsistence economy; decent work challenges; still maturing social dialogue and industrial relations; social protection deficits and legislative gaps in areas of ILO interest.

With respect to local ownership of the DWCP as a framework for cooperation, as well as of its outcomes (both an indication of relevance), the review found a more varied situation. There was a limited level of awareness of the DWCP as a whole, while ownership of DWCP outcomes as reflected in policies, strategies, actions plans, budget commitments and institutional arrangements varied greatly between outcomes, as well as between indicators and targets within outcomes. In some cases the evidence of ownership was strong. In others indicators and targets were found to be out of sync with the local context and therefore redundant. A strong relationship between ownership, sustainability and impact was observed.

Looking ahead, new factors in the country and international context are already being proactively taken into account in the discussion of the design of the next DWCP. These include the advent of the ASEAN Economic Community (AEC) at the end of 2015; the adoption of Global Goals for Sustainable Development (commonly referred to as the SDGs); and the adoption of the 8th NSED.

A good practice that has become embedded in the DWCP architecture for Lao PDR is the annual tripartite review and planning process, supported by a tripartite DWCP Monitoring and Evaluation (M&E) Working Group. This process is an important vehicle for ensuring that the DWCP and its priorities remain well grounded in the Lao PDR context and that developments in the national, regional and global policy landscapes can be taken into account in ongoing programme planning.

In this context, the review found that the DWCP 2011-2015 priorities remained relevant to the changing Lao PDR context and development needs, and accordingly recommends that the four current priorities be carried over into the DWCP 2017-2021 with the following adjustments:

- (i) Priority 1 on employment and skills development to be recast to include reference to ‘alignment to market demands’
- (ii) Priority 4 on constituent capacities and social dialogue to be regarded as a ‘cross-cutting priority’ which is applied in practice within and across each of the other three Priorities, as well as in its own right.

1.1.3 Effectiveness of the DWCP

Drawing on an outcome-by-outcome analysis, the review found that the implementation of DWCP 2011-2015 had been generally effective in terms of delivery against outcomes, indicators and targets set out in the Project Document. 63 per cent of DWCP indicators were found to have been met or on track; 18 percent were delayed or slow; and 17 percent showed no progress for reasons including a lack of relevance to Lao PDR circumstance or the pressure of other priorities. This indicates a satisfactory level of overall programme delivery and is a commendable achievement in light of the various and often systemic capacity and resource constraints identified in this report. As elaborated in the report, stakeholders indicated a high level of general satisfaction with ILO policy, legislative, technical, research and capacity development support across the four DWCP priority areas.

The active oversight and support of the ILO Country Office based in Bangkok; the energetic role played by the ILO National Coordinator in Lao PDR; and the support of Bangkok-based ILO specialists ensured that DWCP implementation was well prioritised, monitored and reported, despite the ILO’s limited in-country resources. The need to strengthen in-country ILO resourcing for the next DWCP phase is addressed in the recommendations of this report. In terms of resource mobilisation to support DWCP results, the target (USD 4 million) set for the period concerned was exceeded, with 10 external donors providing funds to support particular aspects of DWCP implementation. The role of the ILO within the United Nations Country Team (UNCT) was further highly rated by the Office of the Resident Coordinator, including the input provided into the design of the Lao PDR UN Partnership Framework 2017-2021, under which the ILO has a designated lead agency role on social protection.

Factors for success

A key factor in the delivery of the DWCP was the contribution of technical cooperation projects supported by international donors, particularly under Priority 1 on employment and skills development and Priority 3 on social protection. These projects provided critical inputs of skills and resources to address particular outcomes set out under the Project Document. Three of the projects¹ were under evaluation or review concurrently with the overall DWCP review. The resultant findings which were available at the time of preparation of this report are duly reflected in the text which follows. As a result, the contribution of technical cooperation projects to DWCP implementation is an important focus in this report, with the potential noted for greater cross-programme synergies, including between technical cooperation project teams on-the-ground.

Further key factors in the effectiveness of DWCP delivery, as indicated almost universally in stakeholder feedback, included the consistent ILO focus on its comparative advantages as a normative agency, its tripartite base and its technical expertise. The positive quality of ILO partnerships with Lao PDR counterparts is a second success factor that stood out in stakeholder feedback, with the ILO generally commended for its responsiveness; quality of technical support and advice; and openness and integrity as a partner. The balance of informal and formal interaction with tripartite partners (involving both staff in Bangkok and the National Coordinator) drew commendatory feedback in several cases. A third factor is the global dimension of ILO programme management, including well tested programme tools for use at country level and access to multiple country experience and lessons, including in the ASEAN region.

¹ The ILO/China South-South Cooperation Project to Expand Employment Services, 2014-2015

A Joint Programme Supporting the Establishment of the National Social Health Insurance Scheme (NHI) and the Extension of Coverage in Lao PDR, 2012 – 2015

Rural Employment Promotion for Poverty Reduction Pilot Project, 2012-2016, Sekong Province

With respect to more detailed aspects of the DWCP design, it was found that certain strategy references as well as indicators and targets had proved in retrospect to be out of sync with local priorities and/or unrealistic and difficult to measure due to the unavailability of the necessary data. These are identified in the analysis which follows. As this was the first Lao PDR DWCP, and given the limitations in resources available from both ILO and tripartite partner perspectives, such findings are not unexpected. The body of experience, lessons and stronger tripartite relationships and shared understandings that have been built under the DWCP since 2011 will ensure that the second DWCP is designed on much stronger foundations.

1.1.4 Efficiency of the DWCP

Information available to the review indicated that DWCP resources (human and financial) were allocated in accordance with the priorities, outcomes, indicators and targets set out in the Project Document in a strategic, economical and transparent manner. It is possible to track the application of DWCP resources through from inputs to outputs and results, as summarised under the respective DWCP outcomes in this report. The efficiency of DWCP implementation was enhanced by the above-mentioned application by the ILO of lessons from other countries and the local adaption of already proven ILO tools and approaches.

At the same time, the review found that there remains scope to improve the efficiency of DWCP delivery from programme management, financial administration and programme coherence perspectives. In several consultation meetings (including the multi-stakeholders' meeting to discuss the initial review findings), tripartite partners highlighted concerns about the implications of activity-by-activity approaches which were seen as prevalent in the delivery of ILO technical cooperation projects in particular, leading to higher than necessary transaction costs, especially when associated with delays in funding allocations. As noted above, scope was also identified for the further strengthening of cross-programme synergies and mutual reinforcement at all levels (in-country as well as amongst relevant regional and country office staff in Bangkok).

1.1.5 Sustainability and impact of the DWCP

The review found that national ownership is integrally linked to sustainability and impact. As noted previously, a mixed picture of national ownership was found by the review and is described in the outcome-by outcome analysis of this report. A key factor in this regard is the lack of national budget commitment in certain key areas, such as the expansion and strengthening of employment services. As a result, the need to keep a spotlight on strengthening national ownership is highlighted in the review recommendations, including through phased increases in national budget allocations in key areas and more proactive and systematic attention to longer-term exit strategy discussions and planning.

With respect to the capacity development dimension of the programme, positive feedback was provided by national constituents on the support provided over the DWCP period by the ILO, particularly for the building of functional and technical skill levels amongst staff and members. Training of Trainers (TOT) was particularly valued in this context. However, training participants also commented on the lower impact of short and once-off training activities, especially (as in the case of the Employment Services Job Centres, for example) when the opportunity to apply the training in practice was often limited.

Institutional development was highlighted by review consultations as an area requiring stronger and more deliberate attention in the next DWCP phase, including within the framework of current public sector reform initiatives and plans in Lao PDR. Included in this context are the need for continued support to strengthen intra-government coordination, horizontally and vertically within DWCP priority areas; an enhanced focus on the development of critical long-term institutional capacities for each tripartite partner, alongside building staff functional and technical skill levels; and the ongoing strengthening tripartite architecture, capacities and culture at all levels.

With respect to the broader enabling environment, the ILO has been influential in the revision of the Labour Law and formulation of the Law on Social Security; scene-setting work for the future development of national social protection and rural employment strategies; the development of national action plans on child labour and Occupational safety and Health (OSH); and the formulation of Prime Ministerial Decrees and Ministerial Decisions in key DWCP areas (refer Table 1). Such engagement has helped to create the basis for longer-term sustainability and impact, particularly where initiatives are underpinned by viable institutional mechanisms such as the Technical Tripartite Committee on Industrial Relations.

With respect to DWCP impact specifically, positive emerging examples were observed, despite the fact that significant components of the DWCP were still in a pilot phase (e.g. the rural employment and labour inspection capacity projects) or under development. For example, support for the strengthening and expansion of employment services can be clearly linked to increases in the registration of jobseekers and job placements. The first national Labour Force and Child Labour Survey (2010) which was completed and launched under the DWCP has been an ongoing source of data for Labour Market Information (LMI) purposes, MDG reporting, government policy development and UN Country Team (UNCT) analytical purposes. It was funded through the ILO. The second such survey which will take place later in 2016, with close collaboration between the Ministry of Labour and Social Welfare (MoLSW) and the Lao Statistics Bureau (LSB), is being funded from the Lao PDR national budget (with ILO technical advice continuing). The embedding of the Know About Business (KAB) programme within the secondary schools national curriculum is likewise being led by and funded by the Ministry of Education and Sport (MoES) after demonstrated impact during the training of some 5,000 students in the initial pilot period.

1.1.6 Major lessons in implementation of the DWCP

A number of lessons were identified by stakeholders from the experience of DWCP implementation. These included the following:

- the next DWCP design needs to be very carefully and specifically tailored to Lao PDR context, including political processes and structures; capacities, pace of development and the rural/urban divide
- the need to systematically keep the spotlight on ownership and sustainability, including through dialogue on exit strategies and changing relations between the ILO and partners
- the quality of partnership is vital to long term programme success and should be kept under continuous review, including with respect to the balance of the relationships with each of the tripartite constituents
- the need to maintain momentum in extending policies and programmes to the informal sector and sub-national levels through systematic planning, resourcing and appropriate partnerships
- the value-addition in terms of focus, impact and efficiency of cross-programme coherence and mutual reinforcement at all levels, including the effective integration of globally managed technical cooperation projects into both the wider DWCP framework and the local context
- the understanding that capacity development is a long term process that needs to be owned and driven by the partners – short term once-off capacity initiatives may have only relatively limited impact if they are not followed-up in the context of a longer term programme framework
- the value of the annual tripartite DWCP review and planning process, underpinned by the DWCP M&E Working Group, as a good practice model of tripartite cooperation
- the importance of high quality data to support policy development and programme design, noting that the ILO contributes strategically through its research initiatives and its engagement in improving the quality and coordination of labour market data in particular.
- the importance of M&E at all levels, including as part of institutional capacity development support to partners
- the need for more systematic monitoring and follow-up of lessons and good practices identified by evaluations at project level to maximise their value in improving organisational performance and learning
- the importance of due attention, including in association with partners, to the development of programme indicators and targets which both meet SMART standards and allow for adjustment as conditions and priorities shift

- the importance of partner involvement in drafting of new DWCP Results Framework, including its indicators and targets, to help ensure ownership and ground the design in local realities.

In the course of evaluation consultations, a number of underpinning considerations were also identified for the design of the next DWCP. These can be summarised as falling under five main ‘C’ categories as follows: **Connection** (to Lao PDR priorities, frameworks and institutions); **Concentration** (enhanced programme focus); **Continuation** and **Consolidation** (building on/deepening achievements to date); and **Coherence** (across the DWCP and its design, management and implementation).

1.2 Recommendations

A number of recommendations at both whole-of-DWCP and specific outcome levels arose from review consultations and the associated review of documentation, with the design of the DWCP 2017-2021 in view.

The whole-of-DWCP recommendations are set out below. They have been grouped by theme and focus. A separate consolidated listing of the specific recommendations at operational/outcome level is set out in Section 12 of this report.

The proposed primary implementers are noted as appropriate alongside each recommendation. These are: Designer of DWCP 2017-2021; ILO Country Office (CO); ILO National Coordinator; ILO Regional Office for Asia-Pacific (ROAP); and relevant units in ILO HQ.

1.2.1 Improving DWCP relevance

Recommendation 1: In the design of the next DWCP: (Designer of DWCP 2011-2021 / plus CO and ILO National Coordinator where appropriate)

- (i) Carry the current priorities forward with the following adjustments: (Designer of DWCP 2017-2021)
 - Recast Priority 1 to include reference to ‘alignment to market demands’
 - Recast Priority 4 as a ‘cross-cutting priority’ which is applied in practice within and across each of the other three Priorities. One way of structuring this would be to have Priorities 1-3 under a sub-heading ‘Substantive Priorities’ and Priority 4 under a sub-heading ‘Cross-cutting Priority.’
- (ii) Use relevant 8th NSEDP and UNPF indicators to the degree possible, reinforcing both the relevance and effectiveness of DWCP design and implementation.
- (iii) Strengthen tripartite constituent ownership of the DWCP and its priorities, strategies, indicators and targets through ensuring adequate time and opportunity during the country analysis and design process for full and active local participation and feedback.
- (iv) Ensure alignment to the following key Lao PDR and international policy and institutional frameworks: (Designer of DWCP 2017-2021)
 - the 8th NSEDP, with its overarching focus on graduation from LDC status
 - the Vientiane Partnership Declaration 2016-2025
 - the Lao PDR – UN Partnership Framework 2017-21: Particularly Outcome 1 on Decent Livelihoods; Outcome 2 on Social Protection; and Outcome 4 which includes vocational skills
 - Lao PDR/ development partner coordination arrangements, particularly the National Roundtable process, with priority placed on ILO engagement in the Sector Working Group on Macroeconomics
 - the SDGs: Particularly SDG 8 on Decent Work and the SDG 1 target on social protection

Recommendation 2: In implementation of the next DWCP:

- (i) Ensure that the Ministry of Planning and Investment (MPI) is directly engaged in DWCP review and planning processes, including through participation in relevant tripartite meetings and at least quarterly briefing meetings between MPI and the ILO National Coordinator's Office. (CO and ILO National Coordinator)
- (ii) Prioritise regular ILO engagement in the Macroeconomics Sectoral Working Group and consider a co-chair role, if available resources from Bangkok and/or Vientiane can sustain this. (CO and ILO National Coordinator)²

1.2.2 Improving DWCP effectiveness

Recommendation 3: In design of the next DWCP: (Designer of DWCP 2011-2021 / plus CO and ILO National Coordinator where appropriate)

- (i) Apply the following general underpinning considerations to the design of the next DWCP, in light of the lessons learnt and challenges identified in the implementation of the previous programme: **Connection** (alignment to Lao PDR priorities, frameworks and institutions); **Concentration** (enhanced programme focus); **Continuation** and **Consolidation** (building on/deepening achievements to date); and **Coherence** (across the DWCP and its design, management and implementation).
- (ii) Strengthen DWCP focus and cohesion through:
 - development of an overarching whole-of-DWCP goal and programme strategy (including gender-mainstreaming commitments), to which all Priorities, associated Programme Strategies, Outcomes, Indicators and Targets would align
 - consolidation around fewer outcomes (10-12 outcomes proposed)
 - continuation, consolidation and deepening of progress of the last five years where ongoing priority is agreed with tripartite constituents - rather than adding new outcomes and indicators
 - planning from the beginning to move at an appropriate step-by-step pace due to local capacity constraints in key areas, as well as contending national priorities
 - building on and deepening previous work to lay the basis for development of the proposed National Strategies on Social Protection and Rural Employment as core priorities for the period 2017-2021.
- (iii) Strengthen attention to gender mainstreaming and the priorities and needs of vulnerable groups through specific inclusion in indicators and targets where relevant. These should furthermore be given specific attention in ongoing monitoring and reporting, including in the context of the DWCP Monitoring Plan and annual tripartite review and planning process. (CO and ILO National Coordinator / Designer of DWCP 2011-2021)
- (iv) Include a specific reference to 'knowledge management and sharing' within the Project Document to serve as a 'marker' for planning purposes as well as for assessment in the next DWCP review. (Designer of DWCP 2017-2021)

² The prioritisation of such engagement was recommended by MPI and would also link well with the ILO's lead agency role under the Lao PDR-UN Partnership Framework (UNPF) on social protection

Recommendation 4: Enhance the resourcing of the DWCP implementation & the ILO National Office in Lao PDR by:

- (i) incorporating a national office servicing element into the budget structure of technical cooperation projects in recognition of the considerable contribution of the ILO National Coordination Office to the delivery of the projects as well as to their preparation and follow-up. (CO and ILO National Coordinator/ILO HQ in Geneva)
- (ii) taking advantage to the degree possible of potential synergies, resources and efficiencies offered by selective participation in the work of the UN Communications Group, the UN Operations Management Team and the Monitoring and Evaluation Working Group under the auspices of the UN Country Team (UNCT) in Lao PDR. (CO and ILO National Coordinator)
- (iii) developing a simple 5-year country-specific resource mobilisation strategy for the DWCP 2017-2021 to facilitate a coordinated approach and enhance monitoring of fundraising at a cross-DWCP level, rather than a project by project, outcome-by-outcome level. (CO and ILO National Coordinator)

Recommendation 5: Ensure that the DWCP Monitoring Plan is kept up to date as a basis for quarterly meetings of the DWCP M&E Working Group. (CO and ILO National Coordinator). To further enhance the utility and visibility of the DWCP Monitoring Plan, consideration should be given to how it could further:

- explicitly spell out the linkages between DWCP outcomes, indicators and targets on the one hand, and those of technical cooperation projects managed from Geneva or Bangkok, on the other (e.g through the addition of a further column in the matrix in this regard)
- incorporate provision for tracking lessons as they are identified (e.g. by independent project evaluations) as well as particular targets concerning gender mainstreaming and vulnerable groups
- clearly link with the monitoring done for reporting provided to Geneva through the CO and ROAP.

Recommendation 6: Ensure that the assessments of good practice and identification of lessons for future reference which are contained in evaluations, reviews and studies carried out under the DWCP, or at global and regional levels with relevance to the DWCP, are widely shared amongst all relevant staff, including at country level. (ROAP, CO and ILO National Coordinator)

1.2.3 Improving DWCP efficiency

Recommendation 7: ROAP and CO to consider ways in which steps can be taken to address concerns of Lao PDR stakeholders concerning activity-by-activity approaches and delays in funding allocation, including by:

- clarifying the necessary conditions to be met in establishing an ILO account in Vientiane, following-up discussion at the Lao PDR multi-stakeholder DWCP workshop of 21 March, 2016
- considering means of providing planning and financing approval to a series of related activities as an inter-linked package, rather than as once-off discrete events
- conveying the above-mentioned concerns to the current global ILO review of internal systems and procedures

Recommendation 8: Ensure that the design of the DWCP 2017-2021 indicates specific ways in which greater cross-programme coherence and synergies can be achieved. (Designer of DWCP 2017-2021).

These may include:

- establishing an overarching goal and whole-of-programme strategy, to which the four priorities and their associated strategies align [refer Recommendation 3 (ii)]
- include specific reference in the various strategy outlines to mutually reinforcing cross programme linkages which require staff and stakeholder attention
- set up at least one collective process involving relevant staff in each of Bangkok and Vientiane to provide input into the next DWCP design, including from the point of whole of programme coherence and synergies and what is required to most effectively structure these both into the design and ongoing delivery arrangements

1.2.4 Improving DWCP sustainability and impact

Recommendation 9: In the design of the next DWCP:

- (i) Give exit strategies a more explicit, deliberate and purposeful place through the inclusion of a commitment to participating in early dialogue with tripartite partners at the appropriate times and levels (including at project design stage) on specific steps and timeframes to reduce engagement and/or refocus ILO support, roles and relationships over time. (Designer of DWCP 2017-2021)

Recommendation 10: Develop a set of simple criteria to underpin the above-mentioned exit strategy dialogue, with increased commitment of resources from the national budget being one key indicator of longer term sustainability for government programmes and services. Such criteria should be developed with a view to applicability across DWCP's in different countries, particularly within the ASEAN CLMV group. (ROAP and CO)

Recommendation 11: In order to pursue the strengthening of local ownership, sustainability and impact:

- (i) Ensure such issues are included in senior/high level dialogue between the ILO and Lao PDR Government counterparts when the opportunity arises, including with the Ministry of Finance and Ministry of Planning and Investment. (ROAP, CO and ILO National Coordinator)
- (ii) Take the opportunity offered by the MPI representative at the national DWCP Stakeholders Meeting in Vientiane on 21 March 2016 to enter into dialogue on possible areas, consistent with DWCP priorities, for consideration of increased allocations in the next national budget. (CO and ILO National Coordinator)

2. ACRONYMS AND ABBREVIATIONS

ACTEMP	ILO Bureau for Employer's Activities
ADB	Asian Development Bank
AEC	Asian Economic Community
ALGI	Association of Lao Garment Industry
ASEAN	Association of Southeast Asian Nations
C-BED	Community-based Enterprise Development
CLMV	Cambodia, Lao PDR, Myanmar, Vietnam
CO-BKK	Country Office – Bangkok (ILO)
CP	Country Programme
CTA	Chief Technical Advisor
DFAT	Department of Foreign Affairs and Trade (Australia)
DTC	DWCP Tripartite Committee
DSDE	Department of Skills Development and Employment
DWCP	Decent Work Country Programme
DWT	Decent Work Team
DWT-BKK	Decent Work Team - Bangkok
ESJC	Employment Service Job Centers
EU	European Union
FDI	Foreign Direct Investment
GNI	Gross National Income
GPG	Good Practice Guide
HIV/AIDS	human immunodeficiency virus and acquired immune deficiency syndrome
ICT	Information and Communications Technology
IEC	information, education and communication
ILO	International Labour Organisation
IPEC	International Programme to Eliminate Child Labour
KAB	Know about Business
KOSHA	Korea Occupational Safety and Health Agency
LDC	Least Developed Country
LFS	Labour Force Survey
LFTU	Lao Federation of Trade Unions
LMI	Labour Market Information
LMIA	Labour Market Information and Analysis
LNCCI	Lao National Chamber of Commerce and Industry
LNSCO	Lao National Standard Classification of Occupations
LSB	Lao Statistics Bureau
MCI	Ministry of Commerce and Investment
MDGs	Millennium Development Goals
M&E	Monitoring and Evaluation
MoES	Ministry of Education and Sports
MoLSW	Ministry of Labour and Social Welfare
MOU	Memorandum of Understanding
MPI	Ministry of Planning and Investment
MRC	Migrant Resource Center
MRS	Mutual Recognition of Skills
MTR	Mid-Term Review
NHDR	National Human Development Report
NHIB	National Health Insurance Bureau
NPA	National Plan of Action

NSEDP	National Social and Economic Development Plan
NSSF	National Social Security Fund
NTC	National Tripartite Committee
OSH	Occupational Safety and Health
PRF	Poverty Reduction Fund
RBSA	Regular Budget Supplementary Account
RBTC	Regular Budget Technical Cooperation
ROAP	Regional Office Asia-Pacific
SASS	State Authority for Social Security
SDGs	Sustainable Development Goals
SECO	State Secretariat for Economic Affairs (Switzerland)
SSC	South-South Cooperation
SSO	Social Security Organisation
TC	Technical Cooperation
TDF	Trade for Development Facility
TOT	Training of Trainers
TPPD	Trade Promotion and Product Development Department
TRIANGLE	Tripartite Action to Protect Migrants within and from the Greater Mekong Subregion from Labour Exploitation
TVET	Technical and Vocational Education and Training
UNDAF	United Nations Development Assistance Framework
UNCT	UN Country Team
UNDP	United Nations Development Programme
UNPF	United Nations Partnership Framework
UNRC	United Nations Resident Coordinator
WIC	Workplace Improvement Committee
WISCON	Work Improvement in Small Construction Sites
WIND	Work Improvement in Neighbourhood Development
WISH	Work Improvement Safe Home
WTO	World Trade Organisation
XBRTC	Extra-budgetary Resources for Technical Cooperation

3. PROGRAMME BACKGROUND

3.1 Decent Work Country Programme 2011-2015

The DWCP for Lao PDR 2011-2015 was formally endorsed in February 2012 and signed by the tripartite constituents (Ministry of Labour and Social Welfare, Ministry of Planning of Investment, Lao Federation of Trade Unions and Lao National Chamber of Commerce and Industry).

The DWCP was developed through multiple rounds of consultations between the ILO and its tripartite constituents and was the first official framework of its kind in Lao PDR, providing the thematic and programmatic basis for the ILO's contribution to the government's current 7th National Social and Economic Development Plan (NSED Plan (2011 to 2015)). Under this plan, Lao PDR aimed not only to achieve its 2015 Millennium Development Goals (MDGs), but also progress towards raising the country from Least Developed Country (LDC) status by 2020. Accordingly, the 2011-2015 DWCP addresses a wide range of labour and developmental concerns, including training and skills development, employment generation, entrepreneurship and enterprise development, social protection, local economic development, industrial relations, occupational safety and health, social dialogue and labour market governance.

The DWCP 2011-2015 focused on four priority areas, which also reflected the ILO's commitment to the United Nations Development Assistance Framework (UNDAF) in Lao PDR for the same period. These areas are:

- 1) Promoting employment and skills development for more equitable growth and poverty reduction
- 2) Improving labour market governance
- 3) Improving and expanding social protection
- 4) Improving constituent capacities and strengthening social dialogue

These priorities reflect both core concerns of the tripartite constituents in Lao PDR and the ILO's technical expertise and comparative advantages within the UN system. Through its implementation, the DWCP supports the ILO's global objective to promote Decent Work in order to achieve sustainable development, poverty reduction and social justice.

The global Decent Work agenda comprises four mutually-supporting components, all of which are well reflected in the DWCP for Lao PDR: (i) upholding fundamental rights at work; (ii) ensuring adequate livelihoods, and creating more and better jobs for women and men; (iii) providing social protection, (including the right to a safe work environment); and (iv) promoting social dialogue, between employers, workers and government at the sectoral and national level as a framework for good governance. Efforts to promote and uphold the principles of gender equality and non-discrimination are recognised as explicit prerequisites for the full realisation of this agenda, and are intended to be mainstreamed throughout the work of all DWCPs, including the one for Lao PDR.

3.2 Key components of the DWCP

DWCP Priority 1: Promoting employment and skills development for more equitable growth and poverty reduction

Outcome 1.1: Increased opportunities created for decent and productive employment, particularly in rural areas.

Outcome 1.2: Increased numbers of men, women and youth demonstrate skills in line with labour market demand.

Outcome 1.3: Enhanced institutional capacity to support entrepreneurship and enterprise productivity and competitiveness, particularly in sectors with high employment potential.

Outcome 1.4: Improved migration management mechanisms and policies.

DWCP Priority 2: Improving labour market governance

Outcome 2.1: Labour law is more effective at facilitating social dialogue, resolving disputes, setting wages and preventing misuse of employment contracts.

Outcome 2.2: More effective ratification and application of fundamental and governance conventions.

Outcome 2.3: More effective application of laws against gender discrimination.

Outcome 2.4: The elimination of child labour receives stronger recognition as an integral part of national development policies, plans and programmes.

DWCP Priority 3: Improving and expanding social protection

Outcome 3.1: Social protection mechanisms strengthened and expanded, with a particular focus on the expansion of health insurance.

Outcome 3.2: HIV and AIDS policies and programmes enhanced and coverage widened.

Outcome 3.3: Improved institutional and legal provisions for the promotion of Occupational Safety and Health (OHS) in the workplace.

DWCP Priority 4: Improving constituent capacities and strengthening social dialogue

Outcome 4.1: Enhanced capacity of Lao National Chamber of Commerce and Industry (LNCCI).

Outcome 4.2: Enhanced capacity of Lao Federation of Trade Union (LFTU).

Outcome 4.3: Improved mechanisms for preventing and resolving disputes.

Outcome 4.4: Enhanced institutional and legal mechanisms to determine Minimum Wage(s).

The following table sets out in summary form the key points of engagement for the ILO within the Lao PDR strategic policy, legislative and tripartite environment. It shows the key leverage points under the DWCP for ILO engagement and influence in line with its mandate and comparative advantages.

Table 1: Strategic engagement areas for the ILO in Lao PDR

Strategic foundations	7th NSEDP (2011-2015) UNDAF 2012-2016
Legislation (ILO input)	Labour Law , last revision promulgated in 2014; Law on Social Security
Strategies/ Action Plans	<ul style="list-style-type: none">• 1st National Action Plan for Prevention and Elimination of Child Labour• 2nd National Occupational Safety and Health (OSH) Programme, 2011-2015• Aim to develop National Strategy on Rural Employment Promotion based on pilot project on integrated approach for rural employment• Aim to develop National Social Protection Strategy based on current Assessment Based National Dialogue (ABND) on social protection
Ministerial decisions / decrees (selected)	<ul style="list-style-type: none">• PM's Decree on Labour Dispute Resolution• PM's Decree on Prevention/Elimination of Child Labour• Ministerial Decision on Labour Inspection (under revision)• Ministerial Decision on OSH (under revision)• Ministerial Decision on TVET and skills development, 2011 (no ILO support for drafting but proposed that ILO could support revision)

Tripartite mechanisms	<ul style="list-style-type: none"> • DWCP Tripartite Committee (served by DWCP M&E Working Group) • Technical Tripartite Committee on Industrial Relations (meets 3 monthly; deals with industrial relations matters; links to tripartite committees in 14 provinces) • Tripartite OSH Committees at national and factory levels • Workplace Improvement Committees (WICs) at factory level in garment industry
ILO engagement <i>International norms</i> <i>ILO conventions</i> <i>Policy support</i> <i>Technical expertise</i> <i>Tripartite base</i>	<ul style="list-style-type: none"> • Policy/strategy support; legislative/decreed drafting; research; capacity development; technical advice; technical cooperation projects; knowledge sharing - including access to other country experience.

3.3 DWCP monitoring and evaluation (M&E) arrangements

A core component of the architecture established to review and plan implementation of the DWCP is a Tripartite Committee chaired at Vice-Ministerial/Vice-President level. This meets at least annually to oversee, monitor and manage the DWCP and is serviced by the DWCP M&E Working Group (DWCP MEWG) consisting of M&E Focal Points of MoLSW, MPI, LFTU, LNCCI as well as the ILO. The DWCP MEWG meets at least quarterly, with the chairing role shared amongst tripartite partners (see Annex VIII for full draft ToR).

A DWCP Monitoring Plan was maintained by the ILO Office in Vientiane for the period ending 2014 and provided a key reference for the assessment of progress and gaps in implementation. A Mid-Term Review Report produced by the M&E Taskforce, which covered the period 2011-2013, was likewise a key input for this review, as were annual progress reports prepared by the Vientiane office and CO staff based in Bangkok.

Other evaluations and studies carried out of DWCP implementation in specific areas also provided important references. These included:

- The draft *Documentation of Rural Employment Creation in Sekong Pilot Project for Testing ILO's Integrated Approach: Interim Results (Draft v1)*: (MoLSW, LNC-RDPE, Sekong Provincial Authorities and ILO, Mar 31, 2016)
- *Matching skills and jobs for economic progress: Final evaluation of ILO/China South-South Cooperation Project to Expand Employment Services and Enhance Labour Market Information in Cambodia and Lao PDR, Jan 2014-Dec 2016 (Draft)*: (Don Clarke, Kolakot Venevankham and Sok Somith, March/April 2016).
- *Communications Plan for ILO-China South-South Cooperation Project to Expand Employment Services*: (Mitchell Duran, Sept 2015)
- *HR Development Plan for ILO-China Project*: (Bill Salter, Sept 2015)
- *Follow-up Assessment on Current State of Employment Service Centres*: (Analysis of survey data as part of ILO-China Project, 2015)
- Initial informal findings of the concurrent final *Evaluation of the Joint Programme Supporting the Establishment of the National Social Health Insurance Scheme (NHI) and the Extension of Coverage in Lao PDR*: (Mel Cousins, March/April 2016).

Relevant global and regional evaluations of technical cooperation projects which include Lao PDR components, such as the GMS TRIANGLE Project, were examined with a view to revisiting recommendations made and their follow-up (actual and potential) in the Lao PDR context.

3.4 DWCP resources mobilised for 2011-2015

Table 2 below outlines overall DWCP funding from donor sources as well as year-by-year expenditure by outcome as of 21 March 2016. It shows that overall target for the DWCP period was exceeded. Not captured in the figures below are the use of ILO Regular Budget resources, including for staff; and contributions-in-kind by international and national partners. Remaining funds were primarily targeted for ongoing implementation of technical cooperation projects under Outcomes 1.1 and 3.1.

Table 2: DWCP funding from donor sources and expenditure

**Planned resources
for 2011-2015**

	Resource mobilised	Expenditure
4,000,000	4,366,981	3,060,613

DWCP Outcomes	2011 Expenditure	2012 Expenditure	2013 Expenditure	2014-2015 Expenditure	Total Expenditure
Outcome 1.1	70,000	95,000	55,000	128,599	348,599
Outcome 1.2	20,000	85,000	90,000	32,595	227,595
Outcome 1.3	212,700	202,381	153,210	99,482	667,773
Outcome 1.4	50,200	34,575	87,000	149,000	320,775
Outcome 2.1			10,000	301,036	311,036
Outcome 2.2		10,000	73,661		8,3661
Outcome 2.3		47,000	35,000		82,000
Outcome 2.4	84,500	129,500	13,800	80,000	307,800
Outcome 3.1		88,836	256,785	290,860	63,6481
Outcome 3.2		15,000	5,000		20,000
Outcome 3.3		2,800	3,500		6,300
Outcome 4.1		1,300	5,700	19,593	26,593
Outcome 4.2			7,000		7,000
Outcome 4.3			15,000		15,000
Outcome 4.4					0
Total	437,400	711,392	810,656	1,101,165	3,060,613

Key external contributors during the DWCP period were: ARAB GULF PROGRAMME FOR DEVELOPMENT (AG Fund); Australian Department of Foreign Affairs and Trade (DFAT) and AusAID; Japan Social Safety Net Fund; ILO/Korea Partnership Programme; ILO/Japan Partnership Programme; Luxembourg (Government of the Grand Duchy of Luxembourg); Norwegian Government; People's Republic of China: Ministry of Human Resources and Social Security (MHRSS); Swiss State Secretariat for Economic Affairs (SECO); US Department of Labour via ILO GAP 11 Project (Geneva) and the World Bank Trust Fund. The latter supports the Trade Development Facility (TDF2) managed by the Lao PDR Ministry of Commerce and Industry (MCI). Trust Fund contributors are the USA, Australia, EU, Germany, Ireland and World Bank/International Development Association.

4. COUNTRY CONTEXT

4.1 General overview ³

Lao PDR is a stable land-locked country with steady economic growth and an abundance of cultural heritage and natural resources. It borders Cambodia, China, Myanmar, Thailand, and Vietnam. About 6.8 million people live in its 17 provinces and Vientiane Capital, with most people – 67 percent – still living in rural areas. However, urbanisation is occurring at a rate of 4.9 percent each year.

Despite still being a least developed country, Lao PDR has made significant progress in poverty alleviation over the past two decades with poverty rates declining from 46 percent in 1992 to 23 percent in 2012. Key drivers of poverty in Lao PDR are largely attributed to the agricultural sector. Factors that have proven to contribute towards poverty reduction include small sustained shifts to non-agricultural activities, expansion in education and targeted government investment in poverty related interventions.

The significant gains made over recent years in economic growth (averaging more than seven percent for the past five years) and social development have paved the way for continual improvement in human development in the country. Between 1985 and 2012, substantial progress was made in the main Human Development Index (HDI) indicators: life expectancy increased by 19 years, mean years of schooling increased by 2.5 years and Gross National Income per capita increased by 310 percent. Consequently, Lao PDR has seen steady improvement in its HDI value over time, making Lao PDR one of the HDI growth leaders in the medium human development category, where it currently sits. Lao PDR was ranked 141 out of 188 countries in the 2015 Human Development Report.

One of Lao PDR's main development challenges is ensuring that the benefits from high economic growth are evenly distributed and translated into inclusive and sustainable human development.⁴ Widening gaps between rich and poor, women and men, ethnic groups, and residents of different regions of the country need to be addressed.

Lao PDR's economic boom is driven primarily by foreign direct investment in natural resource extraction and hydropower. Ensuring that this is conducted in an environmentally sustainable way which respects the rights of communities and individuals, and that the revenues generated benefit everyone, is critical for the sustainable and inclusive development of the country.

Politically the country has opened up considerably in recent years, ratifying seven out of the nine core human rights treaties which require active engagement with international mechanisms, and creating a more conducive legal environment for civil society. In 2015 the Government accepted recommendations from the Universal Periodic Review on strengthening the enabling environment for civil society and media, promoting the administration of justice, and combatting corruption.

³ The Country Context summary is largely extracted from the Situational Analysis set out in *A Partnership for Sustainable Development: Lao PDR – United Nations Partnership Framework 2017-2021*. Vientiane, Lao PDR (Draft 25 March, 2016)

⁴ According to National Economic Research Institute (NERI), GDP in Lao PDR will grow by 7.9 percent in 2016-2017 as the hydropower and service sectors continue to foster economic growth. Gross Domestic Product per capita reached 15-4 million Kip (about US\$1,903) in 2014-2015. An upsurge in retail and wholesale; construction; agriculture and livestock breeding; electricity and water supply; and the processing industry have contributed to economic growth. *Vientiane Times*, 24 March 2016.

A landmark achievement for Lao PDR was its formal accession to the World Trade Organization in 2013, resulting in closer integration into the regional and global economies with a substantial increase in trade of goods and services. Key issues for improvement relate to the country's skills deficit, reliance on the agricultural sector and much needed investment in machinery.

Lao PDR has the highest total fertility rate among the ASEAN countries with one of the youngest populations in the region. The country is projected to benefit from the “demographic dividend” in the economy in the medium term. However, this is contingent upon young people being better equipped with the appropriate skills and knowledge and new jobs keeping pace with the growth of the working age population.

4.2 Summary of MDG progress

The following summary of progress in MDG achievement highlights those areas with direct relevance to the ILO's mandate and priorities:

Lao PDR has achieved the poverty-related MDG 1 by halving its national poverty rate during the past decade. However, poverty reduction and consumption growth lag behind GDP growth, and varies by location, education, ethnicity and occupation of household, resulting in increasing income inequality and a rural-urban gap. One third of the population in the uplands remains below the poverty line. While the MDG target of halving the proportion of hungry was achieved, there is still a significant rate of hunger, with one fifth of the population being food insecure.

There was good progress towards meeting the MDG 3 target of promoting gender equality and empowerment of women. However ongoing effort is required to reach women and girls in rural areas, in certain ethnic cultures and amongst migrant workers, as well as to ensure greater participation in decision-making.

Limited progress was made towards the MDG 6 target of combating HIV/AIDS, malaria and other diseases. While Lao PDR has a low HIV prevalence rate, the incidence of HIV is increasing and requires additional effort on prevention, prevention of mother to child transmission and reaching key high risk populations.

In terms of MDG 8 on a global partnership for development, ongoing attention remains necessary to ensure better coordination, less duplication and more innovative and results orientated approaches in order to optimise development outcomes in Lao PDR. MDG 9 focuses on the unique challenge the country has to reduce the impact of UXO, one of the challenges in implementation of the ILO's Rural Employment Pilot Project in Sekong Province.

4.3 Labour market and skills development

65 percent of the workforce is in the agriculture sector and 35 percent in the construction, manufacturing and mining sectors, making Lao PDR the most agrarian economy in East Asia. 61 percent of the population is composed of farmers but agriculture generates 27 percent of the GDP.⁵

While Lao PDR wants to be the “battery” of ASEAN through its rapidly growing hydropower sector, it will need qualified technicians in many occupational areas to achieve such goal. Currently the natural resources sector as a whole generates about 18 percent of GDP but accounted for only 22,000 jobs in 2013.

Tourism is the sector with the highest potential to create additional income for the poor. No other sector has an equally positive combination of high GDP contribution, high employment generation and high growth rate. With indirect and induced impacts included, the total contribution of tourism to GDP stood at 17 percent in 2012. The sector directly and indirectly provided for half a million jobs, accounting for 16 percent of total employment.

⁵ The summary presented in this section is drawn from the *Lao PDR TVET Development Plan 2016-2020*

Tackling key workforce and productivity issues is particularly pressing given that Lao PDR is undergoing a major demographic transition. The population is projected to increase by 38 percent from 6.8 million in 2015 to 8.8 million in 2030. 96,000 young people will be available to join the workforce annually in the next decade.

According to the TVET Development Plan 2016-2020, there have been no recent nationwide studies on labour needs, with the most recent being made by ADB in 2009- 2010, covering 819 companies in eight provinces. One of the main conclusions of this study remains relevant: “Major shifts in labor market distribution foreshadowed in the NSEDP will require increase in the numbers of skilled workers. They will also require major improvements of skill levels of the Lao workforce to effect increasing application of modern technology in production, especially improving the value-added of products with export potential...Enhanced skills development for infrastructure will also be required...”

A recent report of the World Bank further argues that the number one labour market priority for Lao PDR is to help improve the livelihoods of its large agricultural workforce by increasing productivity and skills levels, helping to release a large ‘reserve labour pool’ for employment in the growing manufacturing and service sectors.⁶ In the meantime, Lao PDR remains beset by labour shortages in key areas. In the provinces, a recent local labour market appraisal by GIZ⁷ showed that employers in the construction sector are in dire need for workers and that there are priority needs also in agriculture. The garment industry, Lao PDR’s fourth biggest industrial sector, currently has a shortage of about 30,000 workers.

Labour costs have been rising over the last few years despite the low level of skills, in part due to large increases in the minimum wage, but without increases in productivity. At same time, the Lao Federation of Trade Unions points out that a significant gap remains between the current minimum wage of 900,000 Kip per month and the estimated costs of living for a worker and their family of about 2 million Kip per month.

A degree of complexity is brought to skills development plans and resourcing in the country by the fact that two parallel qualification systems currently coexist – one under the Labour Law (2014) applying to MoLSW programmes and one under the TVET Law. This is compounded by the number of often parallel donor projects supporting the development of occupational and competency standards, as well as development of curricula and training materials.

Lao PDR is further involved in the process of ASEAN skills recognition called “Mutual Recognition Arrangements” (MRAs), which provides guidelines to recognise eight occupations among ASEAN members and facilitates labour mobility. However, the impact of MRAs on current employment trends in Lao PDR is limited as the overall number of persons working in occupations they cover is around 38,000, about 1.3 percent of total employment in the country.

4.4 Lao PDR and international development cooperation

Lao PDR relies on official development assistance for a significant share of its socio-economic development investments. Development assistance accounted for about 14 percent of total investment for the fiscal year 2012-13 and 10 percent for 2013-14. The alignment of external support with national priorities and goals is discussed between the Government and development partners via a national Round Table Process, which provides an important national forum for dialogue on strategic development planning, aid effectiveness and ownership issues.⁸

2016 is an important crossroad in Lao development journey. As well as serving as the Chair of ASEAN, the country is facing multiple transitions to implementation of the 8th NSEDP; the introduction of the SDGs; the implementation of the outcomes of the 12th High Level Round Table Meeting and the Vientiane Declaration on

⁶ World Bank (2014). *Lao Development Report: Expanding Productive Employment for Broad Based Growth*.

⁷ GIZ (2014). *Vocational Education in Lao PDR for Disadvantaged Youth, A rapid socio-economic and labour market appraisal in Sekong and Salavan Provinces, Vela*.

⁸ UNDP Lao PDR website: <http://www.la.undp.org/>

Partnership for Effective Development Cooperation (refer Section 4.5); and the launching of the National Human Development Report (NHDR) on LDC graduation. These constitute important milestones for the government, with support from its international development partners, towards graduation from the LDC status by 2020.

Lao PDR has also been selected as a UN pilot country for SDG implementation seed-funding. Identifying strategic means of implementation is a key priority for the government within the framework of the 8th NSEDP. As the basis for the UN “Delivering as One” in support of the 8th NSEDP’s goals and targets, the Lao PDR-UN Partnership Framework 2017-2021 was finalised in the first half of 2016. Underpinning its development was an evaluation of the previous UN cooperation framework conducted by the UN Country Team (refer to Section 4.5 for further elaboration).

4.5 National policy frameworks

4.5.1 7th National Social and Economic Development Plan (NSEDP)

The Lao Government’s 7th NSEDP (2011 to 2015) provided the overarching development policy agenda in the country during the ILO DWCP period. It aimed to achieve sustainable economic growth and reduce poverty and inequality in line with the country’s MDGs as well as the longer term objective of graduating from LDC status by 2020. To achieve this, the plan set an annual target of at least eight percent GDP growth, together with comprehensive reforms to broaden the country’s productive base. This was to be achieved through means such as economic diversification, human capital investment, enhanced labour productivity and greater inclusion of vulnerable and geographically remote groups in development processes.

Alongside the MDG commitments, the NSEDP also reinforced the importance of ensuring that growth is inclusive and environmentally sustainable, as well as of maintaining peace and political stability, sustaining economic openness and promoting integration both into the ASEAN community and world economy. Employment creation, skills development and enterprise development all formed integral components of the NSEDP.

4.5.2 8th National Social and Economic Development Plan 2016-2020 (NSEDP)

The 8th NSEDP which was adopted during the course of the evaluation builds on its predecessor and provides the overarching policy framework within which the ILO DWCP 2017-2021 will be implemented. The following summary highlights references relevant to areas aligned with ILO priorities:

The NSEDP seeks to “facilitate eligibility for graduation from least developed country (LDC) status by 2020 and consolidate regional and international integration in the context of launching of the ASEAN Economic Community (AEC) in 2015.” Amongst the directions to achieve this goal, the focus will be on education reforms, human resources development and livelihood promotion, with an emphasis on training to produce skilled workers. The NSEDP identifies the following performance indicators to improve public-private labour force capacity in five years: (i) provide skills development to 658,000 persons; and (ii) facilitate recruitment for 716,000 new workforce entrants. Critical to achievement of these indicators will be the considerable upgrading of Public Employment Services (PES) and Labour Market Information (LMI) systems as well as the development of demand-driven training programmes linked to skills standards and certification in strategic sectors.

The plan further includes intentions to enhance the effectiveness of public governance and administration, including opportunities for all government officials to upgrade their capacity; increasing the use of ICT in government staff management; and focusing on improving government staff evaluation processes by assessing achievements against responsibilities – all measures of relevance to improving the performance of government programmes and initiatives in areas of ILO engagement.

The 8th NSEDP further recognises that a greater emphasis on social protection is critical to improving the quality of life for the poorest citizens and promoting inclusive economic growth. The development of a Social Welfare Fund, protection of children’s rights, and establishment of a social work profession have all been recognised as critical interventions to support to the most vulnerable and chronically poor. Lao PDR will also need to address issues of

social protection through improved policies and laws that address income growth, inclusion and opportunities for all, and the development of disaggregated data that will inform decisions.

4.6 International Cooperation Frameworks

4.6.1 UN Development Assistance Framework (UNDAF), 2012-2016

To maximise the effectiveness of its contribution to the 7th NSEDP and to the achievements of MDGs in Lao PDR, the UN system identified key outcomes to which it could bring a comparative advantage in supporting the achievement of government priorities. The following are the UNDAF outcomes for which the ILO had particular responsibility:

Outcome 1: By 2015, the Government promotes more equitable & sustainable growth for poor people in Lao PDR.

Outcome 2: By 2015, the poor and vulnerable benefit from the improved delivery of public services, an effective protection of their rights and greater participation in transparent decision making.

Outcome 3: By 2015, under serviced communities and people in education priority areas benefit from equitable quality education and training that is relevant to the labour market.

Outcome 4: By 2015, people in Lao PDR benefit from more equitable promotive, preventive, curative and rehabilitative health and social welfare services.

Outcome 6: By 2015, key populations at higher risk of HIV infection benefit from increased coverage and quality of integrated prevention and treatment, care and support services.

4.6.2 Lao PDR – UN Partnership Framework (UNPF), 2017-2021

As this review was being completed, the UNPF for the next period was being finalised. Its key outcomes for ILO engagement in the context of the next DWCP are summarised below (refer Annex VI for details).

- **Outcome 1:** All women and men have increased opportunities for decent livelihoods and jobs
- **Outcome 2:** More people have access to social protection benefits, in particular vulnerable groups & the poor
- **Outcome 4:** Children and youth enjoy better access to inclusive and equitable quality basic education and vocational skills
- **Outcome 8:** People enjoy improved access to justice and fulfillment of their human rights.

Underpinning the formulation of the UNPF 2017-2021 were two lessons learned from the experience of development cooperation during the past decade of such frameworks. First, support by development partners to Lao PDR's progress towards global goals needs to be better coordinated, more results-oriented and avoid duplication. This will require the stronger alignment of development partners' programmes and priorities behind the country's plans, policies and goals. It will also need the government to exercise a strong coordinating role. Second, Lao PDR needs to identify alternative development financing sources, including through domestic revenue generation supplemented by South-South cooperation, public-private partnerships and philanthropic organisations, to reduce the dependence on current external sources.⁹

In this context, the UNPF (2017-2021) articulates the collective response of the UN system to national development priorities. The Framework aims to identify strategic focus areas, promote synergies, improve coordination and ensure transparency and predictability of resources. It also aims to make the knowledge networks and expertise of the UN system more systematically accessible to the Government of Lao PDR.¹⁰ As noted in review findings below, the ILO is a much valued and effective contributor within the UN Country Team and provided important input into the design of the Framework.

¹⁰ This summary section was largely drawn from the draft Lao PDR – UN Partnership Framework, 2017-2021, UN Country Team, Vientiane, 25 March 2016

4.6.3 Vientiane Declaration on Partnership for Effective Development Cooperation (2016-25)

This document was adopted during the November 2015 High-level Round Table Meeting of the Lao PDR Government and development partners. This meeting renewed the commitments from both the government and development partners to ensure effective development cooperation.

The Declaration aligns Lao PDR's cooperation principles with the global agenda on effective development cooperation, including the 2012 Busan Partnership for Effective Development Co-operation, the 2014 Mexico High Level Meeting Communiqué, the 2015 Addis Ababa Action Agenda and the SDGs.

5. REVIEW BACKGROUND

5.1 Purpose of the Review

The overall purpose of this review has three parts, as follows:

1. To assess progress and gaps in the implementation of DWCP 2011-2015.
2. To take stock of what has worked and has not worked in DWCP implementation to date.
3. To identify what needs improving and/or continuing to the next DWCP, in line with the identified priorities of the ILO's national constituents.

5.2 Scope of the review

In line with the TOR, the review covers the appropriateness and adequacy of the programme design, outreach/partnership and implementation performance of the DWCP. With respect to the latter, it includes an assessment of the progress made against the outcomes listed above which can be directly linked to ILO engagement.

Specifically, the scope of the work encompassed the following:

1. The appropriateness and adequacy of the design of the DWCP vis-à-vis national development challenges and priorities, 'One UN' commitments, achievement of the MDGs in Lao PDR, and the ILO's mandate, priorities and expertise.
2. Progress and achievements in implementation under each outcome.
3. Internal institutional aspects of programme delivery:
 - the degree of coherence and synergies across all aspects of the programme including joint planning; the integration of technical cooperation projects within the DWCP framework; and building linkages between programme initiatives
 - knowledge management / sharing and communication strategies (internal and external); the use of knowledge and the incorporation of M&E information and lessons into the knowledge base and ongoing programme planning and delivery
 - related to the above, the application in practice of the M&E arrangements, including timely monitoring, review and reporting
 - efficiencies and cross programme linkages in the identification, raising and use of resources
 - internal oversight, systems and processes
 - maximising the value of ILO expertise and linkages with partners and other counterparts.
4. The adaption/adjustment of DWCP strategies and lower level priorities and operational planning to the changing situation and needs on the ground, as well as to factors such as availability of the necessary resources for implementation.
5. The effectiveness of partnerships developed to support programme implementation (including with the wider UN system in Lao PDR in the context of the UNDAF and wider UN commitments to 'Deliver as One').
6. The application in practice of gender mainstreaming across all outcome areas.

7. The attention given across all outcome areas to youth, persons with disability and other vulnerable groups.
8. The effectiveness of resource mobilisation and indications of emerging new sources.
9. Key success factors and constraints encountered (internal and external) in implementation of the current DWCP; lessons and identified good practices for future reference and application.
10. To the extent possible at this stage, assessment of longer term impacts evident as a result of implementation during the DWCP timeframe concerned.

5.3 Core underpinning considerations

The following core considerations derived from the OECD/DAC standards for evaluation will guide and inform aspects of the review:

Relevance of the DWCP priorities, outcomes and design for the policy commitments, country context and needs of Lao PDR in the period concerned, including the degree to which national policies and priorities have shaped DWCP design.

Effectiveness of the DWCP as reflected in progress made against towards the achievement of outcomes, indicators and targets, its organisational arrangements (managerial, administrative and business processes) and the availability of resources to support the delivery of results.

Efficiency of programme implementation (including time and cost as well as synergies, harmonisation and mutual reinforcement across the whole DWCP).

Sustainability of outcomes, with particular attention to evidence of national ownership; capacity development of the national constituents; institutional development and the creation of a broader enabling environment (reflected in national policies and regulations as well as behavioural change in key areas).

Impact, to the extent this can be identified in the context of this review, including indications of potential impact – and the basis created for this - subject to ongoing ILO engagement in Lao PDR.

The review exercise was a **participatory assessment** of the implementation of the DWCP. The credibility and accuracy of review findings relied on open collaboration from the national tripartite constituents and other relevant stakeholders. Accordingly, the full and active participation of all key stakeholders was encouraged throughout the review process at all levels.

A **semi-structured interview / engagement process** was followed within the broad focus areas and assessment points set out in the Analytical Framework (refer Annex V). The review team adhered to, but was not limited to, the points set in the framework.

5.4 Methodology

5.4.1 Desk review of relevant documentation

This included:

- Relevant policies, strategies, Ministerial Decrees, plans and other documents of the Lao PDR Government.
- Annual DWCP implementation reports for tripartite review and planning purposes.
- DWCP Monitoring Plan and Mid-Term Review Report.

- ROAP / CO SMM/Implementation Plan reporting to Geneva.
- Summary reports by outcome provided by ILO specialist staff supporting the delivery of the DWCP.
- Other relevant ILO background information, including project progress reports; and technical cooperation project and thematic evaluations and studies carried out at global, regional and country level.¹¹
- UNDAFs 2011-2015 and 2016-2021. UNDAF evaluation for 2011-2015.
- Studies by ILO, UNCT, World Bank, ESCAP, Asian Development Bank and other relevant sources on the Lao PDR country context.
- ASEAN AEC frameworks, policies and related studies projecting likely impacts in the Lao PDR context.
- Relevant programmatic, analytical and other publications of other international agencies active in Lao PDR.

5.4.2 In-country mission of the review team for information gathering

The country mission was arranged by CO-Bangkok, with meetings scheduled for the review team with the following:

- Ministry of Labour and Social Welfare (MOLSW)
- Ministry of Commerce and Industry (MCI)
- Ministry of Education and Sports (MoES)
- Department of International Cooperation at the Ministry of Planning and Investment (DIC/MPI)
- Lao-Federation Trade Union (LFTU)
- Lao National Chamber of Commerce Industry (LNCCI)
- Office of the UN Resident Coordinator
- Relevant ILO staff in Vientiane, DWT-Bangkok Specialists, ILO HQ, who have been directly involved in the development and implementation of the DWCPs and technical cooperation interventions
- Other key partners.

5.4.3 Tripartite stakeholders workshop

This was held for half a day on 21 March 2016, hosted by the MoLSW as a platform for tripartite partners to discuss the preliminary findings of the review, including initial proposals for the priorities of the next DWCP phase. The feedback provided is incorporated within the following report, including in the challenges and lessons summary.

¹¹ Included evaluations in the following areas:

OSH in Hazardous Work in SE Asia (2015 - part of wider ASEAN study)

Child labour (part of an IPEC study)

TRIANGLE Project on labour migration (2015 - part of wider study)

6. ASSESSMENT OF PROGRAMME PERFORMANCE:

Priority 1: Promoting employment and skills development for more equitable growth and poverty reduction

The following performance assessments in Sections 6 – 9 are provided on an outcome-by-outcome basis. An important factor in delivery of the Lao PDR DWCP is the contribution of technical cooperation project resources and skills in key areas, particularly under Priorities 1 (below) and 3 (on social protection).

In the case of Outcome 1.1, the two technical cooperation projects summarised below relate directly to all seven Performance Indicators. Accordingly, due attention is given to the implementation of these projects where necessary, including achievements, challenges, lessons and recommendations at the project delivery level, as well as linkages with the implementation with the wider DWCP.

6.1 Outcome 1.1: Increased opportunities created for decent and productive employment, particularly in rural areas

TECHNICAL COOPERATION PROJECTS UNDER OUTCOME 1.1

Rural Employment Promotion for Poverty Reduction, 2012-2016, Sekong Province

- **Partners:** ILO, MoLSW, Sekong Provincial DoLSW and relevant provincial departments.
- **Funding:** USD 639, 920; **Status:** Project extended for two further years

The main purpose of this project was to support the development of an integrated strategy for income support at the local level and train participants from relevant national/local institutions and organisations on an integrated approach and thereby contribute to capacity development of the constituents. It employed proven ILO tools and practices in areas like employment-intensive investments and community development, skills development in a rural context, local economic development, value chain upgrading, small enterprise development, work conditions improvement, and green jobs based on a process of local participation and consultation.

South-South Cooperation Project to Expand Employment Services, Jan 2014-Dec 2016

- **Partners:** Ministry of Human Security and Social Security of Republic of China; MoLSW, LNCCI, LFTU.
- **Funding:** USD 500,000; **Status:** Under review, ongoing status to be confirmed. Project included Cambodia.

The main purpose of this Project was to improve labour market efficiency and participation, reducing unemployment, and enhancing linkages and information flows between job seekers and employers, which in turn contributed to the reduction of poverty in Lao PDR.

Implementation of activities under this outcome were funded from CO-BKK RBSA, the Japan Social Safety Net Fund, the ARAB GULF PROGRAMME FOR DEVELOPMENT (AG Fund) and the Ministry of Human Resources and Social Security (MOHRSS) of the People's Republic of China. The outcome was under technical backstopping and supervision of the DWT-BKK Senior Specialist on Skills and Employability; the Local Strategies for Decent Work Specialist; the Senior Specialist on Labour Intensive Investment; the Senior Specialist on Child Labour and the Senior Employment Specialist.

Key achievements under this outcome

- Rural employment enhanced in Sekong Province through strengthened capacities of provincial and district officials; improvement of local employment, community access and productive assets through community contracts; provision of farm and non-farm skills at village level; and market-linkage activities established for selected villages and products.
- Employment services strengthened through improved capacity of nine provincial Employment Services Job Centres (ESJCs).
- More than 13,000 vacancies registered and over 2,000 jobseekers placed by ESJCs in 2014-2015. 60 percent increase in job seeker registrations over 2012 baseline by Nov 2014, although number of job placements had not kept pace (Nov 2014 figures down 30% from 2012).
- Establishment of national Employment Services Centre (ESC) as first step towards new institutional mechanism for oversight and support of the ESJCs.
- LMI Unit established under the auspices of the Department of Skills Development and Employment of the Ministry of Labour and Social Welfare (MoLSW/DSDE).
- Lao National Standard Classification of Occupations (LNSCO) developed as cornerstone of LMI system.
- Ongoing efforts to form association of recruitment agencies to enhance coordination and cooperation
- Analysis conducted of children working and youth employment (2013).
- Labour Force and Child Labour Survey 2010 completed and launched in January 2013 (2nd survey funded by Lao PDR Govt planned this year).

The two technical cooperation projects summarised above provided the major source of resources and skills for the implementation of this outcome, directly relating to all seven Performance indicators in the DWCP Project Document. The following analysis accordingly focuses in particular on the implementation of these two projects within the broader DWCP framework.

(i) Pilot Project: Rural Employment Promotion for Poverty Reduction, 2012-2016

Project rationale and background

Building on lessons learnt in Lao PDR and elsewhere, the Project's core approach centred on actions at district and provincial level with a view to generating multiplier effects at the national level, particularly through leveraging lessons and experience to provide a basis for developing a National Strategy for Rural Employment.¹²

A key impetus behind the development of the Project was a workshop on "Rural Employment Strategy for Poverty Reduction for Lao PDR" in November 2011 which was organised by MPI with ILO support. Due to its employment mandate, MoLSW was recommended to host the pilot project and selected Sekong as the first province for demonstration purposes. A key factor in Sekong's selection was the dominant role in the provincial economy played by the agriculture and service sectors, with approximately 73 percent of Sekong's population living in rural areas and 96 percent employed in the agriculture, forestry and fishing sectors [Labour Force Survey, 2010]. Among these, almost 90 per cent are in vulnerable employment including self-employed and unpaid workers in family enterprises without social security and regular earnings.

A Rural Employment (RE) team established under the Project laid the basis for design and implementation through data collection, studies and field missions, leading-up to a stakeholders meeting convened in Sekong in February 2014 by MoLSW, DoLSW¹³ and ILO to agree with local authorities on project establishment, structure modalities

¹² The above summary is drawn from (i) the draft '*Documentation of Rural Employment Creation in Sekong Pilot Project for Testing ILO's Integrated Approach: Interim Results (Draft v1)*' prepared by the MoLSW, LNC-RDPE, Sekong Provincial Authorities, and the International Labour Organisation (March 31, 2016); and (ii) discussion with Mr. Phouvanh Chanthavong, Director General, and officials of the Department of Skills Development and Employment (DSDE), MoLSW.

¹³ The Department of Labour and Social Welfare (DoLSW) operates within the auspices of the Ministry of Labour and Social Welfare (MoLSW) at provincial level

and priorities. It was agreed that the project would (i) demonstrate an integrated approach to employment promotion for poverty reduction in two selected areas in Sekong (*Tok-ongkeo cluster* and *Xienglouang cluster*);¹⁴ (ii) develop the capacity of local authorities and agencies to deliver services and support for rural employment promotion; and (iii) feed the results into national level policy making and programme development (including for the preparations of the 8th NSEDP).

Project Steering Committees were officially established at national and provincial levels to oversee and review project activities and progress, supervise and approve project plans and implementation, facilitate the participation of partners and report on progress periodically to leaders of MoLSW as well as of Sekong province. While mainly consisting of representatives of relevant government ministries and departments, the committees also included representatives of the Lao Women's Union (LWU), Central Lao Youth Union (LYU), and Lao Federation of Trade Unions (LFTU).

The project design consisted of five inter-linked components: (i) building community assets and direct job creation; (ii) value chain development; (iii) skills development; (iv) gender mainstreaming and entrepreneurship development and (v) occupational safety and health (OSH).

ILO support modalities in the above context consisted of (i) regular backstopping by ILO Senior Specialists in Bangkok; (ii) the coordination, reporting and monitoring roles of the Lao PDR DWCP National Coordinator as well as the project officer in Vientiane and the Field Coordinator in Sekong; and (iii) service contracts with local entities including Sekong government agencies, research centres (e.g. the Southern Coffee Research Centre), vocational training schools and national and international consultants.

A range of ILO tools were used and adapted during the Project. These included ILO manuals and guidelines such as 'GET Ahead for Women in Enterprise,' 'Work Improvement in Neighbourhood Development (WIND),' 'Gender Equality Mainstreaming Strategies (GEMS),' 'Business Group Formulation,' and similar approaches.

To develop local ownership and capacity, Lao PDR sub-contracting partners and consultants were prioritised, while national and local level officials played key roles at every step of the process. At village level, TOT approaches were widely used to build capacity and enhance prospects for sustainability. Technical support on 'community access and productive assets' not only provided relevant skills but also helped to generate direct income in the form of wages, providing a basis to start-up small businesses or finance household expenditure. Productive job inputs included training on farm and/or non-farm production techniques as well as follow-up support to form production or business groups and link to the market.

Key achievements of Project implementation

Project progress was rated positively by the draft Interim Results Report. In discussion with the DWCP evaluation team, the DSDE further noted the commitment of both the local authorities and villagers to continuing the work that had begun. The following specific progress since the project's inception period in February 2014 was highlighted (refer Annex VII for a more detailed summary):

- establishment of an institutional framework for rural employment creation
- dissemination of the concept of integrated approaches for rural employment
- capacities of provincial and district officials strengthened
- community access and productive assets developed through community contracts
- creation of jobs for short-term income created through community contracts
- various farm and non-farm skills provided at the village level
- market- linkage activities organised for selected villagers and products.

¹⁴ Each cluster consisted of a number of villages, covering 24 villages in all.

Challenges for ongoing Project implementation

A number of challenges were identified by the MoLSW/DSDE and draft Interim Results Report. These included:

- the remoteness of the target communities, with difficult access, especially in the rainy season
- the low starting points in terms of basic education, including literacy
- from an overall project-management /partnership perspective, the difficulties of communicating at provincial level where English is not widely spoken
- internal Project issues affecting delivery and efficiency, including unclear reporting systems between implementing agencies who hold ILO sub-contracts and the DoLSW which is providing provincial-level coordination ; gaps in information flows; and concerns about financial liquidity in implementation of the action plan and the consistency of DSA rates
- lack of clarity about ongoing support for some Project activities, potentially affecting the commitment and ongoing engagement of some stakeholders.

Key lessons learned from Project implementation

The MoLSW/DSDE highlighted the need for:

- the Project implementing committees and activities to continue, as the implementation period to date had been too short
- collection of data on progress, gaps and lessons to date to assist in planning the next phase (the draft Interim Results Report has made a major contribution in this regard)
- clarification of the roles of the various stakeholders in the project, including through the formulation of Terms of Reference where necessary
- ensuring that specific posts are established and supported at provincial and villages levels to be responsible for oversight and coordination
- ensuring that, with potential expansion of the project, existing provincial frameworks and systems are used for oversight and implementation.

The draft Interim Results Report further highlighted the importance and value-addition of:

- the role of ILO technical and project management support
- MoLSW/ DoLSW ownership, supervision, monitoring and coordination at all levels, with guidance from the Sekong Provincial Office represented by the Provincial Deputy Governor, as well as the Lamam and Dakcheung district offices, being vital in this respect
- the buy-in, support, cooperation and understanding of the participating cluster and village heads - and the villagers in 24 target villages
- the alignment between the focus on building capacity of provincial and district officials on the one hand and Lao PDR's *Samsang* direction, on the other (decentralising administrative responsibility from central level to local level)
- the alignment of Project objectives and implementation with the mandatory work requirements of local officials, thus enhancing motivation
- the focus on team work and building common understandings between different stakeholders in the design of the integrated approach
- the various ILO tools along with existing in-country experience, including Project personnel and government agencies, enabling efficiencies in the use of project resources.

Prospects for future Project development

Both the MoLSW/DSDE and the draft Interim Results Report highlighted the potential to expand the Project into a second phase, reaching out to additional provinces and building on the key success factors and lessons date. Key to such a development would be agreement between the MoLSW/DSDE, other government agencies, the ILO and

other stakeholders to develop and build ownership around a long-term Rural Development Strategy which would underpin similar efforts nationwide. It is proposed that this constitute a major component of the ILO DWCP 2017-2021.

In this context, the MoLSW/DSDE highlighted the need to:

- plan for a 5-10 year timeframe, with the Project fully integrated into the relevant provincial work plans
- establish model project sites which can serve as centres for wider learning – and introducing a competitive dimension based on evidence of results achieved.

The draft Interim Results Report put emphasis on the following further considerations in the Sekong context:

- tapping into the employment and market possibilities offered by the new road and bridge between Sekong and the Lao-Vietnamese border in the coming year
- stepping-up the regularity of meetings, mentoring and communications with project stakeholders at local level to strengthen team approaches
- using the considerable collection of data through the Project's various assessments, studies and surveys to create a Rural Employment Data Collection Form and Depository
- instead of targeting only the villagers (labour supply side) in terms of employment creation, increasing the focus on the demand side through SME creation and strengthening
- developing a more systematic approach to ensure integration between different Project components from the beginning (e.g. between the job creation, skills development and value chain upgrading aspects of fish pond construction and fish farming).

Several of the above points have relevance for the expansion of the Project into other provinces. Importantly, the people in Sekong who were consulted for the draft Interim Results Report articulated their own specific expectations for the next steps in promoting rural employment in their area. These were:

- next steps should be in line with local government's strategy
- Project activities should be sustained for the long term benefit of people in Sekong
- move from public assets to individual ones
- create model households, villages or clusters and let them share experiences with other people
- have steering committee every three months, so they can provide proper guidance on time
- DoLSW should improve their coordination function
- provide training project cycle management to all officials working with the project
- strengthen partnerships between the DoLSW and implementing counterparts and make sure progress is reported to Provincial Steering Committee on a regular basis
- with respect to scaling up and/or continuing project in other provinces, the role of the National Steering Committee and the National Coordinator at MoLSW needs to be strengthened.

Overall, this review concludes that the Integrated Rural Employment Pilot Project has been a successful initiative which offers many valuable lessons and pointers for future development of the approach amongst the current target villages, in Sekong more generally and in selected other provinces. It has furthermore helped to strengthen the data and analytical basis for developing a National Rural Employment Strategy as a core focus during the next DWCP period.

RECOMMENDATIONS AT OUTCOME LEVEL

Recommendation (a): Carry current DWCP Outcome 1.1 forward into the next DWCP. (Designer of DWCP 2017-2021)

Recommendation (b): Continue the Integrated Rural Employment Pilot Project into the next DWCP and expand it to at least two other provinces as a core component of delivery of the Outcome 1.1. (CO and ILO National Coordinator / Designer of DWCP 2017-2021). In this context:

- develop and agree a plan between key project stakeholders to draft, consult and finalise an Integrated Rural Employment Strategy as a core priority of the next DWCP, linked specifically to implementation of the 8th NSEDP and Outcome 1 under the Lao PDR- UNPF 2017-2021. (CO and ILO National Coordinator)
- the ILO office in Lao PDR to actively engage to the degree necessary with the core group of UN agencies under Lao-PDR-UNPF 2017-2021 Outcome 1 to ensure that the ongoing development of the ILO rural employment project, as well as the formulation of a national strategy, is a focus of UNCT attention. (CO and ILO National Coordinator)

(ii) ILO/China South-South Cooperation (SCC) Project to Expand Employment Services, 2014-2015

Project rationale and background

This project has likewise been a centre-piece under of ILO efforts to implement DWCP Priority 1, Outcome 1.1. The implementation of the project in Lao PDR is part of a broader South-South Cooperation approach involving the Government of the People's Republic of China (as principle funder and source of relevant expertise and experience) and Cambodia. Although the initially agreed period of project funding from China has come to an end, transitional funding has been approved by China to enable the convening of an ASEAN regional workshop on employment services and LMI in late 2016/early 2017. This in turn addresses one of the unrealised outputs in Project Document. Indications have further been provided that an expanded second phase of the project is likely, with social protection added as a core focus and Myanmar joining as a participating country.

The Project had the following immediate objectives:

Immediate Objective 1: Improve the quality and delivery of services provided by the responsible government institutions on employment services and their network of job centres to their clients; improve capacities of government, job centre officials and social partners.

Immediate Objective 2: Improve the data collection, analysis and dissemination to allow for better job matching of the jobseekers with enterprises who need workers to fill their job vacancies.

Relevant Lao PDR policy frameworks in this context included the MoLSW Master Plan 2007-2020, the MoLSW Strategic Plan on Skills Formation and Employment Promotion, the MoLSW 5 Years Goal on Employment Promotion 2016-2020 and various related decrees and regulations on skills development and employment promotion. The core Project partners in Lao PDR were the Ministry of Labour and Social Welfare (MoLSW), particularly its Department of Skills Development and Employment (DSDE). A major focus of the Project was the engagement of the Lao National Chamber of Commerce and Industry (LNCCI) and Lao Federation of Trade Unions (LFTU). The ILO played the core Project oversight, facilitation, project management and technical backstopping role, drawing on its global normative mandate, technical expertise and tripartite membership foundation.

The Project directly supported implementation of four performance indicators under DWCP Outcome 1.1. It built on progress under previous ILO engagement and tapped into and complemented current initiatives on

employment services and related areas by the ILO and other international partners such as the Asian Development Bank and the EU. The essence of the Project was to provide the South-South Cooperation platform to draw on China's extensive PES and LMI experience and expertise to add value and momentum to developments in this respect in both countries.

The final Project evaluation was conducted in April-July 2016 and consisted of consultations with tripartite partners, ILO staff and other stakeholders, as well as an extensive documentation review. Validation sessions with tripartite partners were held in each country in July 2016.¹⁵

Key achievements in implementation of the Project in Lao PDR

The primary focus of the project in Lao PDR since early 2014 was on (i) strengthening the operations and effectiveness of the nine provincial Employment Services Job Centres (ESJCs) established by the MoLSW/DSDE with ILO support and (ii) improving the availability and reliability of Labour Market Information (LMI) at all levels (national, provincial and district), building on the first national Labour Force Survey (2010) and initial steps to establish a national data-base within MoLSW/DSDE.

Key achievements in this context were:

- an increase in the number of vacancy registrations and job placements, with the ESJCs registering more than 13,000 vacancies and placing more than 2,000 jobseekers during 2014-2015
- increased staff and systems capacity at all levels, including 'front line' employment services delivery
- improved manuals, tools and guidance for staff, including Communications and Human Resource Plans to guide and provide a basis for assessment of initiatives in these areas
- upgraded internal systems for performance monitoring and measurement
- enhanced ability to organise job fairs at national and provincial levels
- improved outreach to district and community levels via means such as job forums, mobile teams and partnerships with NGOs and employers
- expanded outreach to youth via schools and tertiary institutions
- increased job centre visibility via improved branding and signage as well as media presence.
- establishment of the Employment Service Centre (ESC) to provide the institutional basis of future management and administrative support for the ESJCs, with the MoLSW/DSDE planning for this role to be realised over next 5-year period
- increased collaboration with employers, with the LNCCI Employer Skills Needs Survey as a key focus
- strengthened LMI capacity via the establishment of a dedicated unit in the MoLSW
- completion of the Lao National Standard Classification of Occupations (LNSCO) to 6-digit level, providing a cornerstone for ongoing development of Lao PDR's LMI system.

As of October 2015, the delivery under Immediate Objective 1 was estimated at 78 percent by the ILO's internal programme/project delivery reporting system,¹⁶ an assessment with which the Project evaluation team largely concurred. A striking feature of the examination of ESJC performance by the Project evaluation team was the small number of jobseeker registrations and placements occurring through direct visits to the provincial centres due to their locations and accessibility issues. For example, in Savannakhet Province, the ESJC advised that 84 job seeker registrations had been received directly via the centre to date in 2016, with 10 job placements having been made. The Vientiane Capital ESJC advised that in 2015, 45 job seekers were registered (29 female). 12 registrations had been received this year, with five of these having been placed in jobs.

¹⁵ Clarke, Don; Venevankham, Kolacot; and Somith, Sok. (March/April 2016). *Matching skills and jobs for economic progress: Final evaluation of ILO/China South-South Cooperation Project to Expand Employment Services and Enhance Labour Market Information in Cambodia and Lao PDR, Jan 2014-Dec 2016 (Draft)*

¹⁶ Set out in the Project Document for the ILO/China South-South Cooperation (SCC) Project to Expand Employment Services in Lao PDR and Cambodia, 2014-2015

In the Project evaluation team visits to three provinces, an important focus of the ESJCs was found to be facilitative support to the recruitment efforts of large foreign-owned employers who were facing labour shortages (500 vacancies out of a total 800 staff capacity in the case of a foreign-owned garment factory in Vientiane Province). Services provided by the ESJCs included (in the case of the Savannakhet ESJC) the facilitation of arrangements for meetings with village leaders and job-seekers at district level as well as linkages with ESJCs in other provinces.

With respect to Immediate Objective 2, the delivery rate as at October 2015 stood at 50 percent according to the ILO's internal reporting and assessment system.¹⁷ This assessment, with which the Project evaluation team also largely concurred, reflects the country's capacity deficits and lack of readiness in the area of data collection and management. The areas of progress are mainly those which least depend on the adequacy and use of ICT. These include direct outreach to clients (i.e. employers and jobseekers) via the ESJCs and ESC and development of the Lao National Standard Classification of Occupations (LNSCO) in collaboration with the Lao Statistics Bureau (LSN). The LNSCO has been the primary focus of the newly established LMI Unit within DSDE and provides a cornerstone for future LMI system development.

An additional key achievement under the DWCP in the area of LMI, but outside the direct scope of the ILO-China SSC Project, was the completion, publication and launch (on 18 January, 2013) of the first ever national **Labour Force and Child Labour Survey** (2010). This was followed by an analytical report on children work and youth employment which provided policy recommendations on the issues identified.

The findings and the statistical information from the survey supported planners, policy makers, researchers, students and other users throughout the DWCP period. Inter alia, they fed into employment services planning and implementation, the drafting of the 8th NSEDP, national MDG reporting, formulation of the National Plan of Action on the Prevention and Elimination of Child Labour (NPA) and a ministerial agreement on light and hazardous work. In addition, the analytical report on the linkages between children's work and youth employment outcomes have been used for policy development purposes by the government and development partners working in Lao DPR (refer Section 7.4 for elaboration of the child labour aspects of follow-up to the survey).

Key challenges in implementation of the ILO/China SSC Project in Lao PDR

The following challenges across both Immediate Objectives of the ILO-China SSC Project, and more generally across DWCP engagement on employment services and LMI, were identified by evaluation consultations, National Project Steering Committee deliberations and internal ILO reporting:

- The pressing need for the development of a national strategy for the development of the ESJCs within the context of the MoLSW Master Plan 2007-2020 and other relevant frameworks¹⁸ to bring greater coherence, vertical and horizontal coordination and mutual reinforcement to the efforts of all relevant stakeholders. Such a strategy should encompass MoLSW, MoES, LSB, TVET institutions, the National Security Scheme (because of links to unemployment data) and other stakeholders and would provide a basis for international agencies' support and coordination. The strategy should further revisit, affirm or adjust the core functions of the ESJCs as currently formulated (with particular attention to the current function concerning TVET coordination); clarify the resourcing and role of the ESC (see below); and include clear measures to address sustainability issues. The latter should include phased annual increases in national budget commitments for employment services and LMI systems development and operation.

¹⁷ Ibid

¹⁸ These include the MoLSW Strategic Plan on Skills Formation and Employment Promotion, the MoLSW 5 Years Goal on Employment Promotion 2016-2020 and various related decrees and regulations on skills development and employment promotion.

- The need, including from a sustainability perspective, to establish the legislative basis of the ESC and ESJCs in due course (proposed as a priority in the next DWCP period).
- Working in a way and at a pace which realistically takes account of (i) ensuring local ownership and the driving of project implementation through Lao structures and processes and (ii) the development of local capacities and the need to consolidate these over time on a step-by-step basis. This is a particular challenge to be taken into account in the overall design and level of ambition of the next DWCP.
- The need to give greater visibility to and ratify ratification of C.88, noting that this convention is already included in national legislation). C 181 also requires attention and ratification in due course.
- The particular needs and requirements for services which are relating to (and trying to increase engagement with) mainly low-skilled workers, often with very low levels of basic education; low literacy and limited or no experience or working in an industrial context. The LNCCI and individual employers all highlighted these issues, along with the lack of practical and technical skills amongst jobseekers, which pointed in turn to deficiencies in basic education and TVET provision.
- The impact of low wages (cited by both the LNCCI and LFTU) as a major issue in filling employment gaps as well as a factor in high levels of absenteeism, low productivity and a constant loss of workers as they move onto better paying opportunities, including in Thailand.
- Continued constraints articulated by all stakeholders on role of the ESJCs due to (i) their location within provincial DLSW offices; (ii) lack of dedicated staff time due to competing demands of the wider Department (despite a recent increase in allocation of staff to each ESJC); (iii) high staff turnover and rotation (MoLSW is aware of this issue and has consistently worked with the DLSW to encourage minimal staff rotation); (iv) inadequate office equipment and lack of ICT infrastructure (all the ESJCs visited still use manual log book system for documenting job seekers, for example); (v) encouraging but still embryonic use of online opportunities for outreach activities, data collection/management/analysis; (vi) and the lack of transportation and resources generally for increased outreach to district and village levels, in particular. With regard to the latter, ESJC staff reported that they often had to use their own private transportation, even for employer and TVET visits in their immediate location.
- The above-mentioned lack of requisite ICT skills, up-to-date computer equipment and basic ICT infrastructure at all levels is a critical factor in the slow delivery of the LMI component of the project, affecting the ability at national DSDE and ESJC levels to facilitate data collection, management and analysis. In addition, the LMI Unit within the DSDE is still “getting on its feet” after just being formed in the latter part of 2015 and there is a need for better integration of the various statistics units within the MoLSW.
- The limited role in actual registration and job placement of direct visits to the ESJCs, due largely to poor location and visibility, with the government department-based locations in central urban settings not being conducive to visits by rural and/or female job seekers.
- Lack of clarity about the role of the ESC, which was established under the ILO-China Project with an envisaged role of providing the central link as well as technical and administrative support to the ESJCs. To date this role has not been clarified, resourced or enacted. Links between the ESC and ESJCs remain ad hoc (although they are shown on the MoLSW organigram with the ESC acting as the intermediary between DSDE and the ESJCs¹⁹). The ESC has been requested by the MoLSW/DSDE to draft a strategy to establish its envisaged role and devolve the necessary authority and functions to the ESC over the next five years.

¹⁹ It is intended by the MoLSW that the DSDE will be divided within the current 5 year period into two Departments: the first focused on skills development and the second on employment.

- The establishment by the ESC of a national association of recruitment agencies, which has remained problematical. The ESC is currently developing a draft TOR to provide a basis for such efforts, with a view to linking to relevant experience in Vietnam. It is also suggested that there is scope for ILO technical advice in this regard, including via the facilitation of links with the Association of Cambodian Recruitment Agencies (ACRA) which may provide relevant experience and lessons.
- Strengthening the tripartite linkages of the ESJCs – currently these primarily involve links with locally-based employers, both through ESJC outreach initiatives and approaches from employers for assistance in meeting large recruitment deficits. At the same time, the links with the LFTU are acknowledged by all concerned to be weak. The LFTU national office indicated a strong interest in being more directly engaged, including through the staff resources it can offer at district levels. It is recommended below that MOUs be developed which formally set out the roles and contributions of the LNCCI and LFTU under the project; and that the role and operations of the ESJCs come onto the agenda of the existing (and future) Provincial Tripartite Committees. With respect to the LMI component of the Project, the LNCCI is making an important contribution through the recent Employer Skills Needs Survey covering four provinces and in the development of the LNSCO. The LFTU is also involved in the national committee reviewing and providing input into the LNSCO.
- In terms of the efficiency of Project implementation, feedback was received from external stakeholders and ILO sources on the following points:
 - The reality of servicing the nine current ESJCs located throughout Lao PDR, often in difficult to reach locations, has an impact on logistics and resourcing (for example, to provide access to training opportunities); as a result, the training costs in Lao PDR are considerably higher than that in Cambodia.
 - The high transaction costs and loss in efficiency due to less than optimal levels of administrative staffing at Bangkok CO and in-country levels, with project administration being added on top of already fully-stretched roles. Ensuring adequate staffing levels would enhance the effectiveness and efficiency of project delivery, adding overall value to Project performance at a low cost in terms of the overall budget
 - The undue burden placed on the part-time Project Manager role: It is the assessment of the evaluation team that the complexity and demands of the Project require full-time attention. The added value of a 100 percent rather 50 percent role would be evident in strengthened oversight, follow-up, partnerships, linkages with other related ILO project areas and attention to all aspects of project performance, while the overall budget implications would be insignificant.

Key lessons in implementation of the ILO/China SSC Project in Lao PDR

The following lessons across both Immediate Objectives of the ILO-China Project in Lao PDR were identified by Project evaluation consultations, National Project Steering Committee deliberations and internal ILO reporting:

The importance and value of:

- South-South Cooperation as an appropriate and effective modality for promoting enhanced employment services and LMI.
- Ensuring that the important progress made as a result of Project support to date is not let slip, but is consolidated and deepened through ongoing capacity development initiatives to ensure sustained effectiveness.
- Carefully analysing country capacity and wider contextual factors which might impinge on project implementation to ensure realistic future Project design and appropriate pacing and resourcing. Ensuring the fullest possible engagement of partners in the design process, including the formulation of indicators and

targets, is critical in this context to ensure ownership as well as grounding in local realities, dynamics and requirements.

- Carefully and deliberately balancing plans to expand job centre coverage to all provinces with the need to consolidate the capacity and effectiveness of existing centres.
- Maintaining the focus on the quality of staff skills as the backbone of effective employment services.
- At the same time, recognising that capacity development (whether institutional or human) is a long-term process which requires organisational ownership, clear strategy, regular assessment of needs, phased approaches, follow-up and effective monitoring and evaluation.
- The finding that the majority of job seeker registrations during the Project period were achieved through outreach activities (especially job fairs and forums etc) rather than job centre visits per se, reinforcing the importance of resources and capacity being targeted in this area.
- Integrated approaches to employment services and LMI, both in the development of operational policies and systems in each case and in staff capacity development
- Recognising the untapped potential for greater practical support by employers and unions, with strong commitment indicated in both cases and a growing basis of shared experience and common understandings to build on.
- Recognising the untapped potential for higher impact outreach via IT tools, especially to youth as ICT infrastructure and access increases
- Paying attention to the ‘small things:’ as the absence of a reliable computer in the job centre or access to transport to visit an employer can make or break a service opportunity.

RECOMMENDATIONS AT OUTCOME LEVEL

Recommendation (c): Extend the ILO-China South-South Cooperation Project to Expand Employment Services, 2014-2015 for 3 years with significantly increased budget as a key component of implementing employment creation and labour market information commitments under the next DCWPs in both Lao PDR and Cambodia. Such extension recognises the support of the two National Project Steering Committees of the ILO-China South-South Cooperation Project for project continuation, as well as the ongoing interest of the principle donor. (CO and ILO National Coordinator / Designer of DWCP 2017-2021)

Recommendation (d): In the context of (i) carrying Outcome 1.1 forward into the next DWCP and (ii) extension of the Project, ensure that the following elements are included in the Project design for Lao PDR, or at least within a project-related cooperation plan between the ILO and the MoLSW with respect to implementation: (CO and ILO National Coordinator / Project Technical Officer)

- commitment encompassing all relevant domestic stakeholders to develop a strategy for development of the ESJs over an agreed timeframe
- commitment to develop a sustainability strategy (with MoF and MPI input) which includes a phased increase in national budget commitments for employment services and LMI systems development over five years
- steps and timeframes to establish a legislative basis for the ESC and ESJs
- clarification of the role and resourcing of the ESC as the institutional point of oversight, coordination and technical/administrative support for the ESJs
- development of the already planned model ESJs, to be adequately resourced, strategically located and used for wider training purposes and testing of new approaches
- integration of employment and migrant labour services into one national system
- training of a larger critical mass of staff in provincial DSDE offices to cover ESJ and MRC roles
- development of a national integrated internet-based platform for employment services, encompassing all the ESJs and the ESC and linked to the national LMI database
- development and servicing of a national Employment Services Website and associated promotional plan encompassing the ESJs and the ESC
- establishment of /support for a national Association of Recruitment Agencies (currently a priority of the ESC).

- measures to give greater visibility to C88 (already in national legislation) and C181, and lay the basis for ratification of each
- collaboration between the ILO, the ADB, the EU and other relevant international agencies to maximise the impact of respective and collective efforts to support the development of an effective and sustainable LMI system in Lao PDR
- strengthened tripartite engagement around the role of the ESJCs by establishing closer linkages with the existing Provincial Tripartite Committees
- MOUs with LNCCI and LFTU in the context of the agreed approach for the next phase of development of employment and LMI services in Lao PDR, setting out clear agreement on respective roles, commitments and inputs
- revisit of the recommendations in the 2015 independent reports on the ESJCs' Human Resources and Communications Plans to assess progress of implementation and identify those still relevant and requiring action in the next period of Project implementation
- strengthened engagement with Cambodian employment service and LMI counterparts, including more regular exchange visits in priority areas for developments and the cross-secondment of staff
- establishment of twinning arrangements for mutual exchange and benefit between selected ESJCs and counterparts in Cambodia, China, Thailand and /or Vietnam
- strengthened linkages at regional, CO and in-country levels with other ILO projects which contribute to the creation of decent work and strengthening of employment services and labour market information, including the GMS TRIANGLE Project on safe labour migration and the next phase of the rural employment project

6.2 Outcome 1.2: Increased numbers of men, women and youth demonstrate skills in line with labour market demand

TECHNICAL COOPERATION PROJECT UNDER OUTCOME 1.2

Developing National Skills Standards for the automotive and ICT sectors, Jan 2012 - Aug 2014

- **Partners:** Lao PDR ILO-Korean Partnership, MoLSW/DSDE and Employment Promotion, Vientiane Capital.
- **Funding:** USD 200,000 **Status:** Closed

The project assisted the Government of Lao PDR in developing national skill standards and the manuals on skills standards testing as well as a certification system for the automotive and IT sectors in the country.

Implementation of this outcome was funded by CO-BKK RBTC and the ILO-Korea Partnership Programme. The outcome was under technical backstopping and supervision of the DWT-BKK Senior Specialist Skills and Employability.

New TVET Development Plan part of landscape for future ILO skills engagement

A key part of the landscape for ongoing ILO engagement in skills development is provided by the new *Lao PDR TVET Development Plan 2016-2020*, which builds on the previous *2008-2015 TVET Master Plan*. Skills development is also prioritised in the Lao PDR UN Partnership Framework 2017-2021 Pillar II on Human Development, Outcome 4: Children and youth enjoy better access to inclusive and equitable quality basic education and vocational skills.

The introduction to the new TVET Development Plan notes progress in the sector with respect to new laws, buildings and improvement of facilities, the introduction of new models (standards, models, manuals) and training for TVET personnel. However, it also highlights a number of gaps in implementation, including orienting TVET

towards labour market demand; reaching school dropouts and disadvantaged groups; development of an efficient public-private sector partnerships at national and local levels; dissemination and implementation of systems after they are developed; efficiency of the teacher training activities; strengthening management capacities at the local and national levels; and optimising the use of existing facilities.

Additionally, the evidence base for policy making in TVET in the form of adequate labour market information and graduate tracer studies remains a gap (with the former an area still under development through the ILO-China South-South Cooperation Programme, and subject to its extension into a second phase).

Apart from MoES and MoLSW, there are 11 ministries as well as other organisations providing TVET in Lao PDR. According to MoLSW, there are 164 TVET institutions operating nationwide. Other key international partners active in this area include the ADB, Germany, Switzerland and Luxembourg. The *TVET Development Plan 2016-2020* notes that a lack of coherence in donor approaches contributes to duplication of effort and undermines the efficient use of TVET resources. The Plan states that “this kind of duplication should be avoided in the future by a joint agreement of the main actors (DTVE, MoLSW, NTC) on common format for standards and curricula...”

Key achievements in implementation of this outcome

- An institutional mechanism for national skills standards development, testing and assessment established and relevant capacities developed and strengthened.
- The first ever two national skills standards in construction and automotive were launched in 2013. These combined the testing and assessment systems for certifying the skills of the workers concerned.
- Seven skill standards for the ICT sector and four skill standards for tourism and hospitality completed and associated testing modules developed in 2014. In construction, the ILO is supporting the development of two additional national skills standards in plastering and bricklaying.
- More than 50 trainees successfully certified in the construction and automotive industries at level 3-4, based on skill standards and a testing system developed through the Lao-Korea Skills Development Institute. This represents important progress in translating skills standards into the training curriculum, testing and certifying system of the country.
- Two studies conducted and published on national skills development issues, needs , gaps and priorities (see Box 1 below)
- Roadmap under preparation for the introduction of greater skilled labour mobility under the ASEAN Economic Community, with an initial focus on the Mutual Recognition of Skills (MRS) in two priority areas (bricklaying and plastering) by the tripartite constituents and relevant partners. Action plan developed which is regularly monitored for implementation. At the time of this review, the first testing in these two areas was about to commence at the Lao-Korea Skills Development Institute in Vientiane.

With ILO technical support, continued implementation of the action plan will be carried out by MoLSW. The referencing process for the Regional Model Competency Standards (RMCS) for Skills Recognition (RMCS) will follow for the construction sector. Capacity building activities including the training of trainers and assessors will be implemented in the next DWCP period, as will ongoing curriculum development in prioritised areas.

Box 1: ILO studies contribute to TVET planning

Earlier in the DWCP period, the ILO made important contributions to the development of the TVET sector through the commissioning of two strategic studies: The first was the *Lao PDR TVET Assessment, 2013*. This took stock of developments and trends in the sector and identified remaining gaps for potential involvement. The main recommendations for the improvement of TVET were:

- providing skills training in rural areas for agriculture workers and handicrafts workers (weavers)
- in the informal sector
- providing support to scale up the KAB (Knowing About Business) programme at the national level
- providing support for policy development (guidelines and incentives) for SMEs to train their workers and to take on interns/apprentices
- training of TVET school managers in TVET concepts and approaches
- capacity building for labor market information and analysis (LMIA) at MoLSW

The report highlights the importance of the linkage between training and work through entrepreneurship, especially in rural areas.

The second study was titled *Better Matching and Anticipating of Skills in Lao PDR* and was conducted jointly with the LNCCI in 2013. The report presented the situation of skills needs in Lao PDR and is described in the new national TVET Development Plan as “one of the rare reports prepared by the private sector with support from ILO.” The report makes the following recommendations (selected):

- firms should improve their image of working conditions, employee remuneration and career development
- increased private sector involvement in TVET strategy and delivery
- the development of skill standards which meet the specified needs of the employers, firms and industry (in this regard, the LNCCI and Business Associations strongly supported the “revitalisation” of the National Training Council, with an LNCCI focus on providing high level policies to support TVET and engagement by the Business Associations in the Trade Working Group (TWG) related to their industry to set industry skill standards).
- the creation of a TVET/Training Fund based on tax levy on salaries and additional government budget allocation (although this was introduced in the revised Labour Law in 2014, implementation has remained problematical)
- support for Competency Based Training that enhances practical training at school and factory facilities
- technical assistance to the training programmes of Business Associations which representing SMEs in their industry sector.

The report highlights importance of private sector involvement before, during and after the implementation of training measures. It also indicates the willingness of the employers to implement a training fund as indicated above.

Key challenges in the implementation of the outcome

Looking ahead to the next DWCP period, the following key areas stand out as requiring attention in ongoing ILO engagement with Lao PDR stakeholders:

- The need for increased national investment in both institutional and human resource capacity to sustain and further develop and apply skill standards, testing and certifying systems. To this end, continued ILO support for stakeholder advocacy to policy makers is required.
- At the institutional level, the need to continue strengthening cooperation between MoLSW and the Ministry of Education and Sports (MoES). These key institutions are also members of the Technical Committee on Skills

Standards Development supported by the ILO. It is anticipated that the ASEAN MRS Project will promote collaboration between MoLSW and MoES in the process of national skills standards development; assessment processes; and the accreditation of institutions for training and assessment for the mutual recognition of skills.

- Mobilising resources and technical support to support Lao PDR in taking stock of lessons learned from the pilot programme of applying national skills standards in the Lao-Korea Skills Development Institute as well as to conduct a tracer study of certified workers by this institution, with a view to sharing lessons and findings with other skills development centres and institutions.
- The need to extend the use of skills standards developed to date. So far only one national institution is applying the developed skills standards.
- The need to address duplication and inefficiencies caused by lack of coordination of international efforts.

RECOMMENDATIONS AT OUTCOME LEVEL

Recommendation (e): In the design of the next DWCP: (Designer of DWCP 2017-2021)

- (i) Carry Outcome 1.2 forward
- (ii) Update the skills-related programme strategy, performance indicators and targets to reflect progress over the past five years and the priorities of the Lao PDR TVET Development Plan 2016-2020, including:
 - ongoing implementation of the roadmap and action plan on preparations for the AEC and addition of new areas for the Mutual Recognition of Skills (MRS)
 - continued ILO support for stakeholder advocacy to policy makers on the necessary national investment for further development and application of skill standards, testing and certifying systems
 - the need to strengthen cooperation between MoLSW and MoES, and
 - the need to leverage resources and providing technical support to take stock of lessons learned from the pilot programme of applying national skills standards in the Lao-Korea Skills Development Institute, as well as to conduct a tracer study of workers certified by this institution, with a view to sharing lessons and findings with other skills development centres and institutions. (Designer of DWCP 2017-2021)

Recommendation (f): Strengthen internal linkages and synergies with other relevant components of the DWCP, particularly with the second phase of the ILO-China South-South Cooperation Project (subject to confirmation) and the GMS Triangle Project on safe labour migration. (CO and ILO National Coordinator)

Recommendation (g): Strengthen linkages and synergies with other international development partners active in skills development, with a view to eliminating duplication and ensuring efficient and coherent use of limited resources. (CO and ILO National Coordinator)

6.3 Outcome 1.3: Enhanced institutional capacity to support entrepreneurship and enterprise productivity and competitiveness, particularly in sectors with high employment potential

TECHNICAL COOPERATION PROJECT UNDER OUTCOME 1.3

Enhancing Sustainable Tourism, Clean Production and Export Capacity in Lao PDR, 2011 – 2016

- **Partners:** Swiss State Secretariat for Economic Affairs (SECO), Ministry of Industry and Commerce, Department of Trade Promotion and Product Development (TPPD), Luang Prabang Province.
- **Funding:** USD 621,830; **Status:** Closed.

This ILO-supported component was part of the Joint Programme with other UN agencies like UNIDO, UNOPS, ITC and UNCTAD. It contributed to Lao PDR efforts to develop a competitive, sustainable tourism industry in order to create income sources for the local population through the adoption of good management practices to improve productivity while respecting workers' rights and fostering constructive workplace relations.

Implementation of this outcome was funded by SECO, with technical backstopping and supervision of the DWT-BKK Senior Specialist on Enterprise Development.

There have been two primary aspects to the ILO engagement: (i) the promotion of the ILO Know About Business programme in support of the tourism industry in Luang Prabang Province and as part of the national secondary schools curriculum; and (ii) support to the Luang Prabang tourism industry in through the development and promotion of good practice guidelines for small business such as guesthouses. The Ministry of Commerce and Industry (MCI) was a key partner in the Luang Prabang context under its multi-agency cluster project on trade facilitation.

Key achievements in implementation of this outcome

- The introduction of the KAB as a compulsory item into the national secondary schools curriculum in 2016, providing for up to 12 hours study time per year. As part of putting this into place, the ILO trained two pedagogical advisors to support KAB implementation in each province. This built on the lessons and experience of the introduction by MoES of the KAB package in selected upper secondary schools in Luang Prabang Province, from which more than 5,000 secondary students have benefited. In Luang Prabang, more than 50 teachers of the programme received direct training from the ILO.
- The KAB programme in secondary schools is now reflected in the 8th NSEDP and the education sector plan of Lao PDR. The ILO technical support and training around the introduction of the KAB was rated “very good” by the Ministry of Education and Sports (MoES) interlocutor interviewed by the review team.
- The development and dissemination nationally of Good Practice Guide (GPG) Modules 1 (for managers) and 2 (for workers), together with a self-facilitated training package to support local businesses in improving their operations and services. A variety of organisations have taken up these materials, including the Tourism Training Center in Vientiane, the Lao National Institute for Tourism and Hospitality, as well as NGOs. More than 100 SMEs in the tourism sector have benefited to date from the GPGs. The GPGs have also been used in ILO support to other countries in developing similar methodologies for SME development.
- Introduction of C-BED peer-to-peer learning tools to the Workplace Improvement Committees (WICs) established as part of the ILO project on *Improving the Garment Sector in Lao PDR: Compliance through inspection and dialogue, 2014 – 2017*.

Key challenges in implementation of this outcome

- The need to sustain technical support to enable the introduction of the KAB in the school curriculum to become fully embedded and self-supported. Further support is now required in the next phase to print Module 6 of the programme (with ILO funding); make the modules more relevant to the local context; train more advisors and teachers on the KAB and reinforce/deepen previous training; track school leavers to ascertain longer term impact; and to extend the Luang Prabang experience and lessons to other provinces.
- Building on the success of the Good Practice Guides to date extend their visibility and useage, including through follow-up support to reinforce learnings.

Key lessons in implementation of this outcome

- The outcomes of ILO engagement in this area shows the value of a strategic approach which, with limited resources, can draw on international ILO skills, experience and tools to generate long-term nationally owned outcomes.
- The importance of keeping national ownership, including the commitment of local resources, to the fore in DWCP planning, implementation and partner relations, with the MoES interlocutor interviewed by the review team highlighting this as a key factor in the success of the ILO's engagement.

RECOMMENDATION AT OUTCOME LEVEL

Recommendation (h): Carry Outcome 1.3 forward into the next DWCP with a focus on (i) ongoing Bangkok-based technical support to the roll-out of the KAB programme in secondary schools; and (ii) promotion of C-BED as a problem solving and team-building approach within the Workplace Improvement Committees and an option linked to the KAB programme for entrepreneurship development for school leavers. (CO and ILO National Coordinator / Designer of DWCP 2017-2021)

6.4 Outcome 1.4: Improved migration management mechanisms and policies

TECHNICAL COOPERATION PROJECT UNDER OUTCOME 1.4

Tripartite Action to Protect Migrants within and from the GMS from Labour Exploitation, 2010 - 2015

- **Partners:** AusAID/ DFAT, MoLSW/DSDE, LFTU (TRIANGLE Project).
- **Funding:** USD 100,000 per year; **Status:** Project extended for further 10 year period from 2016.

The TRIANGLE Project aims to reduce the exploitation of labour migrants through the formulation and implementation of improved recruitment and labour protection policies and practices. The project is active in five countries (Cambodia, Lao PDR, Malaysia, Thailand and Viet Nam) and at the regional level. MoLSW, workers' and employers' organisations are involved in each of the project objectives in Lao PDR.

The outcome was under technical backstopping and supervision of the ROAP Senior Specialist on Migration, and staff of the GMS TRIANGLE Project based in Bangkok and Vientiane (under recruitment in latter case during the review period).

Key achievements in implementation of this outcome

- A baseline study report on migrant workers' knowledge, attitudes and practices on safe migration, rights at work and how to seek help in destination countries. Survey data also provided a better understanding of migrants' attitudes on topics such as illegal migration and migrant support services. It further informed the communication plan on labour migration and migrant workers, the content for counselling and key messages for migrant workers and advocacy strategies.
- The establishment of a network on labour migration to facilitate discussion and exchanges on migration related issues between tripartite constituents, the ILO, other UN agencies and development partners, including NGOs working on migration issues.
- The establishment and operationalisation of three Migrant Worker Resource Centers (MRCs) in Xaiyaboury, Champasak (run by MoLSW), and Savannakhet (run by Lao Federation of Trade Unions). These have provided counseling and legal advice services as well as allowed job-seekers to obtain specific information on labour migration as an employment option. However, they require extensive ongoing support in terms of human and financial resources, capacity building and monitoring.
- The development and dissemination of an MRC Operations Manual and a comprehensive communication plan for promoting safe migration. These have been utilised as guidelines for staff of the three ministries to ensure consistency of implementation of activities to boost the regularisation of labour migration and protect migrant workers from labour exploitation and human trafficking.
- The development of a Migration Procedures Manual on which officers from the MoLSW, the Ministry of Public Security and the Ministry of Foreign Affairs have been trained. The manual outlines the steps involved in migration in a practical manner and aims to contribute to greater clarity and a streamlining of the time it takes to migrate legally and thus reduce the number of migrants using irregular channels, and the associated vulnerabilities. This and the Operations Manual have been used as basis of training for MRC and ESJC staff.
- The creation in Lao Language of Pre-Departure Training Curricula materials for recruitment agencies, using inputs from tripartite stakeholders and the recruitment agencies.
- Assistance with the drafting and implementation of a trade union action plan aimed at raising the profile of the labour migration issue among union members.
- The development of a Sustainability Plan which identified key challenges and strategies for addressing those, including a set of explicit action points. The plan is centred around seven factors: (i) government policies; (ii) ownership and participation; (iii) capacity building of partners; (iv) fostering cooperation and social dialogue; (v) institutionalising tools and approaches; (vi) financial viability; and (vii) alignment with ILO principles and priorities.

With respect to the operation of the MRC hosted by the LFTU, feedback provided by the union indicated that this is a priority activity in their case. A specific request was made for consideration of (at least) a second MRC to be hosted by the LFTU, drawing on their staff resources at both provincial and district levels.

Key challenges in implementation of this outcome

The 2015 evaluation of the GMS TRIANGLE Project,²⁰ feedback from the MoLSW/DSDE, ILO feedback and anecdotal comment highlighted a number of challenges to be taken into account in the next phase of GMS

²⁰ McCabe, Chantelle (2015). *Evaluation of TRIANGLE Project on labour migration* (part of wider study) World Bank (2014). *Lao Development Report: Expanding Productive Employment for Broad Based Growth*.

TRIANGLE project implementation and associated engagement by the ILO on labour migration issues under the new DWCP. These include:

- The current performance of the MRCs in Lao PDR, which falls below the levels and standards set in other participating countries, although the LFTU MRC has performed better. The lack of a national complaints mechanism (one of the Performance Indicators under the outcome) further deprives the MRCs of potential impetus for change, as does the fact that specific sub-laws (under the Labour Law) which are related to regulation of the recruitment industry on sending workers abroad, are still under consideration.
- MRC capacity issues which currently impede progress include limited funding and gaps in the skills and knowledge necessary to effectively deliver, monitor and report on services. In general, the capacity constraints of the ESJCs described in analysis under Outcome 1.1 were magnified in the case of the MRCs. The fact that staff in the government-run MRCs are also performing multiple other roles is one factor in this regard.
- The lack of coordination with the ESJCs was highlighted by all stakeholders (including the Savannakhet ESJC) as a key issue. Both MoLSW/DSDE and other feedback pointed to the lack of effective coordination under current arrangements and the need for an integrated approach. The role and regulation of the various MoLSW approved recruitment agencies is also critical in this context, as they are a major conduit for legal migration under official labour migration programmes with Thailand and Japan.
- The LFTU noted that one issue being dealt with by the MRC they host was undocumented workers being “pushed” back into Lao PDR by the Thai authorities at the rate of about 250 people per week, falling into cracks for which no agencies had particular responsibility. The issue of Lao – Thailand cooperation in labour management was under discussion as this evaluation was in progress, with a view to changes to the MOU signed between the two countries in 2002 by the end of April 2016. The planned amendments will cover cooperation in employment, protection of worker’s interests and skill training. MoLSW statistics (DSDE) show that 277, 439 Lao citizens are currently working legally in Thailand. It was reported last year that Thai authorities registered a further 200,000 Lao workers and about 9,000 family members across Thailand whose status needs to be legalised. To date some 77,000 undocumented Lao PDR workers in Thailand have been legalised since a three-phase documentation programme began in 2010.²¹
- The MoLSW/DSDE further noted that the issues of migrant labour also have a wider social protection dimension as the families of migrants are also involved with health, education and other requirements.
- A number of larger national issues require attention at policy level in this context if a more systemic approach to labour migration is to emerge. These include the low agricultural productivity and skills base which keeps a large part of the population ‘locked into’ rural subsistence life-styles with limited options;²² and low wages in the manufacturing sector which make migration to Thailand an attractive prospect

Key lessons in implementation of the outcome

- The need to take careful and specific account of the local context, including the starting point in terms of local institutional and professional capacities, and to set realistic goals and targets accordingly.
- There are real efficiency and effectiveness gains to be made through a closer integration of general employment services and labour migration services, as noted and recommended in Section 6.1.

²¹ Vientiane Times, March 23 2016

²² World Bank (2014). *Lao Development Report: Expanding Productive Employment for Broad Based Growth*.

- Untapped opportunities exist for stronger synergies with other ILO initiatives in Lao PDR, including in the areas of rural employment creation, skills development, employment services and LMI.
- The lack of progress in setting-up a national complaints mechanism means that a potentially influential lever for improvement of services is absent in the Lao PDR context.
- There is untapped potential for greater mutual learning with Cambodian counterparts, particularly in the areas of service integration (the Battambang Job Centre in Cambodia is regarded as a good practice example in this respect) and the establishment of a national complaints mechanism.

RECOMMENDATIONS AT OUTCOME LEVEL

Recommendation (i): Consider inclusion of labour migration issues in the strategy, indicators and targets of Outcome 1.1, thus enabling a reduction of the number of outcomes under DWCP Priority 1. Ensure appropriate cross-references to labour migration issues in other parts of the new DWCP Project Document, including in the context of ongoing work on rural employment, employment services and LMI, and skills development. (Designer of DWCP 2017-2021)

Recommendation (j): In the context of above recommendations dealing with the strengthening of employment services, ensure that the issue of strengthened integration between employment services (via the ESJs) and labour migration services (via the MRCs) is adequately addressed in the new DWCP design. (Designer of DWCP 2017-2021)

Recommendation (k): Consider extending the role of the LFTU with regard to the operation of migrant labour services through the establishment of a new strategically-located MRC under LFTU management, taking account of steps that may be agreed to strengthen the integration of general employment services and labour migration services. (CO and ILO National Coordinator / TRIANGLE Project staff)

Recommendation (l): Develop a work plan for implementation in 2016 of the Sustainability Plan already prepared for the ILO's engagement on labour migration. (CO and ILO National Coordinator / TRIANGLE Project staff)

7. ASSESSMENT OF PROGRAMME PERFORMANCE:

Priority 2: Improving labour market governance

7.1 Outcome 2.1: Labour law is more effective at facilitating social dialogue, resolving disputes, setting wages and preventing misuse of employment contracts

The implementation of this outcome is funded from CO-BKK RBTC. The outcome is under technical backstopping and supervision of the Senior Specialist on Labour Standards and Administration and the Labour Industrial Relations Specialist.

Key achievements in implementation of the outcome

- As elaborated under commentary on Priority 4, the Labour Law was revised and promulgated in 2014 in line with international labour standards and ratified conventions. ILO supported the tripartite constituents in their respective inputs into this process. As part of this support, the implementing regulations and an easy to understand guidance note on the Law, incorporating the recent minimum wage decision, were also developed, along with an easy reference implementing guide for employers.
- In this context, Lao PDR drafted its first ever labour dispute resolution measure through a Prime Ministerial Decree in 2015. The draft decree was discussed in several consultation meetings of Technical Tripartite Committee on Industrial Relations.
- Initial discussions were held, although without resolution at this point, on whether to pursue DWCP Performance Indicator 2.1.2 on the establishment of a National Tripartite Committee (NTC) and specified sub committees. With respect to Performance Indicator and Target 2.1.4 on the establishment of a standing national labour advisory committee, no progress was made in line of Lao PDR feedback that the proposed role of such a body is already being carried out by the Technical Tripartite Committee on Industrial Relations.

The established Technical Tripartite Committee on Industrial Relations has been operational since 2010 (predating the DWCP period, but with ongoing ILO technical advice and support as required, including on minimum wage adjustment matters). The committee members meet on a quarterly basis to discuss issues such as the national minimum wage, labour dispute settlement, industrial relations and Labour Law revisions. LNCCI and LFTU feedback was consistently very positive towards the value and effectiveness of the committee, with a request that its scope be expanded to include discussion on national strategic issues such as the impact of the AEC on the Lao economy.

Key challenges in implementation of the outcome

- Ensuring that the various Labour Law and associated regulatory reforms are promoted and applied consistently at all levels nation-wide and are subject to ongoing review to inform future revision.
- Resolving how best to proceed with multi-stakeholder discussion concerning the establishment proposed under the current DWCP Performance Indicator 2.1.2 on the establishment of a National Tripartite Committee (NTC) and specified sub committees.

Key lessons in implementation of the outcome

- The added-value of ILO's comparative advantages (normative base, technical expertise and tripartite relations focus) demonstrated in multi-level support provided to revision of the Labour Law.
- The need to take careful account of existing institutional mechanisms and how these are perceived locally when conducting the country analysis to underpin the drafting of DWCP strategies and indicators, with two proposed such mechanisms set out in the DWCP design for 2011-2015 proving to be redundant and the third still subject to ongoing discussion in the context of its fit with existing tripartite mechanisms.

RECOMMENDATIONS AT OUTCOME LEVEL

Recommendation (m): In the design of the next DWCP: (Designer of DWCP 2017-2021)

- Carry forward Outcome 2.1 as a basis for continued ILO technical support and advice to review and further revise the Labour Law and association decrees and regulations as necessary.
- Remove performance indicator and target references to the establishment of a national body for dispute conciliation and arbitration and establishment of national labour advisory body.
- Consider moving the references to the establishment of a National Tripartite Committee and specified sub committees under this Outcome to Priority 4 on enhancing constituent capacities and strengthening social dialogue.
- Bring current DWCP Outcome 4.3 (Improved mechanisms for preventing and resolving disputes) under Outcome 2.1 through appropriate incorporation into the programme strategy, indicators and targets.

Recommendation (n): With respect to current DWCP Performance Indicator 2.1.2 on the establishment of a National Tripartite Committee (NTC) and specified sub committees, continue to support and engage in discussion within the Technical Tripartite Committee on Industrial Relations on whether: (CO and ILO National Coordinator)

- this concept is relevant in the Lao PDR context and if so, what shape it may take and what steps will be necessary to put it into practice, taking account of experience of similar structures in other ASEAN countries including Indonesia and Singapore, or
- current tripartite arrangements at national and provincial levels, and in different spheres, provide sufficient architecture to continue building tripartism within Lao PDR.

With regard to option 1, a possible scenario for consideration is outlined in Table 3.

Table 3: A possible scenario for a tripartite architecture for Lao PDR

<p align="center">National Tripartite Committee (NTC)</p> <p align="center">National-level policy recommendations to Government Wider overview encompassing other Ministries, including MoES, MCI, MPI etc Ministerial and President level</p> <p align="center">Meets six-monthly and further as necessary</p>			
<p>Technical and project Tripartite Committees</p> <p>Set up according to need at different levels (eg OSH national and local tripartite committees).</p> <p>Secretariat responsibilities vary. Could be handled by different tripartite partners.</p> <p>Link as necessary to NTC, TTC (IR) and DTC.</p>	<p>Technical Tripartite Committee on Industrial Relations TTC (IR)</p> <p>Chaired at MoLSW DG level.</p> <p>Meets at least quarterly to consider industrial relations matters, including minimum wage adjustments.</p> <p>Serviced by MoLSW/DPIC.</p>	<p>DWCP Tripartite Committee (DTC)</p> <p>Chaired at Vice-Ministerial/Vice-President level.</p> <p>Meets at least annually to oversee monitor and manage DWCP. Makes recommendations on priorities and adjustments for following year.</p> <p>Serviced by DWCP M&E Working Group (DWCP MEWG) consisting of M&E Focal Points of MoLSW, MPI, LFTU, LNCCI and ILO: Meets at least quarterly. Chairing role shared (see Annex VIII for full draft ToR).</p> <p>DWCP monitoring plan to be updated for each meeting as core reference.</p>	<p>Provincial Tripartite Committees (currently 14)</p> <p>Link as necessary to NTC, TTC (IR) and other Tripartite Committees at technical and project levels.</p> <p>Serviced by provincial DLSW.</p> <p>To be more visibly included in DWCP planning and implementation.</p> <p>Extend to further provinces as LNCCI expands at provincial level.</p>

7.2 Outcome 2.2: More effective ratification and application of fundamental and governance conventions

TECHNICAL COOPERATION PROJECT UNDER OUTCOME 2.2

Improving the Garment Sector in Lao PDR: Compliance through inspection and dialogue, 2014 - 2017

Partners: Trade for Development (TDF 2) funded by the World Bank Trust Fund, under the execution of the Ministry of Industry and Commerce (MCI,) MoLSW, LFTU, LNCCI Vientiane Capital.

Funding: USD 1,350,000; **Status:** Ongoing.

The general objective of the project is to strengthen the labour inspection service of MoLSW at the national and provincial levels in order to improve compliance with the Labour Law in the garment industry in Lao PDR. The project is working through awareness raising, capacity building, advice, and mentoring the relevant national actors, specifically MoLSW, LFTU, LNCCI and the Association of Lao Garment Industries (ALGI).

The implementation of this outcome is funded from CO-BKK RBTC and the World Bank Trust Fund (refer Section 3.4 of this report for details of the latter). The outcome is under technical backstopping and supervision of the Specialist on Labour Administration and Inspection and other Specialists relevant to the particular Labour Convention under consideration.

Four areas were specified for ILO engagement on International Labour Conventions under the DWCP Programme Strategy for this Outcome. These were (i) the ratification by 2015 of three conventions selected by constituents from a given list of 10; (ii) technical assistance to apply and report on ratified conventions; (iii) national Labour Law Reform and (iv) a strengthening of outreach to the Lao PDR judicial system and UNCT on international labour standards. In addition, the Programme Strategy specified action to build the capacity of labour inspection to enable efficiency of labour law enforcement .

Area (iii) above was covered by commentary on Outcome 2.1. Progress in building labour inspection capacity is addressed below.

Key achievements in the implementation of the outcome

Ratification of International Labour Conventions

Lao PDR has ratified the following International Labour Conventions:

- C029 - Forced Labour
- C100 - Equal Remuneration
- C111 - Discrimination (Employment and Occupation)
- C138 - Minimum Age
- C182 - Worst Forms of Child Labour
- C144 - Tripartite Consultation
- C004 - Night Work (Women): Denounced 2014
- C006 - Night Work of Young Persons
- C013 - White Lead (Painting)
- C171 - Night Work

- Study by MoLSW and social partners of ILO conventions C.87, C. 98, C.81, C.129 and C.155 to provide a basis for Lao PDR's ratification in due course. Awareness of LFTU leaders on C.87 and C.98 enhanced by ILO training.
- Lao PDR denounced the ILO Convention 04 on Night Work (Women) and ratified Convention 171 on Night Work at the 103rd International Labour Conference (ILC) in 2014.

Strengthening labour inspection capacity

- Needs analysis conducted of the labour inspectorate of Lao PDR. The report revealed significant legal and operational challenges in current arrangements, with an average of only 7.2 percent visits made by the country's 341 labour inspectors per year.
- Reform plan developed by MoLSW based on the concept of "quality" rather than "quantity," with the aim being to develop a trimmed down professional inspection service consisting of about 100 inspectors, backed-up by in-depth training and support as well as key tools such as a labour inspection manual and checklist; a labour inspection training strategy and methodologies; and a labour inspection training curriculum. The tools have been developed.
- Updating of Ministerial Decree 5523 on labour inspection underway at the time of the review consultations to lay the basis for the reform and address legislative gaps.
- Manual on workers' rights developed and made available for further advocacy by labour inspectors. An assessment tool on compliance with national and international standards has also been developed.

Key challenges in implementation of the outcome

Ratification of International Labour Conventions

- The capacity within government for timely and efficient reporting on ratified conventions requires further strengthening (this was an unmet indicator and target area under the current DWCP).
- The need to also consider other relevant conventions (e.g. C144 on social dialogue raised in consultations with MoLSW as relevant).
- Determining priorities for moving towards ratification so that the necessary focused attention and resources can be applied, including with regard to addressing legislative gaps and ensuring that institutional arrangements and capacity are in place for implementation, monitoring and reporting.
- Ensuring that the requisite capacities and knowledge are in place amongst the tripartite partners for effective and active engagement in considering conventions for ratification and contributing to decision-making and follow-up.

Strengthening labour inspection capacity

- Strengthening labour inspection commitment, capacity and effectiveness at provincial and district levels.
- Lack of coordination between the various units of government involved in labour inspection systems and support, compounded by high levels of turn-over of relevant staff.
- Wider public sector issues concerning lack of clarity of staff roles, multiple demands and limited capacities to respond in terms of skill levels, equipment, access to transportation, etc.

- Low levels of employer awareness and understanding (highlighted by both the LNCCI and LFTU).
- The lack of gender balance amongst labour inspectors and need to take deliberate actions to rectify this.
- Appropriately managing the proposed engagement of labor inspectors as facilitators within the Workplace Improvement Committees, including from the perspective of ensuring the independence of their role and keeping the main focus on the building of direct employer – worker relations.

Box 3: Building labour inspection capacity and compliance: Garment sector pilot project

The ILO pilot project on *Compliance through inspection and dialogue* has been a key contributor to the above achievements since its establishment in early 2015.

The garment industry within which the Project is active is currently experiencing a small decline as a result of increasing global completion and ongoing labour shortages. About 28,000 workers were employed by the industry in 2015, down by 2,000 compared to the year before. The number of garment factories fell by six compared with 2014, following an expansion of the industry from 2003-2011. At present there are 92 garment factories in Lao PDR, of which 60 produce for export.

The labour shortage has led to some investors shifting their operations to other countries, especially Cambodia, Vietnam and Myanmar. The Association of Lao Garment Industries is looking for an increase in exports to the USA as exports to the EU decline. Garment exports to the USA reached US\$5.4 million in 2015, an increase of 52.38 percent over 2014. Exports to Japan also increased after Japanese investors expanded operations in Laos. Last year garment exports to Japan were US 10.3 million, up 31.75 percent from 2014.

The project covers three main areas:

1. **Strengthening labour inspection capacity in line with C.81 and C.129:** Nine selected inspectors are undergoing a pilot training on their roles and expectations. Inter alia, these cover OSH, foreign workers, pregnant workers, child labour, discrimination and minimum wage compliance. The latter has the Labour Law as the basis and includes engagement with international buyers in due course. The Lao PDR Government project counterpart, the Ministry of Commerce and Industry (MCI) saw the latter aspect as requiring attention later in 2016, once other aspects of the project have further progressed.
2. **Awareness raising on the Labour Law (2014) and regulations:** A training manual based on ILO tools has been delivered nationwide and will be mainstreamed into all project activities. A brochure on the minimum wage process, including how to make complaints to the MoLSW) has been produced and disseminated.
3. **Promotion of social dialogue at factory level:** The main focus in this regard is the development and effective functioning of Workplace Improvement Committees (WICs) in 11 initial workplaces to provide a platform for social dialogue on workplace issues and concerns. These draw informally on ILO Better Work approaches.

MCI feedback on project delivery indicated that implementation had been strong, with positive comment on the technical expertise of the ILO as well as its ability to tap into other country and (informally) into global Better Work programme experience. The project comes under the MCI National Implementation Unit (NIU) of the Ministry's Foreign Aid Division. The unit manages multilateral and bilateral trade integration projects, including through the Multi-Donor Trust Fund, the Competiveness Pillar of which being where the ILO project fits.

The World Bank service contract model for ILO engagement in the project is the first time such an arrangement had been used in Lao PDR. An Advisory Committee chaired by the Vice-Minister of Labour and involving the LFTU and LNCCI oversees the project. Reports are also provided to the quarterly meetings of the Technical Tripartite Committee on Industrial Relations.

RECOMMENDATIONS AT OUTCOME LEVEL

Recommendation (o): In the design of the next DWCP: (Designer of DWCP 2017-2021)

- carry Outcome 2.2 forward into the next DWCP design as an area for ongoing attention in its own right, helping to keep the 'spotlight' on progress in this area
- consider relocating the focus on labour inspection (and associated Pilot Project on *Compliance through inspection and dialogue*) from Outcome 2.2 to Outcome 2.1 on The Labour Law.

Recommendation (p): Support the relevant Lao PDR counterparts to develop a realistic plan, agreed amongst the tripartite constituents and drawing on discussion and lessons from the current DWCP period, for the prioritisation of International Labour Conventions to be taken forward for ratification in the period 2017-2021. This to be subject to regular review in both the Technical Tripartite Committee on Industrial Relations, the DWCP M&E Task Force and annual DWCP review and planning meetings. (CO and ILO National Coordinator)

Recommendation (q): Subject to final evaluation findings and available funding in the coming DWCP period, extend the Pilot Project on *Compliance through inspection and dialogue* within the garment sector to other selected sector(s) on a step-by-step basis, with such continuation reflected in the next DWCP design. (CO and ILO National Coordinator / Designer for DWCP 2017-2021)

7.3 Outcome 2.3: More effective application of laws against gender discrimination

The outcome is funded from CO-BKK RBTC and is under technical backstopping and supervision of DWT-BKK Senior Specialist on gender and Senior Specialist on Labour Standards and Administration. This outcome is assessed as 'partially achieved.'

The strategy for ILO engagement on gender equality in Lao PDR includes strengthening gender mainstreaming across constituent programmes and action plans; supporting the implementation of C.100 and C.111 and building gender mainstreaming capacities amongst female and male leaders as well as including women leaders in governance mechanisms. There is a particular focus on revising the Labour Law in line with international gender equality instruments. One performance indicator deals specifically with gender dimensions within the proposed National Tripartite Committee, establishment of which is still under consideration (see commentary in previous section).

Achievements in implementation of the outcome

- Capacity of Lao tripartite constituents strengthened on equality and non-discrimination in the workplace during the process of the Labour Law revision in 2013.
- Revised Labour Law (2014) contains numerous important new provisions, for example, in the areas of occupational safety and health and maternity benefits and protection. The law explicitly prohibits discrimination in hiring and firing of women due to pregnancy or maternity status. It also attempts to provide additional protections and provisions with regard to discrimination and equal pay, child labour, forced labour, and freedom of association and the right to collective bargaining. However, while in many instances an improvement over the 2006 law, the new legislation still falls short in important areas (see below).

Challenges in implementation of the outcome

- A general lack of up-to-date and reliable gender disaggregated data in many fields nationally.
- Although gender is an important focus of the technical cooperation projects on rural employment, employment services and labour inspection and compliance (for example), there was little evidence of this dimension being 'owned' and to the fore in consultations with tripartite stakeholders. A separate evaluation of the joint ILO/WHO Project on social health insurance (see Section 8.1) noted that the gender dimensions in this case were weak, indicating weaknesses in project design. A key challenge for the next DWP is to lift the profile of and systematic attention to gender mainstreaming across all programme and projects areas, backed-up by capacity development support for local partners.
- The revised Labour Law (2014) still falls short in the following areas:
 - The need for a comprehensive definition of discrimination: The current definition does not cover both direct and indirect forms of discrimination, and does not appear to prohibit discrimination on several of the grounds required by Convention No. 111, such as religion, political opinion, race, and social origin.
 - The need to strengthen the specific provision on sexual harassment: The law states that an employee may terminate her or his employment contract and seek compensation in case of sexual harassment, yet does not offer a definition of the latter. C. No. 111 requires that a prohibition of sexual harassment, including both quid-pro-quo and 'hostile environment' harassment, be expressed in legislation.
- The continued need for capacity development support for women in leadership and decision-making (at all levels of DWCP-related activity as a starting point). Commitments in this regard should be incorporated into the proposed DWCP 5-year cooperation plans with the LFTU and LNCCI, with a particular focus on support for women's leadership through appropriate training and mentoring arrangements as well as advocating for more women in collective bargaining teams and collective bargaining for gender equality.

Key lessons from implementation of this outcome

- Gender considerations need to be built into DWCP and technical cooperation project design from the beginning, from the contextual analysis through to the indicators, targets and M&E arrangements.
- Ensuring specific gender references in performance indicators and targets provides an important leverage to ensure gender mainstreaming needs and requirements are kept visible and addressed. Apart from those under Outcome 2.3 on gender equality in the current DWCP Project Document, only three other performance indicators contain a gender reference.
- Tracking commitments to gender mainstreaming should also be structured into the DWCP Monitoring Plan in a way which both keeps progress and gaps visible and allows specific reporting in this regard to meetings of the Tripartite DWCP M&E Working Group.

RECOMMENDATIONS AT OUTCOME LEVEL

Recommendation (r): In the design of the next DWCP: (Designer of DWCP 2017-2021)

- Carry Outcome 2.3 forward, but broaden its scope on the lines of: 'Effective applications of laws against gender discrimination and building of tripartite gender mainstreaming capacities.'

- Give more systematic attention generally to gender mainstreaming across all components of the DWCP, with advice and support from the DWT-BKK Senior Specialist on gender. This should be appropriately reflected in the contextual analysis, outcomes, performance indicators and targets of the new DWCP.
- Strengthen the attention given, including in the context of capacity development initiatives, to promoting and supporting women's leadership within governmental, employer and union contexts

Recommendation (s): Draw lessons from the focus on gender dimensions within the rural employment, employment services and labour inspection/compliance projects for wider application across the DWCP. (CO and ILO National Coordinator)

Recommendation (t): Provide leadership on gender mainstreaming via the ILO's lead agency role under Outcome 2 on Social Protection of the Lao PDR-UNPF 2017-2021. (CO and ILO National Coordinator)

Recommendation (u): Include specific priorities, milestones and mutual expectations on gender mainstreaming in the 5-year DWCP cooperation plans proposed for the LFTU and LNCCI in Recommendations 54 and 57. (CO and ILO National Coordinator)

7.4 Outcome 2.4: The elimination of child labour receives stronger recognition as an integral part of national development policies, plans and programmes

TECHNICAL COOPERATION PROJECT UNDER OUTCOME 2.4

Global Action Programme on Child Labour (GAP) through its Fundamental Principles and Rights at Work branch (FPRW), 2014-2016

Partners: ILO IPEC (Geneva), MoLSW, Vientiane Capital.

Funding: USD 90,000 (USD 15,000 in 2015); **Status:** Closed.

Aimed to develop capacity of tripartite constituents and relevant partners on the implementation of the NPA on the prevention and elimination of child labour.

The outcome was funded from GAP 11, with technical backstopping and supervision of DWT-BKK Senior Specialist on Child Labour, and FPRW's IPEC's Technical Expert from Geneva. The focus of the programme strategy is on building national, institutional and tripartite capacities to address child labour through a mainstreaming approach; and strengthening the knowledge base of government and social partners on child labour.

Key achievements in implementation of the outcome

- The first ever national survey report on child labour in the Lao PDR was produced as part of the Labour Force and Child Labour Survey 2010. This was followed by the launch of the analytical report *Understanding of Children's Work (UCW)* on child labour and youth employment, which provided policy recommendations on the issues. The findings and data from the child labour survey assisted planners, policy makers, researchers, students and other users. They fed into MDG reporting, the 8th NSEDP, national plan of actions to eliminate the worst forms of child labour, ministerial decision-making on light and hazardous work, etc. In addition, the analytical report on the linkages between children's work and youth employment outcomes was used for policy development of the government and development partners working in Lao DPR.

- The first ever Ministerial Decision on the lists of light work and hazardous work was issued in 2012, including child labour dimensions. The Decision was updated in 2015 to incorporate in the revised Labour Law (2014).
- Relevant capacities for addressing child labour in agriculture were strengthened as the result of a 2013 workshop involving national and provincial level government officials and other key stakeholders. The workshop helped strengthen coordination between MoSLW and the Ministry of Agriculture and Forestry.
- Launch of Lao PDR's first National Plan of Action on the Prevention and Elimination of Child Labour (NPA) in 2014. Agriculture was highlighted as an area of particular concern with regards to hazardous child labour. Focal points on child labour from different sectors were assigned to coordinate with MoLSW on the implementation of the NPA. The NPA was printed and disseminated to the relevant stakeholders across the country and provided an important platform for coordination within and between tripartite partners.
- A baseline study on child labour in agriculture in two provinces undertaken in 2015 under the NPA.
- Child labour awareness raising tools, as well as child labour training tools designed and being developed with the ILO's support. Annual campaigns to mark the World Day against Child Labour.

Key challenges in implementing the outcome

Feedback from tripartite constituents and the locally-based ILO child labour officer indicated that there is a need to revitalise commitment and momentum around implementation of the NPA and Lao PDR's international labour convention commitments. Key elements in this regard include:

- continued strengthening of MoLSW capacity to lead the implementation and monitoring of the implementation of the NPA
- intensified awareness raising on negative impacts of child labour using available data and tools.
- the establishment of a child labour monitoring system and the scaling-up of data collection and analysis on child labour in agriculture sector to cover other regions of the country (noting that this area will not be included in the second Labour Force Survey in 2016)
- more systematic mainstreaming of child labour into other sectors such as education, health, agriculture, social protection, justice, etc.
- additional resources to support Lao tripartite partners to implement the NPA in their respective spheres.

Key lessons in implementation of the outcome

- Even with action plans in place, sustaining momentum is not easy in the context of many other pressing priorities without adequate and dedicated human and financial resources in place.
- Mainstreaming as a strategy is crucial in ensuring long-term impact, but retaining specific activities (e.g the recent study on child labour in agriculture) is important to maintaining visibility of the issue.

RECOMMENDATIONS

Recommendation (v): In the design of the next DWCP: (Designer of DWCP 2017-2021)

- Carry Outcome 2.4 forward, recognising that keeping a specific focus on child labour at outcome level will assist in reactivating the attention and momentum that is required to implement the NPA successfully.
- Give more systematic attention to addressing child labour across all relevant components of the DWCP, with advice and support from the DWT-BKK Senior Specialist on Child Labour and FPRW's IPEC Technical Expert from Geneva.

8. ASSESSMENT OF PROGRAMME PERFORMANCE:

Priority 3: Improving and expanding social protection

8.1 Outcome 3.1: Social protection mechanisms strengthened and expanded, with a particular focus on the expansion of health insurance

TECHNICAL COOPERATION PROJECT UNDER PRIORITY 3

A Joint Programme Supporting the Establishment of the National Social Health Insurance Scheme (NHI) and the Extension of Coverage in Lao PDR, 2012 – 2015

Partners: Luxembourg, MoLSW, Ministry of Health (MOH), Vientiane Capital, Vientiane Province (Vang Vieng District).

Funding: USD 1,019, 984 and USD 591, 775 in two phases; **Status:** Under evaluation, project due to close mid-2016.

The project supported on-going reform through (i) facilitating the policy development process and supporting the harmonisation of existing schemes towards their progressive integration; (ii) the extension of coverage piloted in Vang Vieng District, Vientiane Province (including the creation of a subsidy fund for piloting the social protection floor); and (iii) support for the establishment of the National Health Insurance Agency (NHI).

A major part of the implementation of this outcome has been undertaken through the above-listed technical cooperation project, funded by the Government of the Grand Duchy of Luxembourg. The outcome was under technical backstopping and supervision of DWT-BKK Senior Specialist on Social Protection.

Background

The existing social protection provisions in Lao PDR mainly consist of:²³

- (i) Contributory social security insurance for formal workers, including health insurance (NSSF)²⁴
- (ii) Social health protection schemes providing voluntary health insurance for the informal sector (CBHI), and free health care for the poor (HEF), in maternity and for children under age 5 (MNCH)
- (iii) Social assistance or social welfare, providing ad-hoc disaster relief and scattered in-kind support to specific vulnerable groups
- (iv) Education-related schemes to provide free education, scholarships and school meals
- (v) Poverty reduction and livelihood schemes, such as those of the Poverty Reduction Fund (PRF)
- (vi) Small-scale pilots of conditional cash transfers (CCTs) to support education and health outcomes.

²³ Theile, Silas and Cichon, Dr Michael (2016). *Assessment-Based National Dialogue on Social Protection in Lao PDR: Preliminary Assessment Report (draft)*. Vientiane. This report draws on an earlier draft authored by Sinta Satriana.

²⁴ The formal social security insurance scheme under the National Social Security Fund (NSSF) covers workers for medical benefits, pensions, disability, sickness, maternity, and survivor's benefits. These schemes cover most of the public sector and, to a lesser extent, the formal private sector. However, this group only accounts for a small part of the population as the informal sector continues to make up about 80 per cent of the workforce. In health, NSSF provides coverage to the formal public and private sector, while free healthcare is provided for the poor (HEF), in maternity and for children under age 5 (MNCH). The voluntary insurance scheme (CBHI) so far has only reached limited coverage.

These various schemes are not yet part of an integrated strategic approach to social protection, but are planned and implemented by diverse line ministries and agencies, frequently with donor funding and support, raising issues of longer-term sustainability, coordination and coherence.

In line with government directives, efforts are currently underway to integrate existing health-related schemes under the newly created National Health Insurance Bureau (NHIB) at the Ministry of Health. So far, NHIB has started integrating the supervision of CBHI and HEF schemes, while the formal sector health insurance benefits remain under NSSF management and oversight by the MOLSW.

Steps have also been taken to merge the private and public sector social security schemes (SASS and SSO) into one agency (the semi-autonomous National Social Security Fund overseen by a tripartite Board of Directors).

Key achievements in implementation of the outcome

Through the above-summarised technical cooperation project and technical support provided from Bangkok, Geneva and consultancies, ILO engagement has supported:

- Drafting of the Social Security Law (2013) and regulations (2014).
- Initial steps to merge national health insurance arrangements, including data-base systems.
- Establishment of a pilot project in Vang Vieng District of Vientiane Province on expansion of the above-mentioned CBHI scheme for the informal sector (under the Joint ILO/WHO technical cooperation project). An evaluation of the Vang Vieng pilot project is scheduled for 2016. This will also take account of the similar (but larger) pilots being run in other provinces with EU, Swiss Red Cross and WHO support. National budget has already been committed to replicate the ILO Vang Vieng pilot.
- Merging of the public and private sector social security schemes (“without ILO support, the merger would not have gone ahead so successfully,” according to one interlocutor).
- Initiation of an actuarial study on long-term social protection costings (50 years timespan).
- Conduct of the Assessment Based National Dialogue (ABND)²⁵ on social protection which is currently underway and will in due course provide the conceptual and analytical basis for the development of a National Social Protection Strategy.

The ABND is being carried out under the oversight of the government’s *Drafting Committee for the National Social Protection Strategy* which is led and facilitated by the MoLSW with support of ILO (and involvement of other UN agencies) and consists of a series of consultative meetings and national dialogue workshops leading to the production of a final report and recommendations for endorsement by the government.

It should further be noted that the UNCT is committed through Outcome 2 of the Lao PDR-UN Partnership Framework 2017-2021 to supporting the development of the National Social Protection Strategy, provide technical support to national counterparts to deliver and monitor services, and facilitate national dialogue for the implementation of improved social protection programmes and social safety nets. Once a strategy is in place, the UNCT is committed to continuing support through institutional capacity building.²⁶ The ILO is the designated lead UN agency in implementing UNPF Outcome 2, which will clearly be a priority call on its resources in the next DWCP period.

Key challenges in implementation of the outcome

Feedback from the above-listed stakeholders also highlighted a number of key challenges for consideration in the design of the next DWCP. These included:

²⁵ The Assessment-Based National Dialogue on Social Protection (ABND) is an exercise based on methodology developed by ILO, in order to assess existing social protection programmes and develop appropriate recommendations towards the extension of a social protection floor, providing basic income security for all, especially the poor and vulnerable.

²⁶ United Nations Country Team, Lao PDR (2016) *Lao PDR-UN Partnerships Framework (UNPF) 2017-2021*, Vientiane

- A general lack of resources and sense of where these may come from for the longer term, with no obvious ‘big player’ international partner/donor active in this area in Lao PDR and a lack of clarity about longer term government budget commitments. The comment was offered by one source that the ILO is “high in expertise” (from BKK, Geneva and consultancies) but low in resources.
- Lack of capacity at all levels, from national to district, both institutionally and in terms of numbers and quality of staff in key parts of the overall social protection / social welfare system. Building the requisite management and institutional capacity at the new NHIB remains a challenge of particular concern in the context of the proposed transfer of NSSF health insurance branches to the NHIB.
- Achieving harmonisation and common understandings across institutions is not easy, particularly against a background of proliferation and widely dispersed accountabilities and responsibilities. Step-by-step approaches which are closely tied to available capacity were advised by key interlocutors, including in taking time to build wider public awareness and support.
- With respect to the Joint ILO/WHO NHI Project (and noting that final findings from a separate independent evaluation were pending as this report was being completed), it is clear that its initial design was overly ambitious and not well anchored in local realities, capacities and ownership. Particular further challenges in this context included:
 - internal difficulties in resourcing and support arrangements for the project (including no capacity for a project manager in Vang Vieng (requiring additional travel from Vientiane), and the Vientiane office being split between the ILO (at MoLSW) and WHO (at MoH)
 - internal ILO constraints imposed by an activity-by-activity approach, transaction-heavy administrative requirements and slow payment of necessary funds. Consequences of the latter reportedly included delays in implementation; a loss of responsiveness and flexibility; and sometimes even participants at meetings, particularly in the earlier period of project implementation.

In the above context, this review would support a recommendation that:

1. the Project not be continued beyond its current extension period
2. the focus of ongoing ILO engagement be around the areas recommended below in line with the ILO’s mandate, expertise and capacities, with the majority of support being of technical nature coming from the relevant Bangkok-based specialists or short-term consultancies.

Internal discussion involving the ILO Country Office in Bangkok, ILO Social Protection Specialist and the Vientiane-based Project Manager has further highlighted the potential value of a sub-regional approach by the ILO to social protection in the CLMV countries of ASEAN. Such an approach would include facilitation of an enhanced level of South-South Cooperation, including sharing of knowledge, lessons and experience, respecting the different levels social protection development while strengthening inter-country cooperation and mutual reinforcement.

Inter-country cooperation on social protection was also a focus of separate discussions underway at the time of completion of this report about the expansion of the current ILO/China South-South Cooperation Project on employment services and LMI in Cambodia and Lao PDR. With support of the principle donor, social protection was proposed as an additional theme and Myanmar as a participating country in the next phase of the ILO/China SSC Project.

Recommendations in this report endorse a subregional approach as a relevant and realistic way forward in supporting the strengthening and expansion of social protection in the Lao PDR context.

Key lessons on implementation of the outcome

A number of observations and lessons on the ILO’s role and performance under this outcome were offered in

consultations with the representatives of the NHI Bauru of the Ministry of Health, the MoLSW Department of Social Security, the National Social Security Fund Office and the joint ILO/WHO NHI project office. These included:

- The importance in the next DWCP period of explicit linkages with the social protection reference in SDG 1 and longer term Lao PDR Government commitments to every Lao citizen having social protection coverage by 2030 and health insurance covering 80 percent of the population by 2020.
- The value-addition of ILO contributions across the full range of social protection and social welfare-related areas covered under the DWCP since 2011. In the case of the merger of public and private sector social security schemes, for example, the ILO's technical, training and financial role was described as indispensable. The quality of the mentoring support and technical advice provided across a range of areas by the ILO component of the Joint Project Office as well as by the Senior Technical Specialist in Bangkok was consistently commended. The ILO's ability to leverage small resources to good effect was also highlighted, including through strategic initiatives such as the bringing-in of short term expertise and the sponsorship of two NHI office staff to carry out studies at Masters level in Thailand.
- The value-addition of the ILO's broader normative and facilitative role, grounded in international norms and standards, which uniquely positions the agency as an advocate of change with tripartite stakeholders and the international community, with ILO social protection floor concepts as a key reference. This includes the role that the ILO can play in helping to facilitate the bringing together of key stakeholders around integrated approaches, with the development of a national Social Protection Strategy seen as a key future platform in this regard.
- As noted earlier, gender dimensions of the joint ILO/WHO Project have been revealed to have been weak, with issues being observed as implementation progressed (including in the Social Security Law itself). This reinforces the need to have gender considerations identified from the beginning, including in the situational analysis and reflected in specific terms of project design, indicators and targets.

Stakeholder requests for future support

For next DWCP period, requests were made for ongoing technical support in areas of national priority, including:

- follow-up to the NHI project after its impending conclusion (including at policy level via leveraging off the Vang Vieng Pilot Project; and potentially in the drafting of a new NHI Law if this proceeds)
- the ongoing social security merger process, with priorities including the development of necessary regulations and the upgrading of staff capacity as well as IT and financial systems at district level
- extending coverage of social protection and social welfare schemes more generally to provincial and district levels, with an emphasis on outreach to the informal sector
- continuation of the ABND process leading to a national multi-stakeholder approach to developing a national Social Protection Strategy.

The LFTU further indicated interest in ILO support for training on social protection at provincial and district levels to enhance their role in building awareness and local outreach.

RECOMMENDATIONS AT OUTCOME LEVEL

Recommendation (x): Carry Outcome 3.1 forward into the next DWCP design, adjusted in light of changing realities and priorities to: 'Social protection mechanisms strengthened and expanded, with a particular focus on the development of a National Social Protection Strategy.' (Designer of DWCP 2017-2021)

Recommendation (y): In collaboration with the relevant ILO ROAP, CO and in-country staff in the context of design of the next DWCP, consider the merits of developing of a subregional approach for the ILO's social

protection engagement in ASEAN's CLMV countries, with a view to maximising the value of limited resources through targeted ILO technical support combined with the promotion of mutual learning and support between countries. Such approach to be reflected, if agreed, within the new DWCP design. (ROAP / CO and ILO National Coordinator / Designer of DWCP 2017-2021)

Recommendation (z): In the context of its upcoming evaluation, leverage the experience of the Vang Vieng pilot project for the policy implications that can be applied at national level, including in the context of the ongoing ABND process. (CO and ILO National Coordinator)

Recommendation (aa): Complete the actuarial study on social protection over the next 50 years as a useful input to future planning, including in the context of the ongoing ABND process and work which emerges on a National Social Protection Strategy. (CO and ILO National Coordinator)

Recommendation (bb): Provide technical support to revise the current Social Security Law and related regulations, in line with requests from the Lao PDR Government. (CO and ILO National Coordinator)

Recommended (cc): Provide ongoing technical support as required to the ABND process, noting not only its role with respect to laying foundations for the development of a National Social Protection Strategy but also its value in terms of developing deeper understandings of issues, options and policy implications, as well as for building relationships between key stakeholders, including within government. (CO and ILO National Coordinator)

Recommendation (dd): Prioritise the ILO's designated lead role on social protection under new Lao PDR-UN Partnership Framework 2017-2021 at ROAP, CO and in-country levels, with the necessary support provided to the ILO National Coordinator in this regard via strategically-timed visits from Bangkok and other forms of regular support and advice as required. (CO and ILO National Coordinator)

8.2 Outcome 3.2: HIV and AIDS policies and programmes enhanced and coverage widened

Implementation of this outcome was funded by RBTC / CO-BKK with and technical backstopping and supervision of DWT-BKK Senior Specialist on HIV and AIDS.

Key Achievements in implementation of the outcome

Although not a high priority focus in overall DWCP implementation and resourcing terms, the period 2011-2015 saw some progress as a result of ILO engagement. This included:

- Research on stigma and discrimination towards people living with HIV (finalised in January 2013). This was used by the government in developing the national policy on HIV and AIDS in line with ILO Recommendation 200.
- The drafting of a Ministerial Order on HIV and AIDS in line with the Recommendation 200 to support implementation of the existing national policy and legislation on HIV/AIDS, specifically in the work place. This decision was taken as the result of a tripartite and other stakeholders workshop in September 2013. The Ministerial Order focused on employment rights for people living with HIV; responsibilities of tripartite partners and enterprises to deliver HIV prevention and care for workers; and the inclusion of people living with HIV in all social protection schemes.
- Collaboration between Lao PDR and the ILO to facilitate the inclusion of the construction and transport sectors in the national HIV workplace policy, consistent with the priority of the health policy on HIV and AIDS.

Key challenges in implementation of the outcome

A lack of financial and human resources; loss of institutional momentum; the absence of 'champions' inside and outside the governmental system; and other contending priorities affected the ability to make further progress in this area.

As a result, the following intended results were not able to be achieved: The endorsement of a Ministerial Order (proposed for 2014); the adoption of a national HIV and AIDS policy by end of 2015; and the initiation of workplace programmes by the end of 2015.

RECOMMENDATIONS AT OUTCOME LEVEL

Recommendation (ee): In the design of the next DWCP: (Designer of DWCP 2017-2021)

- Consider the discontinuation of Outcome 3.2, but retain HIV and AIDS in the workplace as an area of ILO attention (building on previous achievements in line with Recommendation 200), through appropriate indicators and targets under the Outcome on OSH.
- Explicitly recognise HIV and AIDS as a cross-cutting issue to be mainstreamed appropriately under all outcomes.

8.3 Outcome 3.3: Improved institutional and legal provisions for the promotion of Occupational Safety and Health (OSH) in the workplace

Support was provided to implementation of this outcome by the Korea Occupational Safety and Health Agency (KOSHA) and ILO/Korea Programme, with technical backstopping and supervision provided by the ILO Senior OSH Specialist in Bangkok.

A multi-stakeholder discussion on the drafting of a new Management of Occupational Safety and Health Decree was underway during the period of this review, involving the MoLSW, LFTU, LNCCI, WHO, ILO and other international organisations. This initiative is in line with the MoLSW Strategy for 2016-2020.

Key background factors to the discussion included the growth in investment in infrastructure, factories, mining projects, hydropower dams, commercial production and general and service businesses, which have led to an increase in the flow of workers coming from rural areas and increasing workplace safety and health issues. A survey in 2008, which had responses from 383 enterprises, found that 531 workers were injured, with six deaths and three long term disabilities. It is generally expected that such rates have increased subsequently.²⁷

Key achievements in implementation of the outcome

The ILO has supported a range of OSH-related initiatives between 2011 and 2015. These have included:

- Inclusion of strengthened OSH provisions in the revised Labour Law (2014).
- Adoption (and mid-term review) of the 2nd National Occupational Safety and Health (OSH) Programme 2011-2015, which includes specific provisions in areas such as inspection, injury reporting systems, OSH in

²⁷ Vientiane Times, 29 March 2016

construction, or the establishment of OSH committees, implementation plan, as well as internal and external coordination mechanisms.

- Stakeholder capacity strengthened through OSH training in areas, including legislation and inspection; awareness-raising on OSH amongst the social partners; OSH for small enterprises and informal workplaces; and the provisions of the revised Labour Law (2014). Supplemented by field visits involving the Korea Occupational Safety and Health Agency (KOSHA)
- The inclusion of OSH as an important focus under the ILO pilot project on *Improving the Garment Sector in Lao PDR: Compliance through inspection and dialogue, 2014 – 2017*.
- The inclusion of OSH training for small enterprises and informal workplaces under the *ILO-China South-South Cooperation Project to Expand Employment Services, 2014-2015*. Because of the overlap of workplace and home environments, this was expected to contribute to improvements in community safety and health.
- The establishment of a national OSH Tripartite Committee to provide oversight and coordination.

The MoLSW OSH Department also advised that, in addition to the current process to develop a Ministerial Decree on OSH, work is also planned to draft decree on hazardous work, for which ILO technical support would be important, drawing on similar developments in other countries.

Both the LFTU and LNCCI further indicated that OSH was a priority for training of members in the coming DWCP period, including at provincial levels, highlighting the importance of reaching out to those who can have influence in individual workplaces. The LFTU operates provincial mobile OSH training and support teams for workplaces.

Although the 2nd National OSH Plan provides for an OSH inspectorate, this has yet to be put into practice with the result that OSH remains part of the role of the Labour Inspectors, who cover only formal sector workplaces (refer separate coverage of labour inspection and compliance under the DWCP).

Key challenges in implementation of the outcome

- Despite steps taken to date with ILO and other support, implementation of commitments made remains a major challenge, with lack of resources, staff and capacities and weak coordination with other relevant government entities all key constraining factors, as in other areas reviewed.
- The Dept of OSH within MoLSW was only established two years ago to provide an institutional basis for moving ahead on the OSH agenda, and looks to the ILO for ongoing technical and advisory support.

RECOMMENDATIONS AT OUTCOME LEVEL

Recommendation (ff): Carry current Outcome 3.3 forward into the next DWCP, with consideration given to incorporating specific indicators and targets on HIV and AIDS in the workplace under this outcome. (Designer of DWCP 2017-2021)

Recommendation (gg): Foster links in the next DWCP design and implementation between direct ILO engagement in the context of the new OSH Decree; the ILO-China South-South Cooperation Project; the Garment Sector Project on compliance through inspection and dialogue; and ongoing work to support revision, promotion and implementation of the Labour Law. (CO and ILO National Coordinator / Designer of DWCP 2017-2021)

9. ASSESSMENT OF PROGRAMME PERFORMANCE:

Priority 4: Improving constituent capacities and strengthening social dialogue

9.1 General comment

At a general level, the DWCP period saw a strengthening of tripartite approaches, understanding and culture which were supported and encouraged by the ILO's engagement with partners across various sectors of economic and social life in Lao PDR. While not all tripartite initiatives proposed under the DWCP Project Document proceeded, as noted earlier (e.g. the proposed National Tripartite Committee, a national body for dispute conciliation and arbitration, and a Labour Advisory Committee), the enhanced profile and credibility of 'tripartism' as a valid and relevant framework for addressing the country's development priorities was affirmed in consultations with government, employer and trade union representatives alike.

In this context, tripartite initiatives such as the Technical Tripartite Committee on Industrial Relations and the DWCP Tripartite Committee, as well as tripartite initiatives in areas such as child labour and OSH, demonstrated the value-addition of the approach. The possibility of establishing a higher level National Tripartite Committee with designated sub-committees remains on the agenda for attention under the next DWCP, as discussed and recommended under Section 7.1 of this report.

9.2 Outcome 4.1: Enhanced capacity of Lao National Chamber of Commerce and Industry (LNCCI)

This implementation of this outcome received funding from the Government of Norway and was under backstopping and supervision of ACTEMP (Geneva) and the Senior Specialist (Employers).

Key achievements in implementation of the outcome

Revision of the Labour Law

A comparative review of the final draft law was prepared along with a follow up technical review. The process included feedback from a multi-stakeholder meeting in October 2013 as well as analysis of other country experience. Production with ACTEMP of a review of the legislative and policy process.

LNCCI Guides on the new Labour Law launched in 2016. These were developed in parallel to a series of capacity building workshops.

LNCCI strategic policy framework

The development and launch (May 5, 2016) of LNCCI's Strategic Policy Framework (SPF). As part of related institutional capacity support, secondary research was conducted to understand key labour market issues impacting the business environment in Lao PDR. These results were presented at consultative workshops with LNCCI members. Informing the SPF was a national survey in 2014 and subsequent workshops to validate survey results and agree directions.

Policy capacity trainings at both national and sub-regional levels to LNCCI Board and Secretariat members in 2014-2015. This included four national trainings on survey design, analysis, policy development as well as a tailored training on the new ILO secondary data report tool (SDRT) which enables users to retrieve secondary data sources under the ILO's 17 pillars for sustainable enterprise development framework. LNCCI representatives were also

provided technical training on media strategies at a sub-regional employers' workshop on media and communications held in Bangkok in May 2015. This was put into practice during the launch phase of the SPF.

National skills development to meet market requirements

The conduct in the first quarter of 2016 of a comprehensive survey of employers' skills needs covering over 400 employers in four provinces. This was carried out under the auspices of the ILO-China South-Cooperation Project through the local consultancy company EDC, with extensive capacity support provided to employers at provincial levels and to the LNCCI national office which will stand them in good stead for the next such exercise (for which the LNSCO will also be available as a basis). The EDC assessment was that this was a successful exercise which has created a strong basis for replication and expansion in the future. Experience from other countries, especially Cambodia, was used to improve the design of the survey form.

Advocacy for the development of an effective framework for national skills standards, covering key occupational areas and sectors of the Lao economy, designed in conjunction with the private sector. To this end, LNCCI drew on the latest research and brought together a range of critical stakeholders (all relevant ministries, international organisations, donors and its members) to give focus to the need for deeper engagement of the private sector in skills policy development.

The development of a set of well-constructed proposals for better private sector involvement in skills development. This process has deepened the level, depth and regularity of dialogue between LNCCI and the relevant ministries and resulted in agreement, by government for structural change to the engagement.

The publication of two reports on skills development which reflected employer perspectives. These were (i) a comprehensive assessment and recommendations on the current state of education and skills development/technical vocational education and training (TVET) system and structures (April/May 2013); and (ii) 'Skills, access to finance, regulatory reform and ASEAN regional integration: Challenges and policy directions for enterprises:' This assessed the current situation and the potential for the business sector through representative organisations, such as LNCCI, to help shape skills policies to better align with the needs of private sector.

Key challenges in implementing the outcome

Key challenges in strengthening tripartism, social dialogue, labour recruitment and worker's skill levels which were articulated by the LNCCI national office and individual employers included the following:

- Low levels of employer understanding of, and support for, implementation of government policy and legislation in areas including minimum wage compliance, OSH, social security / social protection and collective bargaining. Also low levels of appreciation of the value of tripartite processes, particularly at provincial levels.
- Low skill levels of new employees, particularly practical skills, including those newly graduated from secondary schools and TVET institutions. The 'work culture' adjustments required by workers newly arrived from rural areas, with high rates of absenteeism and fluctuations in line with rural agriculture seasonal requirements were other factors requiring study, understanding and attention. These issues were seen as having major impact on national productivity levels.
- Difficulties in recruiting and retaining labour. The LNCCI expressed the view that one key factor in this regard was the large gap between the minimum wage and actual living costs, combined with lack of compliance with minimum wage requirements by small and medium-sized businesses in particular.

Employer feedback on priorities for next DWCP

The following areas were highlighted for attention during consultations with the LNCCI:

- Develop a strategic approach to capacity development based on LCCI's own Strategic Policy Framework, with a phased and prioritised approach, rather than piecemeal activities.
- Agree on longer-term plan for cooperation under the next DWCP which incorporates roles of the LNCCI in areas such as employment services; LMI (including the proposed MOU for engagement under the ILO-China South-South Cooperation Project and the employers skill needs survey); skills development; Labour Law promotion, implementation and revision; OSH, minimum wage adjustment; and ratification of prioritised international labour conventions.
- With respect to priorities areas for ongoing capacity development support, the following were highlighted:
 - implications of the Social Security and Labour Laws for employers
 - implementation of national OSH plans and Decrees
 - collective bargaining
 - provincial level understanding of the value, dynamics and expectations of tripartite approaches – and training on the particular capacities required to strengthen tripartite cooperation.

RECOMMENDATIONS AT OUTCOME LEVEL

Recommendation (hh) Carry Outcome 4.1 forward into the next DWCP, recognising the need for ongoing technical and capacity support to LNCCI, including in the context of strengthening their engagement in tripartite processes at all levels. (Designer of DWCP 2017-2021)

Recommendation (ii): Jointly develop and agree a 5-year cooperation plan between the ILO and LNCCI. This should be aligned to the LNCCI Strategic Policy Framework; set out clear priorities, milestones and mutual expectations; incorporate the proposed MOU for engagement under the ILO-China South-South Cooperation Project; and be jointly reviewed and adjusted as required on an annual basis. The plan should have an overall orientation towards (i) deepening and extending ILO collaboration with the LNCCI and (ii) strengthening LNCCI capacity for engagement in tripartite processes at all levels. (CO and ILO National Coordinator)

Recommendation (jj): In the context of ILO engagement on collective bargaining, including in the context of the current *Garment Sector Compliance through Inspection and Dialogue Pilot Project*, explore with LNCCI, the Association of the Lao Garment Industry (ALGI) and LFTU counterparts the possibilities, options and requirements of introducing a sector bargaining approach in the garment sector when conditions are conducive for such a development. (CO and ILO National Coordinator)

9.3 Outcome 4.2: Enhanced capacity of Lao Federation of Trade Union (LFTU)

The implementation of this outcome was under the backstopping and supervision of the Senior Specialist in Workers' Activities.

Key achievements in implementation of the outcome

Participation in tripartite processes

The LFTU has participated and contributed actively in the Technical Tripartite Committee on Industrial Relations which meets quarterly to discuss labour related issues and industrial relations, as well as in annual DWCP planning and review processes.

Capacity to engage in DWCP planning, review and design processes strengthened through training on Decent Work.

Ratification of C.87 and C.98

Increased awareness of senior LFTU leaders on implications of ratification of C.87 and C.98 enhanced, linked to the provisions in the revised Labour Law (2014) on the right to strike and strike procedures.

Revision and implementation of the Labour Law

LFTU input provided into revision of the Labour Law.

Minimum wage adjustments

LFTU engagement in the national minimum wage process enhanced through trainings and advice, with a particular focus on encouraging and supporting an approach to negotiations based on economic and social data rather than political imperatives.

Migrant labour

The LFTU influenced the government to revise legislation on labour migration, which is a major issue for the union, reflected in its interest in increasing involvement in work supported by the ILO in this regard (specifically by taking on responsibility for a second MRC).

The LFTU also unsuccessfully tried to promote a bilateral MOU with Thai trade unions to strengthen cooperation over migrant labour rights. Gender issues were mainstreamed in the draft MOU.

Through the implementation of the GMS TRIANGLE Project, the LFTU has established an MRC in Savannakhet Province to provide safe migration information and counseling to migrant and potential migrant workers. One particular issue being addressed by the MRC is the regular flow (some 250 per week) of undocumented Lao migrant workers returned across the border by Thai authorities and “falling into cracks” in existing social support systems. However, coordination with government employment services in the same province is weak, according to local ESJC feedback. A lawyer based in Savannakhet has been contracted by MRC to deal with potential cases of exploitation or abuse reported to the MRC, although no such cases have been reported to date.

The LFTU adopted an action plan (2011-2013) on protecting migrant workers in accordance with their mandate to protect Lao workers within and outside the country. The action plan covers the registration of migrant workers, the establishment of MRCs, collaboration with trade unions in destination countries, the promotion of tripartite dialogue on labour migration at national and sub-national levels and raising awareness on labour migration issues.

Engagement in other ILO DWCP initiatives

The LFTU has further been involved in the ILO-China South-South Cooperation project on employment services, the ILO rural employment pilot project in Sekong Province and input into work on skills development .

Key challenges in implementation of the outcome

Key challenges in strengthening tripartism, social dialogue, labour recruitment and worker’s skill levels which were articulated by the LFTU national office included the following:

- Low levels of local union understanding and capacity in areas such as international labour conventions; OSH; social security / social protection; collective bargaining and tripartite processes, particularly at provincial level.
- Increasing industrial issues, partly fuelled by FDI-driven economic growth, in areas such as workers being forced to work longer hours than stipulated by the law; short falls in wage payments; lack of compliance by

employers with minimum wage requirements; denial of holiday entitlements; and refusal by employers to allow the LFTU entry to the workplace.²⁸

- A sense within the LFTU that there is a great deal of untapped potential in the relationship with the ILO and related programmes and projects, especially when assessed alongside ILO engagement with the LNCCI. In the case of the ILO-China South-South Cooperation Project, for example, the potential for stronger direct LFTU engagement through its provincial and district offices was strongly highlighted. The strategic direction and depth of the relationship would be enhanced by a 5-year cooperation plan setting out clear priorities, milestones and mutual expectations.
- The activity-by-activity approach of the ILO and slow processing of final activity-related payments was also raised as a point of concern.

LFTU feedback on priorities for the next DWCP

The following priorities were highlighted during consultations with the LFTU national office:

- Develop a strategic approach to capacity development based on LFTU's own longer term priorities, with a phased and prioritised approach, rather than piecemeal activities.
- In this context, agree on longer-term plan for cooperation under the next DWCP which incorporates roles of the LFTU in areas such as employment services and LMI (including the proposed MOU for engagement under the ILO-China South-South Cooperation Project); skills development; Labour Law promotion, implementation and revision; labour migration (including the operation of the current and any future MRCs); OSH, minimum wage adjustments; ratification of prioritised international labour conventions, etc.
- With respect to priorities areas for ongoing capacity development support, the following were highlighted:
 - implications of the Social Security and Labour Laws
 - implementation of national OSH plans and Decrees
 - social protection, with a view to strengthening the LFTU role in advocacy, outreach and dissemination, particularly at provincial and district levels
 - collective bargaining
 - provincial level understanding of the value, dynamics and expectations of tripartite approaches – and training on the particular capacities required to strengthen tripartite cooperation.
- Support at least one more MRC hosted by LFTU at a strategically-selected provincial level (possibility of taking on two MRCs in Lao-Thai border provinces suggested in review consultations).
- Continue to support consensus building on the implications and ratification of C. 87 & C.98.
- Give greater priority to OSH – including at legislative and regulatory levels and with respect to the capacity to monitor /enforce national OSH requirements. Reference made to LFTU mobile OSH teams in every province and involvement under the ILO/Korea OSH programme in a training visit to Korea.
- Increase capacity support for collective bargaining for workers and employers (e.g. good practice and negotiating skills etc).
- Support outreach to the informal sector, particularly in the agricultural sector, including through access to relevant experience and lessons in other countries.

²⁸ Vientiane Times, 29 March 2016

- With respect to the above-mentioned priority on collective bargaining, initiate work on developing sector-wide bargaining approaches, beginning with the garment sector and extending over time to other formal employment sectors as the practice is consolidated, drawing actively on other country experience.

RECOMMENDATIONS AT OUTCOME LEVEL

Recommendation (kk): Carry Outcome 4.2 forward into the next DWCP, recognising the need for ongoing technical and capacity support to the LFTU, including in the context of strengthening engagement in tripartite processes at all levels. (Designer of DWCP 2017-2021)

Recommendation (ll): Jointly develop and agree a 5-year cooperation plan between the ILO and LFTU. This should be aligned to the LFTU's own strategic directions; set out clear priorities, milestones and mutual expectations; incorporate the LFTU's role as MRC (s) host and the proposed the MOU for engagement under the ILO-China South-South Cooperation Project; and be jointly reviewed and adjusted as required on an annual basis. The plan should have an overall orientation towards (i) deepening and extending ILO collaboration with the LFTU and (ii) strengthening LFTU capacity for engagement in tripartite processes at all levels. (CO and ILO National Coordinator)

Recommendation (mm): Consider the allocation of (at least) a second MRC management and operational responsibility to the LFTU in a strategically selected province, drawing on the LFTU's own staffing and financial resources at provincial and district levels. (CO and ILO National Coordinator / TRIANGLE Project staff)

Recommendation (nn): In the context of ILO engagement on collective bargaining, including in the context of the current *Garment Sector Compliance through Inspection and Dialogue Pilot Project*, explore with LNCCI, the Association of the Lao Garment Industry (ALGI) and LFTU counterparts the possibilities, options and requirements of introducing a sector bargaining approach in the garment sector when conditions are conducive for such a development. (CO and ILO National Coordinator)

9.4 Outcome 4.3: Improved mechanisms for preventing and resolving disputes

This outcome links closely to Outcome 2.1 and comes under the technical backstopping and supervision of the Senior Specialist on Labour Standards and Administration, the Specialist on Labour Administration and Inspection and the Labour Industrial Relation Specialist.

The outcome was to be achieved by the contribution of three targets under the DWCP 2011-2015. The first of these is: By 2013, the concept of collective disputes has been introduced into the Labour Law (target 1).

This has been addressed through the promulgation in 2015 of the Prime Ministerial decree on Labour Disputes Resolution, which was developed with ILO technical support, was discussed in the Technical tripartite Committee of Industrial relations and is covered previously under the commentary on DWCP *Outcome 2.1: Labour law is more effective at facilitating social dialogue, resolving disputes, setting wages and preventing misuse of employment contracts*.

The further two targets are as follows:

- By 2015, a national body for dispute conciliation and arbitration has been established and operationalised, with no less than 30 percent membership of either sex (target 2)
- By 2015, 10 percent of cases heard by the national conciliation and arbitration body are resolved (with tripartite support) (target 3).

Taken together, they appear to draw on the experience in Cambodia where the development and ongoing functioning of a national Arbitration Council has been a highly successful aspect of the implementation the Cambodia DWCP 2011-2015.

The feedback from Lao PDR stakeholders, reiterated in the tripartite stakeholders workshop of 21 March 2016, was that the establishment of such a body was considered to be inappropriate in the Lao PDR context and that locally established arrangements were in place, linked to the Prime Ministerial Decree on this matter.

Clearly ongoing attention is needed to disputes resolution to ensure that issues are identified and addressed and in light of references under International Labour Conventions 151, 154 and 163. The platform established in the Lao PDR context for such discussion is the Technical Tripartite Committee for Industrial Relations, putting the spotlight on the effectiveness and capacity of this body to handle a wide-range of matters, including minimum wage adjustments.

RECOMMENDATION AT OUTCOME LEVEL

Recommendation (oo): Carry the intent of Outcome 4.3 into the next DWCP by incorporating it appropriately in outputs, indicators and targets under Outcome 2.1 (on the Lao PDR Labour Law). (Designer of DWCP 2017-2021)

9.5 Outcome 4.4: Enhanced institutional and legal mechanisms to determine Minimum Wage(s)

The outcome links closely to Outcome 2.1 and comes under the technical backstopping and supervision of the Senior Specialist in Workers' Activities.

Background

The DWCP target in this respect is: By 2014, the National Tripartite Committee approves formal mechanism for setting minimum wage(s) in Lao PDR.

As was pointed out in discussion during the tripartite workshop on 21 March 2016 to discuss the tentative findings of this evaluation (and noted in earlier discussion in this report), Lao PDR already has its own national mechanism for this purpose, which is the Technical Tripartite Committee on Industrial Relations. One positive development noted in this context during the most recent minimum wage process was the extension of the tripartite dialogue to provincial level.

Stakeholder feedback indicated that the periodic minimum wage adjustment process has taken on greater importance for each of the tripartite constituents in recent years, linked to issues of collective bargaining, addressing poverty and the cost of living, economic growth and long-term sustainable economic development challenges. Key factors which are influencing the context for minimum wage adjustments include increased foreign investment in areas such as hydro-power production and mining and an increasing flow of labour from rural areas to where newly-created non-agricultural jobs are located.

There are three criteria for minimum wage adjustments in Lao PDR: the level of wages in neighbouring countries, family needs in the context of living costs (based on a basket of core requirements) and the consumer price index. The most recent minimum wage adjustment, which saw a 50 percent increase to 900,000 Kip a month, showed indications of a more-evidence-based approach, drawing on surveys conducted at provincial level. However, both the LNCCI national office and LFTU drew attention to the gap between the level set and actual living costs for workers and their families (estimated by the LFTU to be closer to 2 million Kip per month) and to the low levels of compliance by employers, particularly in small and medium-sized businesses. The labour inspection system is tasked

with following-up on compliance but currently lacks capacity and clarity in its role, although major reforms are now underway in this respect, with ILO support (see separate analysis in this regard).

Key achievements in implementation of the outcome

- Tripartite partner capacity to engage in an evidence-based minimum wage adjustment process has been enhanced by technical advice and training.
- The most recent minimum wage adjustment process saw, as indicated above, a strengthening of evidence-based considerations, including a provincial-based survey of living costs.
- Both the LNCCI and LFTU saw this as a priority area for ongoing ILO technical advice and capacity building support in the context of support for the effective operation of the Technical Tripartite Committee on Industrial Relations.

Key challenges in implementation of the outcome

- The need to strengthen the effectiveness and transparency of the current minimum wage adjustment mechanism, with a particular focus on supporting the progressive strengthening of an approach based on economic and social criteria and data rather than political imperatives. It is suggested that there would be potential value in developing links with the relevant Cambodian institutions and processes in this respect to identify and share relevant lessons.
- Further building awareness and understanding of the value and benefits of an evidence-based approach amongst tripartite constituents, including at provincial and district levels.
- Strengthening the availability of relevant data, including through the capacities and services of the LSB.
- Strengthening the capacity and authority of Labour Inspectors to check at enterprise level on minimum wage compliance (refer to separate commentary in this area).

RECOMMENDATIONS AT OUTCOME LEVEL

Recommendation (pp): Retain minimum wages as an area for attention under the next DWCP, in line with the requirements of C. 131. Given the need to continue strengthen tripartite partner capacity and social dialogue in this context, it is proposed that a separate outcome be retained under Priority 4 but reworded as: *Enhanced institutional mechanisms and tripartite capacities to determine Minimum Wage(s)*. (Designer of DWCP 2017-2021)

Recommendation (qq): Continue capacity development and technical support for a criteria and evidence-based approach to minimum wage adjustment, including as part of the recommended 5-year DWCP cooperation plans with the LFTU and LNCCI. (CO and ILO National Coordinator / Designer of DWCP 2017-2021)

Recommendation (rr): In dialogue between the ILO and tripartite partners, consider establishing an annual process for minimum wage adjustment, particularly in the context of rapidly evolving economic development patterns at both national and ASEAN levels. (CO and ILO National Coordinator / Designer of DWCP 2017-2021)

10. RELEVANCE, EFFECTIVENESS, EFFICIENCY, SUSTAINABILITY, IMPACT

10.1 Relevance

10.1.1 DWCP alignment with Lao PDR priorities

The review found that the DWCP 2011-2015 priorities were relevant to the changing Lao PDR context and development priorities, as reflected particularly in the 7th NESDP. Key features of the Lao PDR context, including its youthful population; rural-urban divide, largely rural and subsistence economy; decent employment gaps; still maturing social dialogue and industrial relations; social protection deficits and legislative gaps in areas of ILO interest are well reflected in the formulation of the current DWCP. Accordingly it is recommended that the four current priorities be carried over into the DWCP 2017-2021 with the following adjustments:

- Priority 1 be recast to include reference to ‘alignment to market demands’
- Priority 4 be described as a ‘cross-cutting priority’ which is applied in practice within and across each of the other three Priorities. One way of structuring this would be to have Priorities 1-3 under a sub-heading ‘Substantive Priorities’ and Priority 4 under a sub-heading ‘Cross-cutting Priority.’

The outcome-by-outcome recommendations in this report further indicate a number of ways that the current outcomes can be reduced in number and realigned within this set of priorities to strengthen programme coherence. As noted elsewhere, there are furthermore some indicators under the current outcomes which proved to not be directly relevant in the Lao PDR context. These include 2.1.2 (on establishment of a National Tripartite Committee); 2.1.4 (on the establishment of a standing labour advisory committee); 2.3.3 (on establishment of an equality committee under the National Tripartite Committee); and 4.3.2 / 4.3.3 (on the formation of a national body for dispute conciliation and arbitration). As noted, it is proposed that discussion on the National Tripartite Committee concept continue under the next DWCP, but that the other others be discontinued.

New and emerging factors in the Lao PDR context such as the advent of the AEC and SDGs, as well as the adoption of the 8th NSEDP are already being proactively taken into account in ILO/stakeholder discussion of the design of the next DWCP. As noted elsewhere, a good practice that has become embedded in the DWCP architecture for Lao PDR is the annual tripartite review and planning process, supported by a tripartite M&E Working Group that meets at least quarterly within the ToR set out in Annex VIII. This process is an important vehicle for ensuring that the DWCP and its annual priorities remain well grounded in the Lao PDR context and that developments in the national, regional and global policy landscapes can be taken into account.

The review further concluded that the four priorities for 2011-2015 aligned well with the ILO’s own comparative advantage, capacities and expertise. They are furthermore well reflected in the recently finalised Lao-PDR UNFP 2017-2021, which in turn is not only grounded in Lao PDR national policy and planning priorities and commitments, but is specifically aligned to relevant performance indicators in the 8th NSEDP. In turn these align upwards to SDG goals and targets. It is thus proposed that the DWCP 2017-2021 should likewise specific be aligned to the relevant 8th NSEDP indicators, reinforcing both the relevance and effectiveness of DWCP design and implementation.

10.1.2 National ownership as indicator of relevance

A second key reference point for assessing relevance is the degree of country ownership demonstrated around the DWCP. This can be observed at two main levels: (i) ownership by national constituents of the DWCP itself as a framework for ILO – Lao PDR cooperation and (ii) ownership of DWCP outcomes reflected in the way these are embedded (inter alia) in national strategies, action plans, budget commitments and institutional arrangements.

With respect to the DWCP itself, stakeholder consultations indicated highly variable levels of awareness of the broader DWCP framework and how its various components fitted together, beyond the specific area in which the

stakeholder representatives were directly engaged. Within the government context, this in part reflects the degree of 'silo-ism' within the public sector, commented on by other international partners such as the ADB which is engaged in public sector reform initiatives with the Lao PDR Government.²⁹ In part it also reflects the scope for more regular and comprehensive communications outreach within the country on the ILO's engagement under the DWCP, an area currently constrained by limited in-country capacity, but in which there is an opportunity for supplementation of resources through emerging broader UNCT communication arrangements (refer Section 10.2.2). The growing opportunities for tripartite engagement in Lao PDR, including through this review process and the pending process for design of the next DWCP, provide further opportunities for expanding awareness of and buy-in to the broader DWCP cooperation framework.

With respect to demonstrated ownership of DWCP outcomes, the review found this to be uneven across the full set of DWCP outcomes and associated performance indicators and targets. However, certain areas of demonstrated strong local ownership stood out as indicated in the following examples:

Outcome 1.1: DWCP indicators and targets are well reflected in MoLSW plans for the creation of rural employment opportunities, building on the current ILO pilot project, as well as for the expansion and strengthening of employment services and LMI. In the latter case, relevant Lao PDR frameworks include the MoLSW Master Plan 2007-2020, the MoLSW Strategic Plan on Skills Formation and Employment Promotion, the MoLSW 5 Years Goal on Employment Promotion 2016-2020 and various related decrees and decisions on skills development and employment promotion.

However, as in other areas, the main limitation is the current lack of adequate national budget commitments –or longer term plans to address this need. This gap was noted in the case of employment services by a MoLSW assessment of progress in addressing job centre capacity and effectiveness gaps under the ILO/China SSC Project in this field. Further elaboration of the latter example is provided in Box 3 below.

Outcome 1.2: DWCP indicators and targets are well reflected in Lao PDR TVET plans, commitments and institutional arrangements (including in the context of ASEAN agreements), as well as in the degree of progress made by against the performance indicators and targets during the DWCP period.

Outcome 1.3: While there is uneven evidence of ownership across the full set of six performance indicators, particularly strong indications of MoES ownership are demonstrated around the introduction of the ILO KAB approach into national secondary school curriculum (funded mainly by national budget) and its use in the context of the Luang Prabang tourism industry. The Ministry of Commerce and Industry (MCI) was a key partner in the latter case.

Outcome 2.2: While progress on the ratification of ILO conventions under this outcome is slow as summarised earlier, strong commitment was demonstrated by the MoLSW to strengthening the labour inspection service, the focus of performance indicator 2.2.1. This was shown by plans already underway, as elaborated earlier, to streamline and restructure the service with support from the ILO technical cooperation project in this field, including the updating the relevant Ministerial Decree.

The areas of weakest local ownership at the outcome implementation level proved, as indicated earlier, to be in those areas involving the introduction new tripartite mechanisms which were considered by local stakeholders to be out of sync with existing arrangements and capacities, as outlined above. This weakness reinforces the need, highlighted by recommendations in this report, to take very careful account of the local context and existing institutional arrangements when designing the DWCP.

²⁹ Proposed Programmatic Approach, Policy-Based Loan and Grant, and Grant Assistance for Subprogram 1 Lao People's Democratic Republic: Governance and Capacity Development in Public Sector Management Program (September 2012) © <http://adb.org/sites/default/files/projdocs/2012/46059-001-lao-rrp.pdf>

The evidence provided by review consultations further indicated that having a national strategy or action plan in place is not in itself necessarily sufficient to ensure progress in implementation. The case of Lao PDR's first National Plan of Action on the Prevention and Elimination of Child Labour (NPA) provides an illustration in this regard. Feedback from the Vientiane office of the ILO technical cooperation project in this area indicated a loss of momentum, visibility and dedicated resources (international and domestic) for the NPA, highlighting the need for a re-energising of commitments to implement the plan and lift its profile across government and the social partners.

Box 3: Ownership demonstrated in expansion and strengthening of employment services and LMI

The ILO/China SSC Project on employment services and LMI provides a good illustration of local ownership (and its constraints). Indications of ownership as indicated to the review team included:

- commitments contained in MoLSW strategies and plans to continue developing national public employment services (PES), building on the improvements of service delivery capacity, outreach and LMI made under the Project
- the carrying-out of the Follow-up Assessment of ESJC operations, which required a major investment of MoLSW staff time and provided a comprehensive set of well-considered challenges, lessons and recommendations for the way forward (Inter alia the assessment report recommended a greater investment of national budget resources)
- structural initiatives taken to strengthen the national employment services and LMI architecture, including establishment of the MoLSW LMI Unit and the ESC. The latter, once further developed and adequately resourced as indicated earlier, will potentially be a key component of an expanded national service.

Although not directly supported by the Project, the next Labor Force Survey in late 2016 is an indication of Lao PDR commitment to the Project's LMI objective. The first survey (published in 2013) was funded through the ILO. This second will be led by LSB and funded by the national budget, providing a cornerstone of the Lao PDR LMI system alongside the now completed LNSCO and the national database system to be developed in phase two of the Project with ADB support.

As highlighted elsewhere in this report, the major factor remaining to be addressed in this regard is increasing national budget support to Lao PDR's employment and LMI services and systems. This issue should however be viewed in the light of a wider systemic under-resourcing of key national services. According to the ADB (refer Section 3.3.4), weakened institutional capacities across the whole Lao PDR public sector can be attributed in part to significant inadequacies in financial resources. Despite recent progress in public finance, and increased allocations for education and health services, budget resources are generally grossly inadequate when compared with the needs identified in sector development plans.

Finally, with respect to social partners directly engaged in the Project, the LNCCI indicated that Project intentions are incorporated into their recently launched LNCCI Strategic Policy Framework and that priorities include the ongoing survey of employer skill needs and involvement of employers at provincial level. The LFTU reiterated that it has resources and facilities at provincial and district levels that could be integrated into ongoing strengthening of employment service delivery.³⁰

³⁰ Clarke, Don; Venevankham, Kolacot; and Somith, Sok. (March/April 2016). *Matching skills and jobs for economic progress: Final evaluation of ILO/China South-South Cooperation Project to Expand Employment Services and Enhance Labour Market Information in Cambodia and Lao PDR, Jan 2014-Dec 2016 (Draft)*

OVERALL RECOMMENDATIONS

Recommendation 1: In the design of the next DWCP: (Designer of DWCP 2011-2021 / plus CO and ILO National Coordinator where appropriate)

- (i) Carry the current priorities forward with the following adjustments: (Designer of DWCP 2017-2021)
 - Recast Priority 1 to include reference to ‘alignment to market demands’
 - Recast Priority 4 as a ‘cross-cutting priority’ which is applied in practice within and across each of the other three Priorities. One way of structuring this would be to have Priorities 1-3 under a sub-heading ‘Substantive Priorities’ and Priority 4 under a sub-heading ‘Cross-cutting Priority.’
- (ii) Use relevant 8th NSEDP and UNPF indicators to the degree possible, reinforcing both the relevance and effectiveness of DWCP design and implementation.
- (iii) Strengthen tripartite constituent ownership of the DWCP and its priorities, strategies, indicators and targets through ensuring adequate time and opportunity during the country analysis and design process for full and active local participation and feedback.
- (iv) Ensure alignment to the following key Lao PDR and international policy and institutional frameworks: (Designer of DWCP 2017-2021)
 - the 8th NSEDP, with its overarching focus on graduation from LDC status
 - the Vientiane Partnership Declaration 2016-2025
 - the Lao PDR – UN Partnership Framework 2017-21: Particularly Outcome 1 on Decent Livelihoods; Outcome 2 on Social Protection; and Outcome 4 which includes vocational skills
 - Lao PDR/ development partner coordination arrangements, particularly the National Roundtable process, with priority placed on ILO engagement in the Sector Working Group on Macroeconomics
 - the SDGs: Particularly SDG 8 on Decent Work and the SDG 1 target on social protection

Recommendation 2: In implementation of the next DWCP:

- (i) Ensure that the Ministry of Planning and Investment (MPI) is directly engaged in DWCP review and planning processes, including through participation in relevant tripartite meetings and at least quarterly briefing meetings between MPI and the ILO National Coordinator’s Office. (CO and ILO National Coordinator)
- (ii) Prioritise regular ILO engagement in the Macroeconomics Sectoral Working Group and consider a co-chair role, if available resources from Bangkok and/or Vientiane can sustain this. (CO and ILO National Coordinator)

10.2 Effectiveness

10.2.1 Overview summary

Drawing on the outcome-by-outcome analysis in preceding sections of this report, the review found that the DWCP 2011-2015 has been generally effective in delivering against programme outcomes, although there is scope, *inter alia*, for improving both effectiveness and efficiency in areas such as strengthening the overall programme focus and enhancing cross-programme synergies.

An analysis of programme delivery against the DWCP Project Document indicated that 63 per cent of DWCP indicators were met or on track; 18 percent were delayed or slow; and 17 percent showed no progress for reasons identified in earlier commentary. This is a commendable achievement given that this is the first DWCP for Lao PDR and taking account of the various and often systemic capacity and resource constraints identified in this report. As also indicated elsewhere, there was furthermore a high level of general satisfaction with ILO policy, legislative, technical, research and capacity development support. In the case of ILO support for the merger of the public and private sector social security schemes, for example, one key stakeholder commented that “the merging of the two social security agencies could not have happened without the ILO”.

With respect to capacity development, support which focussed on Training of Trainers (TOT) was particularly valued, although training participants also commented on the lower impact of short and once-off training activities, especially (as in the case of the Employment Services Job Centres) when the opportunity to apply the training in practice was sometimes limited. At the same time, the ILO’s provision of / support for strategic research was seen as an important contribution to policy and programme development in areas such child labour and social protection costings.

This feedback was balanced by the concerns outlined in Section 7.3 on the efficiency implications of activity-by-activity approaches and high transaction costs and delays around funding allocations.

In terms of the quality of ILO partnerships with Lao PDR tripartite counterparts, overall feedback was also positive, with the ILO commended for its responsiveness; quality of technical support and advice and openness and integrity as a partner. The balance of informal and formal interaction with tripartite partners (involving staff in Bangkok and the National Coordinator) drew commendatory feedback in several cases. However, some comment was also received about perceived imbalance in the ILO’s respective relations with the MoLSW, LNCCI and LFTU, highlighting the importance of maintaining a conscious and deliberate watching brief over the relations and allocation of human and financial resources across the ILO’s national constituents.

With respect to the ILO’s partnerships with the UN community based in Lao PDR, the Office of the UN Resident Coordinator in Lao PDR provided very positive feedback, noting in particular the contribution to the design of the Lao PDR-UN Partnership Framework 2017-2021. This includes a lead agency role for the ILO under Outcome 2 on social protection. The ILO’s engagement in the UNCT was rated as “very strong” by the UNRC office.

Few stakeholders interviewed - whether tripartite partners in Lao PDR or staff in the ROAP and CO in Bangkok - had a knowledge or even a sense of the DWCP as a whole, with reference made in one case to the programme being based on a ‘template’ approach, the design of which was influenced in part by the availability of funding streams for the ILO globally. From this standpoint, it was difficult for stakeholders concerned to see possibilities for mutual reinforcement and synergies, outside their particular area of direct engagement with the ILO. One DWT Specialist commented that it was not possible to identify even one area where the DWCP had added value to the work he was directly engaged in with a particular tripartite counterpart in Lao PDR.

One factor which can potentially mitigate against programme coherence and collaboration is the set of vertical global-regional-national linkages built-in to the Technical Cooperation Projects and roles of DWT specialists. Deliberate attention to ensuring the horizontal integration of technical cooperation projects into the delivery of the broader DWCP framework thus becomes imperative - blending the benefits of global programmes which allow access into the insights and lessons of a multiplicity of country experiences on the one hand, and the specific dynamics and requirements of Lao PDR, on the other.

Box 4: Alignment of Lao PDR DWCP with ILO's strategic policy, programme and budget priorities

The ILO's Strategic Policy Framework 2010–15, "Making decent work happen," is centred on four strategic objectives:

- Create greater opportunities for women and men to secure decent employment and income
- Enhance the coverage and effectiveness of social protection for all
- Strengthen tripartism and social dialogue
- Promote and realise standards and fundamental principles and rights at work.

19 global outcomes are related to these objectives. These are linked to country outcomes specified in Decent Work Country Programmes, with gender equality and nondiscrimination as cross-cutting issues. The global outcomes areas are:

Employment outcomes: Employment promotion, skills development, sustainable enterprises

Social protection outcomes: Social security, working conditions, occupational safety and health, labour migration, HIV/AIDS

Social dialogue outcomes: Employers' organizations, workers' organizations, labour administration and labour law, social dialogue and industrial relations, decent work in economic sectors

Standards and fundamental principles and rights at work outcomes: Freedom of association and collective bargaining, forced labour, child labour, discrimination at work, international labour standards, gender equality and non-discrimination.³¹

As part of its results-based management approach, ILO's global budget structure further aligns with the above strategic objectives and associated outcome areas.³²

The four priorities and 15 outcomes of DWCP 2011-2015 align fully with these strategic objectives and associated outcomes, with some adaption to the Lao PDR context.

10.2.2. Human and financial resourcing of the DWCP

Key elements of the necessary means and support are (i) financing from ILO and external donor sources; (ii) ILO programming tools and procedures; (iii) the National Coordinator and project staff in Lao PDR along with management, programme and specialist staff in Bangkok (ROAP and CO) and Geneva; and (iv) access to relevant knowledge through the domestic (Lao PDR) sources; ILO regional and global Knowledge Centres; other country experience (particularly within ASEAN); internal staff interaction at country, regional and global levels; and other international agency knowledge and experience. The following commentary examines each of these in turn.

(i) Financing from ILO and external donor sources

As noted in Section 3.3, during the DWCP period 2011-2015, a total of US\$ 4,366,981 million was raised from external sources, with expenditure standing at US \$ 3,060,613 million as of 21 March 2016. The remaining funds were tagged to planned expenditure on the Joint ILO/WHO NHI Project and the rural employment and garment

³¹ www.ilo.org/global/about-the-ilo/lang--en/

³² Ibid

sector pilot projects. This overview shows that extra-budgetary resource mobilisation for the DWCP period exceeded the budgetary target of US\$ 4 million.

One area that stood out from review consultations as offering potential for greater resource mobilisation in the context of global ILO initiatives, but also directly in the context of strategies at regional and country levels, was South-South Cooperation. This has been an important factor in the development and expansion of the Employment Services Job Centres via the China-ILO SSC Project. As well as financial resources, this project has provided the opportunity for direct experience of employment services in China and hands-on Chinese expertise support. Further such support from China, but also from other countries within the BRICS grouping, could be explored. The adoption of the SDGs is expected to give greater impetus to SSC globally.

Sustaining resource mobilisation on a long-term basis has many dimensions and would benefit from having a strategy to focus efforts and allow regular tracking. Such a strategy would require a mapping of potential donors and clear priorities for follow-up. Close linkages to institutional communications strategies would be vital.

The parallel 2015 DWCP Review Report for Cambodia³³ notes the potential value of a resource mobilisation strategy to support ILO engagement in the region, at least at the ASEAN level. As well as addressing projected country level requirements, such a strategy could also seek to tap into larger resources which may be multi-country in coverage (e.g. the GMS TRIANGLE project). In the absence of such a strategy, it is proposed that the next Lao PDR DWCP should include preparation of a simple 5-year country-specific resource mobilisation strategy in its objectives. This will help facilitate a concerted focus and monitoring at a cross-DWCP level, rather than a project by project, outcome-by-outcome level.

(ii) ILO specialists (ROAP/DWT)

High levels of satisfaction were generally indicated by stakeholders for the services provided by ILO specialists based in Bangkok. As noted elsewhere, the technical expertise of the ILO is both well recognised and much valued by tripartite stakeholders and other development partners in Lao PDR.

At the same time, some specialists interviewed indicated that their country workload (including the wider Asia-Pacific region for regional specialists) sometimes made it difficult to stay fully across developments and requirements in Lao PDR. Given available resources and the multiple country demands being managed by ILO specialists in the region, this is not surprising. In this context, a minority of stakeholders made reference to technical support being slow on occasion or not necessarily well grounded in the particular realities of Lao PDR.

(iii) ROAP and CO management and staffing resources

Also critical to include in the overall 'means and resourcing' picture are the wider ROAP and CO management and staffing resources, including direct engagement of the respective regional and country office heads at senior level with ministerial and senior official counterparts, employer and union leaderships, and heads of agency within the UNCT and wider international community. Direct ILO engagement at this level is clearly well appreciated by stakeholders and is a key part of the overall fabric of ILO profile, influence and credibility.

(iv) National Coordinator's office

Stakeholders commended the ILO, with the National Coordinator's role particularly in view, for its ability to leverage significant progress with limited resources (human and financial). Comments were made by the UN Resident Coordinator's Office, for example, about the high performance and high output of the ILO Office. The ILO has been able to achieve a good profile with limited resources in the UNCT context, reflected in the prominence of ILO priorities in the Lao PDR UNPF 2017-2021.

³³ Clarke, Don., and Somith, Sok. (13 November 2015). *Cambodia Decent Work Country Programme (2011-2015): Review Report*

At the same time, the heavy workload and human resourcing constraints within the National Coordinator's office were well recognised by the Lao PDR stakeholders. As well as the demands on the role at strategic, substantive and relationship levels, a significant portion of the National Coordinator's time is taken-up with servicing meetings, as well as logistical and other arrangements for visiting ILO specialists, other staff and evaluators/reviewers at various levels.

The reviewer's assessment in observing the workload carried by the National Coordinator is that a strong case can be made for a supplementation of resources to the office. Recognising that there are budgetary constraints which make this difficult, it is suggested that one approach could be to start building a national office servicing component into the budget structure of technical cooperation projects, in light of the considerable contribution of the National Coordinator to the delivery of the projects as well as to their preparation and follow-up. At least a half-time administrative assistant financed by such means would greatly assist in freeing-up more of the National Coordinator's time to focus on the core aspects of the role.

(v) Supplementing ILO capacity through UNCT engagement

In addition to the above observations, potential exists for supplementing existing ILO in-country capacity with opportunities offered by the wider UN presence in Lao PDR to tap into system-wide resources and collective efficiencies. It is proposed that there is potential for greater strategic and selective engagement with the UNCT in three areas from which the limited resources of the ILO office in Vientiane may gain benefits. These are:

The UN Communications Group: Engagement with the UN Communications Group would open opportunities for greater ILO profile and visibility as part of wider UN communications efforts. Through the UNCT Communications Strategy, the group aims to create awareness and advocate for key issues under the thematic pillars and outcomes of the UNPF. Communication messages will be targeted to all stakeholders in Lao PDR including partners, the private sector, donors, media civil society, academic and research organisations and all levels of the population. The Communications Strategy will also help national partners communicate their results under the banner of "A Partnership for Sustainable Development," offering opportunities for the results of ILO's engagement to be profiled in this context.

The UN Operations Management Team: Through the UN Business Operations Strategy, this group aims to harmonise business practices, reduce operational costs and duplication, enhance effective and efficient delivery and maximise economies of scale across the UNCT. Systematic efforts will be made to reduce overhead and transaction costs and to benchmark the efficiency and effectiveness of UN programmes to the best of public and business standards, with a strengthened system of transparency and accountability being instituted across UN programmes. There are likewise potential benefits for the ILO through being part of this whole-of-UN initiative.

Monitoring and Evaluation Working Group: This will be established under the auspices of the UNCT in the early phase of the new UNPF, including a focus on strengthening national M&E capacities to enhance data driven and evidence-based decision making. In terms of the UN's own performance, the indicators and targets established in the UNPF Results and Resources Framework will form the basis to measure progress and determine if the UN, working as a whole, has impacted in a meaningful way on the lives of the people of Lao PDR. The need for strengthened domestic capacity for M&E came up frequently as an area of priority in DWCP review team consultations with government stakeholders, particularly within MoLSW. ILO engagement in this working group, when established, may offer access to initiatives and resources which could be applied to ILO partnerships.

It is proposed that the above possibilities be factored into DWCP design from a 'UN Delivery as One' perspective, but also from the perspective of seeking ways to maximise the impact of the ILO's limited resources on the ground.

10.2.3 Programme design

(i) Overview

As indicated in analysis elsewhere in this report, the DWCP 2011-2015 was found to be well aligned with Lao PDR priorities, with mixed levels of demonstrated ownership. Recurring themes in feedback from tripartite stakeholders, ILO staff (including on-the ground project staff) and other stakeholders were the importance of 'keeping a spotlight' on ensuring and strengthening national ownership (including through taking the necessary time to develop local buy-in); working through national frameworks and institutions (even when this may be slow); and taking account of the limitations of local capacity – institutional, human and financial. In the context of national resource and capacity constraints, the need for a clear focusing of ILO interventions was also emphasised in order to maximise the impact of available resources and skills by engaging in-depth over time in agreed priority areas.

As a result of the examination of performance indicators and associated targets below, the review also found that the level of ambition of the DWCP design was set rather high in certain areas, with some of these not able to be progressed due to local constraints and lack of resourcing.

Taking account of the above, as well as the various consolidated challenges and lessons of DWCP implementation summarised in Section 11 of this report, it is suggested that there are a number of underpinning considerations which should inform the approach to designing the next DWCP. These can be summarised as falling under five main 'C' categories as follows:

Connection (alignment to Lao PDR priorities, frameworks and institutions); **Concentration** (enhanced programme focus); **Continuation** and **Consolidation** (building on/deepening achievements to date); and **Coherence** (enhancing effectiveness and efficiency across DWCP design, management and implementation).

(ii) Formulation of performance indicators and targets

The quality and relevance of performance indicators and targets are key elements of effective programme design, implementation, monitoring, review, evaluation and learning. They also reflect both the degree of ambition and 'groundedness' of the programme design. 63 per cent of DWCP performance indicators were found to have been met or on track; 18 percent were delayed or slow; and 17 percent showed no progress for reasons including a lack of relevance to Lao PDR circumstance, a lack of resources or the pressure of other priorities. Scope was found in the following areas for improvement in the formulation of performance indicators and associated targets in the design of the next DWCP:

Relevance of indicators

For example, the following two indicators and associated targets were found to not fit well into the local context:

- Establishment of a formal national body for dispute conciliation and arbitration, with equitable representation of men and women.
- Institutionalisation of a national tripartite consultation mechanism (referring to the establishment of standing national labour advisory committee).

Feedback from stakeholders (including in the multi-stakeholders meeting to consider the initial review findings), observed that a national mechanism already exist in these two areas and that the priority was to strengthen this, rather than set-up new arrangements. In addition, stakeholders advised that they were unsure of the relevance and applicability of the following indicator. As noted elsewhere in this report, it is proposed that dialogue in this regard continue under the new DWCP.

- Establishment of a National Tripartite Committee (NTC) together with related subcommittees on a number of key issues.

Measurability of indicators

A lack of reliable and up-to-date baseline data was a factor in the ability of this review to assess the implementation of some indicators, particularly where the associated targets required a percentage increase over a baseline figure. Careful consideration of the availability of (i) reliable and accessible data sources for reference over the DWCP period, as well as (ii) credible baseline data, should be a focus of attention in formulating future indicators and targets at DWCP level and in the design of technical cooperation projects.

Examples in this regard included indicators and targets requiring percentage increases in the areas of expansion of employment services (jobseeker registrations and placements); increase in the number of members with disabilities and HIV/AIDS in the harmonised social health protection scheme; decrease in occupational injuries in small enterprises, construction and agriculture; and increase in union membership by youth, migrant workers, women and informal workers..

Achievability of indicators (related to level of ambition)

A number of indicators furthermore saw very limited or no progress due to factors such capacity and resource constraints and the pressure of contending priorities. Examples include indicators in the following areas:

- Increasing the number of financial service providers offering diversified and sustainable financial services in line with microfinance regulations in selected provinces.
- Development of a migrant workers complaints mechanism.
- National policy framework and workplace programmes on HIV and AIDS.

Taking into account the findings of this review under the relevant outcomes, it is proposed that consideration be given as to whether the indicators in these and similar areas remain and are achievable (with suitable modification) in the context of the next DWCP design.

The experience of DWCP implementation to date highlights the importance of ensuring that indicators in the new DWCP design meet SMART standards (Specific, Measurable, Achievable/attributable, Realistic and Timebound), with a particular emphasis in the areas highlighted above in view of both Lao PDR stakeholder and ILO (and other development partner) capacity and budgetary constraints.

As recommended in Section 10.1 of this report, the relevance and value of the indicators and targets under the new DWCP will be strengthened by aligning them directly to those of the 8th NSEDP and the Lao PDR UNPF 2017-2021. To ensure wider ownership of the indicators and associated targets, in turn strengthening the basis for their application and monitoring, there should be the fullest possible engagement with the relevant counterparts in their formulation.

Explicit references to gender mainstreaming and the priorities and needs of vulnerable groups should furthermore be included in the indicators and targets where relevant. These should be given specific attention in ongoing monitoring and reporting, including in the context of the annual tripartite review and planning process.

(iii) Managing programme risks and opportunities

As noted elsewhere, the ability to make adjustments in prioritisation under the DWCP is built into the programme's architecture through the tripartite review and planning process and the DWCP M&E Working Group, with scope to further strengthen these arrangements.

At the same time however, an issue arises about how agreed changes in prioritisation and approach under the DWCP are reflected in the Project Document. Consideration needs to be given to ways in which agreements with

national partners to reprioritise if the context demands (including removing or replacing indicators and related targets), can be reflected in the results framework against which staff are required to report. This would help ensure that (i) agreed changes are visible to all relevant staff and stakeholders and (ii) monitoring and reporting are grounded in substance, not form.

If the original Project Document as signed is not able to be adjusted in this way, consideration could be given to alternatives such as an annex which details decisions made to reprioritise or reformulate indicators and targets, with change reflected in an updated M&E Monitoring Plan.

(iv) Monitoring and evaluation

The Monitoring and Evaluation arrangements set out in the DWCP 2011-2015 Project Document provides the basis of ongoing assessment of programme delivery and effectiveness. This includes the current end-of-term country programme review.

As noted earlier, at the centre of the M&E process since 2011 has been the DWCP M&E Working Group which services a higher level annual tripartite review and planning meeting chaired by the Vice-Minister of MoLSW.

An overall DWCP Monitoring Plan is maintained by the National Coordinator to enable the tracking of implementation against indicators, targets and milestones. It is proposed that this be updated on a quarterly basis to feed into the DWCP M&E Working Group meetings as well as other tripartite processes as appropriate. It is further proposed that the Monitoring Plan be given greater profile amongst the relevant staff at CO and ROAP levels to keep them apprised of programme implementation; other programme tracks which may be relevant or offer potential for synergies; and areas where adjustments are made at the indicator and targets level during the course of DWCP implementation.

There is furthermore scope to improve the synergies between the various components of programme reporting, being (i) the monitoring plan maintained by the ILO National Coordinator's office and (ii) regular reporting through the ROAP and CO to Geneva in line with the structure and KHM indicators of the SMM/Implementation Plan (in the case of the Lao DWCP, these covered the five year period 2011, 2012-13, 2014-15).

At the same time, all DWT specialists were additionally asked to contribute to a set of especially formatted short reports by outcomes for the purposes of the current review. The format in the latter case was aligned with the current standard ILO DWCP evaluation rating categories (not required to be applied in the case of this report). The information provided in these short reports varied in content and approach, with no reports at all provided in some outcome areas.

The above processes in effect constitute three monitoring processes and formats feeding into the current review. To enhance coherence, facilitate annual and whole-of-programme monitoring, and more efficiently support DWCP mid-term and end-of-term reviews, it would be helpful to better harmonise the processes described.

Role of DWCP consolidated Monitoring Plan

The DWCP consolidated Monitoring Plan has a key part to play in this regard at both national and CO levels, both as a management tool and a basis for annual tripartite review and planning meetings and the next DWCP review in 2021. However, the lack of an overarching monitoring system that explicitly links ILO technical cooperation projects on the one hand, and direct technical assistance on the other, makes it a challenge for the national constituents and ILO staff to see the connections between each and how they respectively contribute to the achievement of DWCP outcomes.

To further enhance the utility and visibility of the DWCP Monitoring Plan in this context, consideration should be given to how it could further:

- explicitly spell out the linkages between DWCP outcomes, indicators and targets on the one hand and technical cooperation projects managed from Geneva or Bangkok, on the other (e.g. through the addition of a further column in the matrix in this regard)
- incorporate provision for, or be linked to, tracking lessons as they are identified (e.g. by independent project evaluations); and particular targets concerning gender mainstreaming and vulnerable groups
- clearly link with the monitoring done for reporting provided to Geneva through the CO and ROAP.

A further factor affecting the effectiveness of monitoring and evaluation is the absence of reliable baseline data in certain key areas, as noted in 10.2.3 (ii) above. In part this reflects the absence of comprehensive and up-to-date data generally in many development policy and programme areas in Lao PDR, including sex disaggregated data. At the same time, it is noted in this context that the DWCP Monitoring Plan already includes a column for recording basic baseline data under each outcome area and that the ILO Office in Vientiane assisted with providing the baseline data for the Lao PDR – UNPF 2017-2021. Furthermore, a first step in the establishment of the garment sector pilot project was a highly revealing assessment of the current state of labour inspection in Lao PDR and that there has been a considerable focus in the ILO-China SSC employment services project on improving data collection and reporting from provincial ESJC level to national level. The 2nd Labour Force Survey later in 2016 will further improve available data for government, ILO and other international agency planning and measurement purposes.

With respect to the DWCP, it will be important to ensure that the Monitoring Plan is kept up to date on a regular basis (it is proposed above that it be updated for quarterly meetings of the DWCP M&E Working Group) and that the design of all technical cooperation projects include (i) baseline data to the degree possible using all available sources and (ii) provision for surveys and other modalities for improving data availability in areas where it is not yet available.

(v) Continuous learning

A further key element of effective programme learning and improvement is the application of findings and recommendations of relevant evaluations, reviews and studies. As noted in Section 3.4, a number of such processes were carried out during the DWCP period, containing a large and diverse number of lessons, good practices and recommendations. Ensuring that these are discussed and follow-up monitored by the DWCP M&E Working Group is a vital element in maximising the value of the processes themselves and keeping a spotlight on programme improvement and learning.

(vi) Cross-cutting themes

The areas identified in the DWCP for particular attention are gender equality, youth and persons with disabilities. The priorities of youth were found to be generally well recognised and taken into account in DWCP initiatives. With respect to employment services, for example, the sheer weight of young people coming into the labour market puts their needs high on the agenda.

The need to systematically strengthen ILO's attention to gender mainstreaming across all areas is highlighted in earlier commentary in this report, with some key steps highlighted in recommendations. The lack of reliable and up-to-date sex-disaggregated data available within Lao PDR, along with the generally low levels of attention amongst tripartite partners to gender dimensions across most programme / project areas, highlights this area as one for specific and concerted attention in the next DWCP.

Likewise there was a low profile for persons with disability in all areas during review consultations. Little evidence was able to be provided when requested (anecdotally or otherwise) of attention being proactively given in this regard.

According to the Lao Disabled People's Association (LDPA), there is a lack of accurate statistics on disability prevalence and types of disability in the Lao PDR. The World Report on Disability (2011) by the World Health

Organisation (WHO) cites prevalence of eight percent based on World Health Survey data (2002) - around 536,000 people living with disabilities.³⁴ The rights of persons with disability, including with respect to employment, are enshrined in several overarching constitutional, legislative and policy documents, including a Decree on the Rights of Persons with Disabilities and the various NSEDPs. Despite such commitments, consultations with provincial job centres (for example) indicated limited attention at a practical level to the needs of persons with disability. .

Given that persons with disability are the most neglected of the target groups prioritised for attention in the Project Document, it is proposed that the next DWCP phase put a particular and specific focus in this area. In many ways, attention to the rights of persons with disability provides a touchstone of the effectiveness of outreach to those most in need of support, including in the case of employment services. In this context there should be a particular focus on women with disability in line with Goal 6 under the Incheon Strategy to “Make the Right Real” for Persons with Disabilities in Asia and the Pacific, 2013-2022: Ensure gender equality & women’s empowerment.

10.2.4 Quality of ILO relations with partners

A key element of programme effectiveness is the quality of relations with partners. As indicated earlier, feedback from tripartite stakeholders and international development partners generally acknowledged the openness, transparency and integrity of ILO relations with counterparts in Lao PDR, with the interests of the ILO’s constituency foremost in view. Across the board, tripartite and international partner stakeholders described the ILO in its various manifestations as a good, constructive and positive partner. Feedback particularly validated ILO partnership and strengths in the following areas:

- policy and legislative support, based on international conventions and standards
- tripartite relations, providing an ability as an independent entity grounded in international norms to promote social dialogue and mutual understanding
- technical expertise provided from Bangkok and Geneva, as well as through technical cooperation projects, and the ability to tap into experience and lessons of other countries, including within ASEAN.
- value of the ILO “brand,” based on international standards, credibility, trust, confidence and proven track record.

The assessment of the review team is that the ILO has acted with integrity to bring specific technical expertise and resources to the tripartite partners in line with DWCP outcomes, indicators and targets, while working to maintain overall balance in partner relations, based on the relevant ILO conventions which underpin its work. However, it is important that this balance be kept under regular and deliberate review at all levels, including through the regular DWCP tripartite review and prioritisation process. Feedback from tripartite partners, particularly the LFTU, indicated that it is easy for perceptions of imbalance to arise.

OVERALL RECOMMENDATIONS

Recommendation 3: In design of the next DWCP: (Designer of DWCP 2011-2021 / plus CO and ILO National Coordinator where appropriate)

- (i) Apply the following general underpinning considerations to the design of the next DWCP, in light of the lessons learnt and challenges identified in the implementation of the previous programme: **Connection** (alignment to Lao PDR priorities, frameworks and institutions); **Concentration** (enhanced programme focus); **Continuation and Consolidation** (building on/deepening achievements to date); and **Coherence** (across the DWCP and its design, management and implementation).

³⁴ <http://ldpa.org.la/wp-content/uploads/2011/10/Factsheet-3-Disability-in-Lao-PDR.pdf>

(ii) Strengthen DWCP focus and cohesion through:

- development of an overarching whole-of-DWCP goal and programme strategy (including gender-mainstreaming commitments), to which all Priorities, associated Programme Strategies, Outcomes, Indicators and Targets would align
- consolidation around fewer outcomes (10-12 outcomes proposed)
- continuation, consolidation and deepening of progress of the last five years where ongoing priority is agreed with tripartite constituents - rather than adding new outcomes and indicators
- planning from the beginning to move at an appropriate step-by-step pace due to local capacity constraints in key areas, as well as contending national priorities
- building on and deepening previous work to lay the basis for development of the proposed National Strategies on Social Protection and Rural Employment as core priorities for the period 2017-2021.

Recommendation 4: Strengthen attention to gender mainstreaming and the priorities and needs of vulnerable groups through specific inclusion in indicators and targets where relevant. These should furthermore be given specific attention in ongoing monitoring and reporting, including in the context of the DWCP Monitoring Plan and annual tripartite review and planning process. (CO and ILO National Coordinator / Designer of DWCP 2011-2021)

Recommendation 5: Include a specific reference to 'knowledge management and sharing' within the Project Document to serve as a 'marker' for planning purposes as well as for assessment in the next DWCP review. (Designer of DWCP 2017-2021)

10.3 Efficiency

10.3.1 Maximising impact of small resource base

As indicated in previous commentary, the ILO has contributed to the achievement of some quite significant achievements in Lao PDR in the period 2011-2015, which provide foundations for ongoing shared efforts to produce results which make a real difference to the lives and prospects of Lao citizens. These achievements have been supported by a relatively small resource base, both financial and human.

Information available to the review from internal ILO reporting indicated that available resources (human and financial) have been allocated in accordance with DWCP Project Document outcomes, indicators and targets in an economical and transparent manner, taking into account the multiple country focus of DWT specialists and the CO as a whole, and the limited capacities of the National Coordinator's office.

Under Outcome 1.1 in particular, the contribution of resources made available through technical cooperation projects was considerable, covering all seven Performance Indicators. A breakdown of expenditure by outcome against donor income is provided in Section 3.4 of this report. As of 21 March 2016, remaining unexpended funds were primarily targeted to residual expenditure requirements of technical cooperation projects under Outcomes 1.1 and 3.1.

A key factor in the overall efficiency of DWCP delivery achievements to date, as indicated almost universally in stakeholder feedback, is the consistent ILO focus on its comparative advantages as a normative agency, its tripartite base and its technical expertise. The generally positive quality of ILO partnerships with Lao PDR counterparts is a second success factor that stood out in stakeholder feedback, along with widespread recognition of the efficient and energetic performance of the ILO National Coordinator. A third factor is the global dimension of ILO programme management, including well tested and well regarded programme tools for use at country level (elaborated below in Section 11.3.3) and access to multiple country experience and lessons, including in the ASEAN region.

At the same time, the evaluation found that there remained scope to improve the efficiency of DWCP delivery from programme management, financial administration and programme coherence perspectives. In several consultation meetings, tripartite partners highlighted concerns over:

- an activity-by-activity approach by the ILO, requiring detailed reporting and subsequent delays before approval is given for the next activity to proceed
- linked to the above, delays in funding allocations which hold-up implementation and create loss of momentum and time and, in the case of one particular project, had required the government department concerned to have to borrow internally to cover funding gaps
- delays in the final settlement of project payments in the case of one social partners, requiring them to cover the funding gap in the interim by other means
- extensive delays in the establishment and commencement of one major technical cooperation project, contributing to its overrunning of the agreed timeframe
- concerns about the limited impact of once-off activities (for example, training workshops), where there is no follow-up or reinforcement, and in some cases limited opportunity to apply the learning (e.g. the Employment Services Job Centres, due to the small numbers of clients directly accessing the centres themselves) .

These issues, which arise from the modality of ILO's technical assistance (based on a separate contract for each individual activity), can have high transaction costs for both tripartite partners and the ILO, undermining momentum and effectiveness (and eventually, the impact) of programme / project implementation. Clearly they are a source of considerable frustration for a number of tripartite partners and have caused some internal financing difficulties. However, they are largely beyond the direct influence of the ILO National Coordinator and/or technical cooperation project managers and require attention at Country Office, Regional Office and Headquarter levels. It is proposed that it would be timely and helpful to raise the issues articulated by Lao PDR partners in the context of the current global ILO review of internal systems and procedures. Similar issues were highlighted by the Cambodia DWCP review.

One of the central issues in this context is the establishment of an ILO account in Lao DPR to promptly service programme and project financing requirements. In discussions at the multi-stakeholder DWCP review workshop on 21 March 2016 in Vientiane, indications were given respectively by ILO and Lao PDR counterparts that a solution in this regard was possible. Follow-up action was prioritised by the meeting.

Box 3: Barriers to greater efficiency: Examples from technical cooperation project

Examples of the types of issues which mitigated against optimal efficiency in programme delivery were observed by the separate independent evaluation of the ILO/China SSC Project to expand employment services under Outcome 1.1:³⁵ Key amongst these were:

- the tendency towards activity-by-activity approaches which were prevalent in the delivery of Project support, associated with higher than necessary transaction costs, loss of momentum in implementation and delays around funding allocations
- lack of coordination amongst and within relevant government ministries / agencies, (e.g. between Labour and Education Ministries); leading to overlaps, duplications and gaps which meant that available resources were not being harnessed to their full potential
- lack of coordination between donors in the same field, again leading to both overlaps and duplications on the one hand and gaps in support to local counterparts on the other

³⁵ Clarke, Don; Venevankham, Kolacot; and Somith, Sok. (March/April 2016). *Matching skills and jobs for economic progress: Final evaluation of ILO/China South-South Cooperation Project to Expand Employment Services and Enhance Labour Market Information in Cambodia and Lao PDR, Jan 2014-Dec 2016 (Draft)*

- lack of integration of general employment services with those provided to migrant workers, leading to inefficiencies in the use of limited resources across the full spectrum of employment and labour market information needs (including maintaining two separate sets of offices in the case of the MRCs and ESJCs).

Internal ILO reporting on the Project further noted that the reality of servicing the nine current ESJCs located throughout Lao PDR, often in difficult to reach locations, has an impact on logistics and resourcing (for example, to provide access to training opportunities); as a result, the training costs in Lao PDR are considerably higher than that in Cambodia.

10.3.2 Cross-programme synergies and coherence

A further dimension of efficiency is the degree to which different staff within component components of the overall programme are able to leverage off each other, share lessons and jointly plan and strategise to extract maximum value from the deployment of limited resources.

Consultations with ROAP, CO and DWT staff in Bangkok, as well as technical cooperation project staff and tripartite partners in Vientiane, provided limited evidence of active cooperation between staff in different programme areas, at Bangkok or Vientiane levels, even in terms of regular information exchange. One Bangkok-based specialist who has been actively engaged in one particular component of DWCP delivery commented that it was not possible to identify one single way in which the DWCP had added value to work in the area concerned, nor had there been cooperation with other specialist staff supporting the Lao PDR programme.

Developing a greater degree of cross-programme synergy requires a substantive basis (i.e more than just cooperation “for the sake of it”). To be effective in terms of the value-addition to the work of the staff concerned as well as actual programme achievements on the ground, it needs to be deliberately built-in to DWCP design and reinforced by the expectations of managers and performance assessment processes. There are potentially close synergies to be realised, for example, with appropriate joint planning, between the ILO-China South-South Cooperation, GMS TRIANGLE, Rural Employment and C-BED enterprise development projects.

The basis for cross-programme synergies and coherence would be further strengthened by creating a stronger sense of the broader DWCP, its component parts and how they fit together, amongst the Lao PDR constituents as well as the key ILO staff involved at all levels.

DWCP evaluation and design processes provide one opportunity to promote such awareness and connections. They would benefit greatly from the maximum degree possible of staff interaction and collective input, including on the ways in which the programme can be structurally linked across its various components at the design phase. Setting-up round-table discussions in Bangkok and Vientiane on the findings, including lessons, from evaluation and review reports would provide further such opportunities.

10.3.3 ILO programming tools and procedures

The tools, guidelines and good practice materials available through the ILO globally provide a further basis for enhancing the efficiency of DWCP delivery on the ground. Used proactively and well, they enable early access to relevant lessons and experience as well as well tested approaches, methodologies and guidance. Tools used to good effect in implementation of the Lao PDR DWCP included the Work Improvement participatory tools WISE, WISH, WISCON, and WIND); Know About Business (KAB); GET Ahead for Women in Enterprise; Gender Equality Mainstreaming Strategies (GEMS); Business Group Formulation; the Assessment-Based National Dialogue (for social protection) and the C-BED Peer-to-Peer Learning Tool. The latter has proven useful in the context of the Workplace Improvement Committees being developed under the ILO garment sector pilot project. A series of manuals and guidelines on employment services as well as guidance developed for young job-seekers were also translated and deployed under the ILO-China SCC Project.

A key value of such tools is the fact that they draw on well tested experience in a variety of countries. Two issues were raised in evaluation consultations however, particularly with respect to the Employment Services Job Centre manuals and guidelines. These concerned (i) delays in translation and (ii) the need for ongoing adaption to local circumstances and capacities. In the case of employment service manuals, improvements were noted in this context as a result of earlier feedback, but ESJC staff still saw scope for further refinement and simplification based on ongoing use and feedback.

OVERALL RECOMMENDATIONS

Recommendation 7: ROAP and CO to consider ways in which steps can be taken to address concerns of Lao PDR stakeholders concerning activity-by-activity approaches and delays in funding allocation, including by:

- clarifying the necessary conditions to be met in establishing an ILO account in Vientiane, following-up discussion at the Lao PDR multi-stakeholder DWCP workshop of 21 March, 2016
- considering means of providing planning and financing approval to a series of related activities as an inter-linked package, rather than as once-off discrete events
- conveying the above-mentioned concerns to the current global ILO review of internal systems and procedures

Recommendation 8: Ensure that the design of the DWCP 2017-2021 indicates specific ways in which greater cross-programme coherence and synergies can be achieved. (Designer of DWCP 2017-2021).

These may include:

- establishing an overarching goal and whole-of-programme strategy, to which the four priorities and their associated strategies align [refer Recommendation 3 (ii)]
- include specific reference in the various strategy outlines to mutually reinforcing cross programme linkages which require staff and stakeholder attention
- set up at least one collective process involving relevant staff in each of Bangkok and Vientiane to provide input into the next DWCP design, including from the point of whole of programme coherence and synergies and what is required to most effectively structure these both into the design and ongoing delivery arrangements

10.4 Sustainability and impact

10.4.1 Ownership a key factor

This section examines sustainability and impact together, as they are integrally linked and the Analytical Framework questions serve to provide insights in both areas simultaneously. It is noted in this context that initiatives in certain areas under the DWCP were pilot in nature, with decisions still to be taken following evaluation on their extension and scaling-up; were only part-way through the project cycle due to delays in commencement; or were undergoing (or about to undergo) evaluation.

The review found that:

1. the degree of sustainability and impact is uneven across the DWCP outcomes, indicators and targets
2. there is a close correlation in this regard with the degree of demonstrated local ownership in each case
3. where there was no or limited local ownership, the outcome or indicator/target concerned tended to lapse (raising questions about their inclusion in the original DWCP design)
4. even where ownership was demonstrated to be stronger, this was not necessarily backed-up by national budget commitments, raising questions about sustainability.

A selective summary of stronger and weaker cases of local ownership is provided in Section 10.1.2 of this report. Earlier outcome-by-outcome analysis indicates that, generally, progress in implementation is generally more advanced where the outcome (or selected indicators and targets under the outcome) are well reflected in relevant ministry policies, strategies and plans.

For example, in the case of Outcome 1.1, all seven DWCP performance indicators and targets are well reflected in MoLSW plans for the creation of rural employment opportunities, building on the current ILO pilot project, as well as for the expansion and strengthening of employment services and LMI. For Outcome 1.2, DWCP indicators and targets are well reflected in Lao PDR TVET plans, commitments and institutional arrangements (including in the context of ASEAN agreements). For Outcome 2.2, while progress on the ratification of ILO conventions under the outcome is slow as summarised earlier, strong commitment was demonstrated by the MoLSW to strengthening the labour inspection service, the focus of performance indicator 2.2.1. This was shown by plans already underway, as elaborated earlier, to streamline and restructure the service with support from the ILO technical cooperation project in this field, including the updating the relevant Ministerial Decree.

A more detailed illustration of both sustainability and impact being evident in an area of strong local ownership is provided by the case of the First Labour Force Survey (including a child labour survey) of 2012. This has been an ongoing source of data for LMI purposes, MDG reporting, policy development and UNCT analytical purposes. It was funded through the ILO. The second such survey which will take place later in 2016, with close collaboration between MoLSW and the LSB, is being funded from the Lao PDR budget (with ILO technical advice continuing).

The introduction of the KAB programme into the secondary school national curriculum provides another example of correlation between ownership, sustainability and impact. This initiative is likewise being led by and funded by the Lao PDR Government (through the MoES), building on the ILO's earlier introductory, financial and capacity development support. Underpinning the success of this development were the lessons and experience of the initial pilot introduction of the KAB package by the MoES into selected upper secondary schools in Luang Prabang Province, from which more than 5,000 secondary students benefited. In Luang Prabang, more than 50 teachers of the programme also received direct training on the package, providing a core pedagogical resource for the national roll-out.

There is potential for such examples to be leveraged for institutional learning and advocacy purposes, with negotiations for national budget commitments in other areas particularly in view.

10.4.2 Creating an enabling environment for sustainability and impact

Achievements under the DWCP at legislative level have also helped to create an enabling environment for longer-term sustainability and impact in key areas, particularly where such initiatives they are underpinned by viable institutional mechanisms such as the Technical Tripartite Committee on Industrial Relations or formal action plans which can be monitored and used as leverage.

Key examples in this respect are the revised Labour Law (2014), the Law on Social Security, the national action plans on OSH and child labour (noting the limitations in the latter case as outlined in Section 10.1.2), and Prime-Ministerial and Ministerial Decrees and Decisions on Labour Dispute Resolution, Prevention/Elimination of Child Labour, Labour Inspection (under revision) and OSH (under revision). Where DWCP outcomes and associated performance indicators and targets are fully aligned with such legislation, decrees, decisions and national planning commitments, the basis for sustainability and impact is enhanced (although not assured).

At the same time, it is clear that in some critical DWCP areas, for example the resourcing of the Employment Service Job Centres and establishing a national LMI data-base system, the provision of the necessary financial and human resources through the national budget, including at provincial levels, remains problematical. In this particular case, efforts were made to engage with senior DLSW officials at provincial level to encourage greater support from provincial departmental budgets. The impact was negligible, with only very small once-off

contributions made in a few cases, raising questions about the commitment to sustainability and impact at this level.

Continuing to make the ownership, sustainability and impact case for national budget commitments in this and other prioritised DWCP areas, should be a focus in high level dialogue between the ILO and Lao PDR Government counterparts, including with the Ministry of Finance and Ministry of Planning and Investment.

Review feedback from tripartite stakeholders (including government officials), reinforced the above findings, particularly highlighting that sustainability – institutionally, financially and in human resource and sustained outcome terms - remains very much ‘work in progress.’ Key points in stakeholder feedback were:

- Ensuring sustainability beyond the period of ILO support is a major concern, for which no ‘Plan B’ is currently in place in most case.
- Ongoing ILO support (particularly technical but also financial) is seen as important for initiatives to continue under most DWCP outcomes. Without this, the initiative in question, particularly those of a pilot nature, may lose momentum and languish.
- Expectations still exist that the ILO itself may be a source of significant financing, indicating a misperception about the ILO mandate, comparative advantage and modus operandi that needs clarification through active outreach and well targeted messaging.

This assessment is in line with the findings of the Mid-Term Review conducted by the DWCP M&E Working Group in 2014. Ensuring and building ownership, sustainability and impact should thus be the focus of ongoing in-depth and sustained attention during the next DWCP period, in the context of ensuring continuation and consolidation of achievements of the past five years.

10.4.3 Knowledge management and sharing

The effective management and sharing of knowledge are important elements of building sustainability and impact. This review was not in a position to properly assess the degree or effectiveness of knowledge sharing with national partners through means such as tripartite meetings, project-level interactions, day-to-day informal interaction, staff visits from ROAP and CO, etc. But it was clear from stakeholder and DWT specialist feedback that there is a regular two-way flow of programme-related information through such interactions, as well as through specific policy and research initiatives supported by the ILO under DWCP outcomes (e.g. the first Labour Force Survey, research on child labour, data for minimum wage setting and inputs into the formulation of revised Labour Law).

The ILO’s tripartite partners and their various associations all constitute knowledge networks in their own field (whether explicitly recognised as such or not). Drawing on the knowledge of its own tripartite partners (whether tacit or formally documented by means such as reports and publications), is a critical aspect of effective programme management. Feedback provided by national partners indicated that a reasonable and healthy level of interaction occurs between the ILO and its counterparts in this regard, including at the informal level which some partners indicated that they particularly valued. The existence of generally strong levels of trust and openness reinforce the potential for direct sharing of knowledge at this level in the context of meeting shared objectives. This is supplemented by the knowledge that the ILO brings into individual partner and tripartite discussions in a programme implementation context, particularly through the role of the DWT specialists who can draw on relevant experience from other countries, including within ASEAN.

To the extent that knowledge is shared and that relevant Lao PDR capacities are developed, this is not a particular focus that is explicitly stated and monitored under the DWCP. It would be helpful to do so, at least at the level of a commitment within the next DWCP Project Document that can provide a reference for planning purposes and for reflection in the next DWCP review.

10.4.4 Internal information and knowledge sharing

There are many vehicles through which knowledge, information, lessons and good practice related to the Lao PDR DWCP can potentially be identified and shared, both formally and informally. These include:

- discussion of independent evaluation and review findings
- day-to-day internal interaction between staff, within and across organisational units and projects at regional and country levels
- opportunities for staff collective learning such as workshops and seminars to review evaluation findings, provide input into DWCP and programme design, etc
- documentation provided through the Knowledge Centre and Intranet, etc

To maximise the knowledge sharing value of such opportunities, an open learning orientation is required, fully encouraged by senior management. To properly ascertain the degree to which this is practiced, and how it is reflected explicitly in programme implementation and planning, would require a more in-depth study, potentially including a staff survey and focus groups. While this was not possible within the time and resource limitations of the current review, anecdotal feedback indicated that ILO staff do consult each other and seek out information and knowledge on issues they are dealing with, despite constraints of time and workload commitments.

As indicated elsewhere in this report, assessments of good practice and identification of lessons for future reference are contained in the various evaluations, reviews and studies carried out under the DWCP or at global and regional levels with relevance to the DWCP. Ensuring that these are widely shared amongst all relevant staff, including at country level, is clearly one key ingredient for knowledge sharing within the ILO context.

10.4.5 National budget allocations and exit strategies

Taking the above commentary into account, the following two key ways forward are proposed for inclusion in the design and implementation of the next DWCP:

1. National budget allocations – including deliberate phased increases over time – to be seen as an important indicator of sustainability for government programmes.

In a statement to the Tripartite Stakeholders Workshop to consider the draft findings of this review on 21 March 2016, the representative of MPI stated that the allocations in this year's budget are locked in, but that there was scope to examine potential areas for increased allocations in priority areas under the DWCP in next year's national budget, on the basis that these priorities align with Lao PDR national development priorities. This opportunity should be taken early in the upcoming national budget cycle, including through provision of costings and proposed phased approaches on a multi-year basis in selected areas.

2. A commitment to dialogue on longer term exit strategies

Well-crafted and jointly owned exit strategies can provide an important platform for both clarifying mutual expectations and enhancing sustainability over time. It is suggested that the next DWCP give exit strategies a more explicit, deliberate and purposeful place within ILO engagement in Lao PDR by:

- stating a commitment to participating in early dialogue at the appropriate times and levels (including at project design stage) with tripartite partners on longer term exit strategies
- in such dialogue, including specific steps and timeframes to reduce engagement and/or refocus ILO support, roles and relationships over time.

It is further suggested that a set of simple criteria be developed to underpin the above-mentioned exit strategy dialogue, with increased commitment of resources from the national budget being one key indicator in this regard.

For the sake of consistency and to enable synergies across country programmes, it is suggested that this be developed at either Regional or Country Office level.

By taking a deliberate approach on these lines, a stronger basis can be established for joint planning; regular consideration of options, advocacy as required with the appropriate government counterparts (including MPI and MoF); and a regular review of progress (formally and informally).

OVERALL RECOMMENDATIONS

Recommendation 9: In the design of the next DWCP:

- (ii) Give exit strategies a more explicit, deliberate and purposeful place through the inclusion of a commitment to participating in early dialogue with tripartite partners at the appropriate times and levels (including at project design stage) on specific steps and timeframes to reduce engagement and/or refocus ILO support, roles and relationships over time. (Designer of DWCP 2017-2021)

Recommendation 10: Develop a set of simple criteria to underpin the above-mentioned exit strategy dialogue, with increased commitment of resources from the national budget being one key indicator of longer term sustainability for government programmes and services. Such criteria should be developed with a view to applicability across DWCP's in different countries, particularly within the ASEAN CLMV group. (ROAP and CO)

Recommendation 11: In order to pursue the strengthening of local ownership, sustainability and impact:

- (iii) Ensure such issues are included in senior/high level dialogue between the ILO and Lao PDR Government counterparts when the opportunity arises, including with the Ministry of Finance and Ministry of Planning and Investment. (ROAP, CO and ILO National Coordinator)
- (iv) Take the opportunity offered by the MPI representative at the national DWCP Stakeholders Meeting in Vientiane on 21 March 2016 to enter into dialogue on possible areas, consistent with DWCP priorities, for consideration of increased allocations in the next national budget. (CO and ILO National Coordinator)

11. MAJOR CHALLENGES AND LESSONS

11.1 Key challenges in implementation of the DWCP

A number of challenges for reference in the design and implementation of the next DWCP were identified by the review. These included:

- Continued strengthening of country ownership, building on positive developments and lessons from DWCP experience to date.
- Continued strengthening of intra-government coordination, horizontally and vertically.
- Development of critical long-term institutional capacities for each tripartite partner, alongside building staff functional and technical skill levels.
- Strengthening tripartite architecture and culture at all levels.
- Sustainability of outcomes beyond the period of ILO support, requiring (*inter alia*) a more proactive and systematic attention to exit strategy discussions and planning.
- Consistent and full application of legislation in all areas, including at sub-national levels, with the Labour Law a particular priority.
- Further extending the outreach and impact of policies and programmes to informal and agricultural sectors. ILO Recommendation No.204 on transitioning from the informal to formal sector adds weight in this respect.
- Further extending outreach and implementation to provincial and district levels, including attention to tripartite capacities and mechanisms at this level.
- Addressing gaps in legal frameworks in key areas relevant to ILO priorities (e.g. the Employment Services Job Centres and the Labour Inspection System).
- Resources to support sustainable implementation (with a role for ILO in facilitating access to funding sources in the longer term, including engagement with the Lao PDR Government on national budget allocations).
- Low base skill levels, including lack of literacy: These present a serious challenge to competitiveness and productivity in key economic sectors and furthermore affect the impact of ILO capacity development activities. More relevant and adaptable TVET training approaches are required in this context.
- Weak and uncoordinated labour market data and information systems which undermine policy and programme development.

11.2 Major lessons learned from implementation of the DWCP

A number of lessons for reference in the design and implementation of the next DWCP were identified by the review. These included:

- The DWCP design needs to be very carefully and specifically tailored to Lao PDR context, including political processes and structures; capacities, pace of development and the rural/urban divide.
- The need to systematically keep the spotlight on ownership and sustainability. This should include dialogue on exit strategies and changing relations between the ILO and partners.
- The quality of partnership is vital to long term programme success and should be kept under continuous review. One key element in this respect is the balance in relations with all tripartite partners, linked to proactive and good quality communications to manage perceptions of imbalance.
- The need to maintain momentum in extending policies and programmes to the informal sector and sub-national levels through systematic planning, resourcing and appropriate partnerships - including with relevant ministries and departments.
- The value-addition in terms of focus, impact and efficiency of cross-programme coherence and mutual reinforcement at all levels, including the effective integration of globally managed technical cooperation projects with both the wider DWCP framework and the local context.
- The understanding that capacity development is a long term process that needs to be owned and driven by the partners – short term once-off capacity initiatives may have only relatively limited impact if they are not followed-up in the context of a longer term programme framework.
- The value of the annual tripartite DWCP review and planning process, underpinned by the DWCP M&E Tripartite Working Group, as a good practice model of tripartite cooperation. There is potential to further strengthen this mechanism.
- The importance of high quality data to support policy development and programme design. ILO contributes strategically through its research initiatives and its engagement in improving the quality and coordination of labour market data in particular.
- The importance of M&E at all levels, both within the ILO context but also as part of institutional capacity development support to partners. This requires appropriate structures and budget to ensure it can be maintained in a sustainable manner.
- The need for more systematic monitoring and follow-up of lessons and good practices identified by evaluations at project level over the past five years to maximise their value in improving organisational performance and learning.
- The importance of due attention, including in association with partners, to the development of programme indicators and targets which both meet SMART standards and allow for adjustment as conditions and priorities shift.
- Importance of partner involvement in drafting of new DWCP Results Framework, including its indicators and targets.

12. OUTCOME-BY-OUTCOME RECOMMENDATIONS

The consolidated listing of outcome-by-outcome recommendations below is provided primarily for the reference of the Designer of the DWCP 2017-2021, subject to the outcome of discussions and agreement between the ILO Country Office and Lao PDR tripartite constituents on DWCP priorities and directions.

The principle point of follow-up in each case is included alongside each recommendation. It is assumed that, where-ever necessary, input from the appropriate ILO technical advisor in Bangkok or Geneva will be sought. This is not specifically included in the follow-up references below.

The listed recommendations should be read in association with those at whole-of-DWCP level which are set out within the Executive Summary and Recommendations of the report.

Rural employment promotion and strategy (current DWCP Outcome 1.1)

Recommendation (a): Carry current DWCP Outcome 1.1 forward into the next DWCP. (Designer of DWCP 2017-2021)

Recommendation (b): Continue the Integrated Rural Employment Pilot Project into the next DWCP and expand it to at least two other provinces as a core component of delivery of the Outcome 1.1. (CO and ILO National Coordinator / Designer of DWCP 2017-2021). In this context:

- develop and agree a plan between key project stakeholders to draft, consult and finalise an Integrated Rural Employment Strategy as a core priority of the next DWCP, linked specifically to implementation of the 8th NSEDP and Outcome 1 under the Lao PDR- UNPF 2017-2021. (CO and ILO National Coordinator)
- the ILO office in Lao PDR to actively engage to the degree necessary with the core group of UN agencies under Lao-PDR-UNPF 2017-2021 Outcome 1 to ensure that the ongoing development of the ILO rural employment project, as well as the formulation of a national strategy, is a focus of UNCT attention. (CO and ILO National Coordinator)

Employment services and LMI (current DWCP Outcome 1.1)

Recommendation (c): Extend the ILO-China South-South Cooperation Project to Expand Employment Services, 2014-2015 for 3 years with significantly increased budget as a key component of implementing employment creation and labour market information commitments under the next DCWPs in both Lao PDR and Cambodia. Such extension recognises the support of the two National Project Steering Committees of the ILO-China South-South Cooperation Project for project continuation, as well as the ongoing interest of the principle donor. (CO and ILO National Coordinator / Designer of DWCP 2017-2021)

Recommendation (d): In the context of (i) carrying Outcome 1.1 forward into the next DWCP and (ii) extension of the Project, ensure that the following elements are included in the Project design for Lao PDR, or at least within a project-related cooperation plan between the ILO and the MoLSW with respect to implementation: (CO and ILO National Coordinator / Project Technical Officer)

- commitment encompassing all relevant domestic stakeholders to develop a strategy for development of the ESJs over an agreed timeframe
- commitment to develop a sustainability strategy (with MoF and MPI input) which includes a phased increase in national budget commitments for employment services and LMI systems development over five years
- steps and timeframes to establish a legislative basis for the ESC and ESJs
- clarification of the role and resourcing of the ESC as the institutional point of oversight, coordination and technical/administrative support for the ESJs

- development of the already planned model ESJCs, to be adequately resourced, strategically located and used for wider training purposes and testing of new approaches
- integration of employment and migrant labour services into one national system
- training of a larger critical mass of staff in provincial DSDE offices to cover ESJC and MRC roles
- development of a national integrated internet-based platform for employment services, encompassing all the ESJCs and the ESC and linked to the national LMI database
- development and servicing of a national Employment Services Website and associated promotional plan encompassing the ESJCs and the ESC
- establishment of /support for a national Association of Recruitment Agencies (currently a priority of the ESC).
- measures to give greater visibility to C88 (already in national legislation) and C181, and lay the basis for ratification of each
- collaboration between the ILO, the ADB, the EU and other relevant international agencies to maximise the impact of respective and collective efforts to support the development of an effective and sustainable LMI system in Lao PDR
- strengthened tripartite engagement around the role of the ESJCs by establishing closer linkages with the existing Provincial Tripartite Committees
- MOUs with LNCCI and LFTU in the context of the agreed approach for the next phase of development of employment and LMI services in Lao PDR, setting out clear agreement on respective roles, commitments and inputs
- revisit of the recommendations in the 2015 independent reports on the ESJCs' Human Resources and Communications Plans to assess progress of implementation and identify those still relevant and requiring action in the next period of Project implementation
- strengthened engagement with Cambodian employment service and LMI counterparts, including more regular exchange visits in priority areas for developments and the cross-secondment of staff
- establishment of twinning arrangements for mutual exchange and benefit between selected ESJCs and counterparts in Cambodia, China, Thailand and /or Vietnam
- strengthened linkages at regional, CO and in-country levels with other ILO projects which contribute to the creation of decent work and strengthening of employment services and labour market information, including the GMS TRIANGLE Project on safe labour migration and the next phase of the rural employment project

Skills development and market demand (current DWCP Outcome 1.2)

Recommendation (e): In the design of the next DWCP: (Designer of DWCP 2017-2021)

- (i) Carry Outcome 1.2 forward
- (ii) Update the skills-related programme strategy, performance indicators and targets to reflect progress over the past five years and the priorities of the Lao PDR TVET Development Plan 2016-2020, including:
 - ongoing implementation of the roadmap and action plan on preparations for the AEC and addition of new areas for the Mutual Recognition of Skills (MRS)
 - continued ILO support for stakeholder advocacy to policy makers on the necessary national investment for further development and application of skill standards, testing and certifying systems
 - the need to strengthen cooperation between MoLSW and MoES, and
 - the need to leverage resources and providing technical support to take stock of lessons learned from the pilot programme of applying national skills standards in the Lao-Korea Skills Development Institute, as well as to conduct a tracer study of workers certified by this institution, with a view to sharing lessons and findings with other skills development centres and institutions. (Designer of DWCP 2017-2021)

Recommendation (f): Strengthen internal linkages and synergies with other relevant components of the DWCP, particularly with the second phase of the ILO-China South-South Cooperation Project (subject to confirmation) and the GMS Triangle Project on safe labour migration. (CO and ILO National Coordinator)

Recommendation (g): Strengthen linkages and synergies with other international development partners active in skills development, with a view to eliminating duplication and ensuring efficient and coherent use of limited resources. (CO and ILO National Coordinator)

Enterprise and business skills development (current DWCP Outcome 1.3)

Recommendation (h): Carry Outcome 1.3 forward into the next DWCP with a focus on (i) ongoing Bangkok-based technical support to the roll-out of the KAB programme in secondary schools; and (ii) promotion of C-BED as a problem solving and team-building approach within the Workplace Improvement Committees and an option linked to the KAB programme for entrepreneurship development for school leavers. (CO and ILO National Coordinator / Designer of DWCP 2017-2021)

Promotion of safe labour migration (current DWCP Outcome 1.4)

Recommendation (i): Consider inclusion of labour migration issues in the strategy, indicators and targets of Outcome 1.1, thus enabling a reduction of the number of outcomes under DWCP Priority 1. Ensure appropriate cross-references to labour migration issues in other parts of the new DWCP Project Document, including in the context of ongoing work on rural employment, employment services and LMI, and skills development. (Designer of DWCP 2017-2021)

Recommendation (j): In the context of above recommendations dealing with the strengthening of employment services, ensure that the issue of strengthened integration between employment services (via the ESJs) and labour migration services (via the MRCs) is adequately addressed in the new DWCP design. (Designer of DWCP 2017-2021)

Recommendation (k): Consider extending the role of the LFTU with regard to the operation of migrant labour services through the establishment of a new strategically-located MRC under LFTU management, taking account of steps that may be agreed to strengthen the integration of general employment services and labour migration services. (CO and ILO National Coordinator / TRIANGLE Project staff)

Recommendation (l): Develop a work plan for implementation in 2016 of the Sustainability Plan already prepared for the ILO's engagement on labour migration. (CO and ILO National Coordinator / TRIANGLE Project staff)

Revision and implementation of Labour Law (current DWCP Outcome 2.1)

Recommendation (m): In the design of the next DWCP: (Designer of DWCP 2017-2021)

- Carry forward Outcome 2.1 as a basis for continued ILO technical support and advice to review and further revise the Labour Law and association decrees and regulations as necessary.
- Remove performance indicator and target references to the establishment of a national body for dispute conciliation and arbitration and establishment of national labour advisory body.
- Consider moving the references to the establishment of a National Tripartite Committee and specified sub committees under this Outcome to Priority 4 on enhancing constituent capacities and strengthening social dialogue.
- Bring current DWCP Outcome 4.3 (Improved mechanisms for preventing and resolving disputes) under Outcome 2.1 through appropriate incorporation into the programme strategy, indicators and targets.

Recommendation (n): With respect to current DWCP Performance Indicator 2.1.2 on the establishment of a National Tripartite Committee (NTC) and specified sub committees, continue to support and engage in discussion within the Technical Tripartite Committee on Industrial Relations on whether: (CO and ILO National Coordinator)

- this concept is relevant in the Lao PDR context and if so, what shape it may take and what steps will be necessary to put it into practice, taking account of experience of similar structures in other ASEAN countries including Indonesia and Singapore, or
- current tripartite arrangements at national and provincial levels, and in different spheres, provide sufficient architecture to continue building tripartism within Lao PDR.

With regard to option 1, a possible scenario for consideration is outlined in Table 3.

Ratification and implementation of Labour Conventions (current DWCP Outcome 2.2)

Recommendation (o): In the design of the next DWCP: (Designer of DWCP 2017-2021)

- carry Outcome 2.2 forward into the next DWCP design as an area for ongoing attention in its own right, helping to keep the 'spotlight' on progress in this area
- consider relocating the focus on labour inspection (and associated Pilot Project on *Compliance through inspection and dialogue*) from Outcome 2.2 to Outcome 2.1 on The Labour Law.

Recommendation (p): Support the relevant Lao PDR counterparts to develop a realistic plan, agreed amongst the tripartite constituents and drawing on discussion and lessons from the current DWCP period, for the prioritisation of International Labour Conventions to be taken forward for ratification in the period 2017-2021. This to be subject to regular review in both the Technical Tripartite Committee on Industrial Relations, the DWCP M&E Task Force and annual DWCP review and planning meetings. (CO and ILO National Coordinator)

Recommendation (q): Subject to final evaluation findings and available funding in the coming DWCP period, extend the Pilot Project on *Compliance through inspection and dialogue* within the garment sector to other selected sector(s) on a step-by-step basis, with such continuation reflected in the next DWCP design. (CO and ILO National Coordinator / Designer for DWCP 2017-2021)

Addressing gender discrimination (current DWCP Outcome 2.3)

Recommendation (r): In the design of the next DWCP: (Designer of DWCP 2017-2021)

- Carry Outcome 2.3 forward, but broaden its scope on the lines of: 'Effective applications of laws against gender discrimination and building of tripartite gender mainstreaming capacities.'
- Give more systematic attention generally to gender mainstreaming across all components of the DWCP, with advice and support from the DWT-BKK Senior Specialist on gender. This should be appropriately reflected in the contextual analysis, outcomes, performance indicators and targets of the new DWCP.
- Strengthen the attention given, including in the context of capacity development initiatives, to promoting and supporting and women's leadership within governmental, employer and union contexts

Recommendation (s): Draw lessons from the focus on gender dimensions within the rural employment, employment services and labour inspection/compliance projects for wider application across the DWCP. (CO and ILO National Coordinator)

Recommendation (t): Provide leadership on gender mainstreaming via the ILO's lead agency role under Outcome 2 on Social Protection of the Lao PDR-UNPF 2017-2021. (CO and ILO National Coordinator)

Recommendation (u): Include specific priorities, milestones and mutual expectations on gender mainstreaming in the 5-year DWCP cooperation plans proposed for the LFTU and LNCCI in Recommendations 54 and 57. (CO and ILO National Coordinator)

Addressing the worst forms of child labour (current DWCP Outcome 2.4)

Recommendation (v): In the design of the next DWCP: (Designer of DWCP 2017-2021)

- Carry Outcome 2.4 forward, recognising that keeping a specific focus on child labour at outcome level will assist in reactivating the attention and momentum that is required to implement the NPA successfully.
- Give more systematic attention to addressing child labour across all relevant components of the DWCP, with advice and support from the DWT-BKK Senior Specialist on Child Labour and FPRW's IPEC's Technical Expert from Geneva

Social protection strengthening/expansion (current DWCP Outcome 3.1)

Recommendation (x): Carry Outcome 3.1 forward into the next DWCP design, adjusted in light of changing realities and priorities to: 'Social protection mechanisms strengthened and expanded, with a particular focus on the development of a National Social Protection Strategy.' (Designer of DWCP 2017-2021)

Recommendation (y): In collaboration with the relevant ILO ROAP, CO and in-country staff in the context of design of the next DWCP, consider the merits of developing of a subregional approach for the ILO's social protection engagement in ASEAN's CLMV countries, with a view to maximising the value of limited resources through targeted ILO technical support combined with the promotion of mutual learning and support between countries. Such approach to be reflected, if agreed, within the new DWCP design. (ROAP / CO and ILO National Coordinator / Designer of DWCP 2017-2021)

Recommendation (z): In the context of its upcoming evaluation, leverage the experience of the Vang Vieng pilot project for the policy implications that can be applied at national level, including in the context of the ongoing ABND process. (CO and ILO National Coordinator)

Recommendation (aa): Complete the actuarial study on social protection over the next 50 years as a useful input to future planning, including in the context of the ongoing ABND process and work which emerges on a National Social Protection Strategy. (CO and ILO National Coordinator)

Recommendation (bb): Provide technical support to revise the current Social Security Law and related regulations, in line with requests from the Lao PDR Government. (CO and ILO National Coordinator)

Recommended (cc): Provide ongoing technical support as required to the ABND process, noting not only its role with respect to laying foundations for the development of a National Social Protection Strategy but also its value in terms of developing deeper understandings of issues, options and policy implications, as well as for building relationships between key stakeholders, including within government. (CO and ILO National Coordinator)

Recommendation (dd): Prioritise the ILO's designated lead role on social protection under new Lao PDR-UN Partnership Framework 2017-2021 at ROAP, CO and in-country levels, with the necessary support provided to the ILO National Coordinator in this regard via strategically-timed visits from Bangkok and other forms of regular support and advice as required. (CO and ILO National Coordinator)

Addressing HIV and AIDS in the workplace (current DWCP Outcome 3.2)

Recommendation (ee): In the design of the next DWCP: (Designer of DWCP 2017-2021)

- Consider the discontinuation of Outcome 3.2, but retain HIV and AIDS in the workplace as an area of ILO attention (building on previous achievements in line with Recommendation 200), through appropriate indicators and targets under the Outcome on OSH.
- Explicitly recognise HIV and AIDS as a cross-cutting issue to be mainstreamed appropriately under all outcomes.

Occupational safety and health (current DWCP Outcome 3.3)

Recommendation (ff): Carry current Outcome 3.3 forward into the next DWCP, with consideration given to incorporating specific indicators and targets on HIV and AIDS in the workplace under this outcome. (Designer of DWCP 2017-2021)

Recommendation (gg): Foster links in the next DWCP design and implementation between direct ILO engagement in the context of the new OSH Decree; the ILO-China South-South Cooperation Project; the Garment Sector Project on compliance through inspection and dialogue; and ongoing work to support revision, promotion and implementation of the Labour Law. (CO and ILO National Coordinator / Designer of DWCP 2017-2021)

Enhancing tripartite capacity: Employers (current DWCP Outcome 4.1)

Recommendation (hh) Carry Outcome 4.1 forward into the next DWCP, recognising the need for ongoing technical and capacity support to LNCCI, including in the context of strengthening their engagement in tripartite processes at all levels. (Designer of DWCP 2017-2021)

Recommendation (ii): Jointly develop and agree a 5-year cooperation plan between the ILO and LNCCI. This should be aligned to the LNCCI Strategic Policy Framework; set out clear priorities, milestones and mutual expectations; incorporate the proposed MOU for engagement under the ILO-China South-South Cooperation Project; and be jointly reviewed and adjusted as required on an annual basis. The plan should have an overall orientation towards (i) deepening and extending ILO collaboration with the LNCCI and (ii) strengthening LNCCI capacity for engagement in tripartite processes at all levels. (CO and ILO National Coordinator)

Recommendation (jj): In the context of ILO engagement on collective bargaining, including in the context of the current *Garment Sector Compliance through Inspection and Dialogue Pilot Project*, explore with LNCCI, the Association of the Lao Garment Industry (ALGI) and LFTU counterparts the possibilities, options and requirements of introducing a sector bargaining approach in the garment sector when conditions are conducive for such a development. (CO and ILO National Coordinator)

Enhancing tripartite capacity: Workers (current DWCP Outcome 4.2)

Recommendation (kk): Carry Outcome 4.2 forward into the next DWCP, recognising the need for ongoing technical and capacity support to the LFTU, including in the context of strengthening engagement in tripartite processes at all levels. (Designer of DWCP 2017-2021)

Recommendation (ll): Jointly develop and agree a 5-year cooperation plan between the ILO and LFTU. This should be aligned to the LFTU's own strategic directions; set out clear priorities, milestones and mutual expectations; incorporate the LFTU's role as MRC (s) host and the proposed the MOU for engagement under the ILO-China South-South Cooperation Project; and be jointly reviewed and adjusted as required on an annual basis. The plan should have an overall orientation towards (i) deepening and extending ILO collaboration with the LFTU and (ii) strengthening LFTU capacity for engagement in tripartite processes at all levels. (CO and ILO National Coordinator)

Recommendation (mm): Consider the allocation of (at least) a second MRC management and operational responsibility to the LFTU in a strategically selected province, drawing on the LFTU's own staffing and financial resources at provincial and district levels. (CO and ILO National Coordinator / TRIANGLE Project staff)

Recommendation (nn): In the context of ILO engagement on collective bargaining, including in the context of the current *Garment Sector Compliance through Inspection and Dialogue Pilot Project*, explore with LNCCI, the Association of the Lao Garment Industry (ALGI) and LFTU counterparts the possibilities, options and requirements of introducing a sector bargaining approach in the garment sector when conditions are conducive for such a development. (CO and ILO National Coordinator)

Preventing and resolving disputes (current DWCP Outcome 4.3)

Recommendation (oo): Carry the intent of Outcome 4.3 into the next DWCP by incorporating it appropriately in outputs, indicators and targets under Outcome 2.1 (on the Lao PDR Labour Law). (Designer of DWCP 2017-2021)

Mechanisms for minimum wage setting (current DWCP Outcome 4.4)

Recommendation (pp): Retain minimum wages as an area for attention under the next DWCP, in line with the requirements of C. 131. Given the need to continue strengthen tripartite partner capacity and social dialogue in this context, it is proposed that a separate outcome be retained under Priority 4 but reworded as: *Enhanced institutional mechanisms and tripartite capacities to determine Minimum Wage(s)*. (Designer of DWCP 2017-2021)

Recommendation (qq): Continue capacity development and technical support for a criteria and evidence-based approach to minimum wage adjustment, including as part of the recommended 5-year DWCP cooperation plans with the LFTU and LNCCI. (CO and ILO National Coordinator / Designer of DWCP 2017-2021)

Recommendation (rr): In dialogue between the ILO and tripartite partners, consider establishing an annual process for minimum wage adjustment, particularly in the context of rapidly evolving economic development patterns at both national and ASEAN levels. (CO and ILO National Coordinator / Designer of DWCP 2017-2021)

13. ANNEXES

- I. Workplan for the review
- II. List of interviewees on field mission
- III. List of ILO staff interviewed in Bangkok
- IV. List of documents reviewed
- V. Analytical Framework for the Review
- VI. Draft UNPF Results and Resources Framework 2017 – 2021 (truncated)
- VII. Summary of initial results: Pilot Project on Rural Employment Promotion for Poverty Reduction, 2012-2016, Sekong Province
- VIII. ToR of Monitoring and Evaluation Working Group of ILO Decent Work Country Programme for Lao PDR 2011-2015 (DWCP MEWG)
- IX. Terms of Reference for the review

Annex I

WORKPLAN FOR THE REVIEW

The following specific outputs will be delivered by the consultants (team leader with support of the national consultant) in line with contractual arrangements:

- 1) Inception report (international consultant)
- 2) Power point presentation of preliminary findings and facilitation of the stakeholders' workshop
- 3) Draft review report
- 4) Final report incorporating inputs from key stakeholders.

The review timeframe is based on the scope of work and methodology previously outlined, as well as the resources available for the process.

Task	Time frame	Responsible unit/person	Consultations
1. Documents reviewed by CPR team	March 7-11	Consultants	
2. Interviews with Director, ILO Country Office, DWT, programme and other staff in Bangkok	March 10-11	International consultant	
3. Field mission/consultations	March 13-21	CPR team	National tripartite stakeholders, national partners, UN agencies
4. Stakeholders workshop	21 March	Consultants to present	
5. First draft report	22 April 2016	Consultant, CPR team	ROAP, CO-Bangkok
6. Sharing the report to key stakeholders for comments	25 April to end of May 2016	RAOP, CO-Bangkok	Tripartite constituents, CO/DWT-Bangkok
7. Final report submitted	28 July 2016	Consultant, ROAP	
8. Follow up on the recommendations and commence on the design of the next DWCP	September 2016	CO-Bangkok	

Annex II

LIST OF INTERVIEWEES ON FIELD MISSION

Phouvanh Chanthavong (Mr.)	Director General, Dept of Skills Development and Employment, (DSDE), MoLSW
Leepao Yang (Mr.)	Director General, Dept of Planning and International Cooperation (DPIC), MoLSW
Yangkou Yangleusai (Mr.)	Director General, Dept of Social Security, MoLSW
Padeumphone Sonthany (Mr.)	Director General, National Security Fund Office, MoLSW
Phongxaysack Inthilath (Mr.)	Director General, Dept of Labour Management (DLM), MoLSW
Douangsy Thammavong (Mr.)	Head of Cooperation Division, DPIC/MoLSW
Sourisack Souphanthong (Mr.)	Head of Skills Development Division, DSDE/MoLSW
Vanny Keosavang (Ms.)	Head of Planning Division, DSDE/MoLSW
Bounsouan Xayyasinh(Mr.)	Head of Employment Division, DSDE/MoLSW
Bounpone Mountivong(Mr.)	Head of Planning Division, DLM/MoLSW
Oudone Maniboun (Mr.)	Head of Labour Inspection Division, DLM/MoLSW
Bouavanh Phannyavong(Ms.)	Head of Labour Management Division, DLM/MoLSW
Bouasy Thammachack (Ms.)	Deputy-Head of Employment Division, DSDE/MoLSW
Khamsene Xayyavong (Mr.)	Director of National Employment Service Centre (ESC), MoLSW
Khamphiang Keolangsy (Mr.)	Acting Director General, Lao-Korea Skill Development Institute, MoLSW
Morakot Vongxay (Mr.)	Head of UN Division, Ministry of Planning and Investment (MPI)
Xayyadeth (Mr.)	Head of Division, Ministry of Education and Sports (MoES)
Nitnida Phongsavath (Ms.)	Trade Officer, Foreign Aid Division, Ministry of Industry & Commerce (
Pinphakone Xayavong (Ms.)	Trade Analyst, National Implementation Unit, MIC
Bouaphat Phonvixay (Ms.)	Acting Director, National Health Insurance Bureau, MOH
Khamtanh Chanthy (Ms.)	Sr. Project Implementing Officer, ADB (interviewed by telephone)
Sengdavone Bangonesengdet (Ms.)	General Secretary, LNCCI Secretariat Office (and staff)
Daovading Philasaiphithak (Mr.)	Deputy Secretary, LNCCI Secretariat Office (and staff)
Simoun Ounlasy (Mr.)	Vice-President of Lao Federation of Trade Unions (LFTU)
Ounkham Boungnaseng	Director General, LFTU
Inpeng Meunviseth (Mr.)	Acting Director, International Relations Department, LFTU
Thongphim Vonglapha	Deputy-Director, Dept of Labour Protection, LFTU
Pathoumthong Luangvilay (Ms.)	Head of Programme Management Division, LFTU
Chanpheng Maniseng (Ms.)	Deputy-Head of Labour Protection Division, LFTU
Athit Sophanavong (Mr.)	Technical Officer, LFTU
Thiphaphone Phetmany (Ms.)	Managing Director, Enterprise & Development Consultants Co., Ltd
Jakob Schemel (Mr.)	Head of the Office of the UN Resident Coordinator
Khamtanh Chanthy (Ms.)	Sr. Project Implementing Officer, ADB
Khemphone Phaokhamkeo (Ms.)	ILO National Coordinator
Sommany Sihathep (Ms.)	National Project Coordinator for ILO Improving the Garment Sector in Lao PDR Compliance through Inspection and Dialogue Project
Kristina Kurths (Ms.)	ILO Chief Technical Advisor, above project
Thongleck Xiong (Mr.)	National Coordinator for ILO Child Labour Project
Jean-Claude Hennicot (Mr.)	Chief of Technical Advisor for Joint ILO/WHO Project on NHI

Annex III

LIST OF ILO STAFF INTERVIEWED IN BANGKOK

Mr Maurizio Bussi,	Director ILO Country Office for Cambodia, Lao PDR & Thailand
Ms Makiko Matsumoto	Employment Specialist, DWT Bangkok
Ms Carmela Torres	Senior Skills and Employability Specialist
Mr Charles Bodwell	Enterprises Development Specialist
Mr Pong-sul Ahn	Senior Specialist in Workers' Activities
Mr Arun Kuma	Senior Specialist in Workers' Activities
Mr John Richotte	Labour Administration and Labour Relations Specialist
Ms Anna Olsen	Technical Specialist, TRIANGLE Project
Mr Gary Rynhart	Senior Specialist on Employers Activities
Ms Sandra Yu	Specialist on Local Strategies for Decent Work
Ms. Pamornrat Pringsulaka	Evaluation Officer
Ms Suttida Chaikitsakol	Project Technical Officer, ILO/China SSC Project
Ms. Jittima Srisuknam,	Programme Officer for Lao PDR
Ms Suradee Bhadrasiri	Senior Programme Assistant

Annex IV

LIST OF DOCUMENTS REVIEWED

Relevant policies, Ministerial Decrees, plans and other documents of the Lao PDR Government, including:

- 7th and 8th National Socio-Economic Development Plans (NSED)
- MoLSW Master Plan 2007-2020
- MoLSW Strategic Plan on Skills Formation and Employment Promotion
- MoLSW 5 Years Goal on Employment Promotion 2016-2020
- TVET Development Plan 2016-2020
- 1st National Action Plan for Prevention and Elimination of Child Labour
- 2nd National Occupational Safety and Health (OSH) Programme, 2011-2015
- Vientiane Declaration on Partnership for Effective Development Cooperation (2016-25)

ILO (2010). *Decent Work Country Programme (Project Document)*. Lao PDR 2011-2015. Bangkok

Relevant ILO global frameworks and policies: www.ilo.org/global/about-the-ilo/lang--en/

ILO/DWCP progress and monitoring reports, including:

- (January 2014), *Mid Term Review Report (2011-2013)*, DWCP Lao PDR (2011-2015)
- (2014) *DWCP Monitoring Plan for Lao PDR (2011-2015)*
- ROAP / CO SMM/Implementation Plan reporting to Geneva (various)
- Technical cooperation progress reporting to Geneva (various)
- Summary reports by outcome provided for review purposes by ILO specialist staff supporting the delivery of the DWCP (various)

Evaluations, reviews and studies of ILO technical cooperation projects and other aspects of ILO engagement in Lao PDR during the DWCP period, including

- (MoLSW, LNC-RDPE, Sekong Provincial Authorities and the ILO. (March 31, 2016). *Draft Documentation of Rural Employment Creation in Sekong Pilot Project for Testing ILO's Integrated Approach: Interim Results*
- Clarke, Don; Venevankham, Kolacot; and Somith, Sok. (March/April 2016). *Matching skills and jobs for economic progress: Final evaluation of ILO/China South-South Cooperation Project to Expand Employment Services and Enhance Labour Market Information in Cambodia and Lao PDR, Jan 2014-Dec 2016 (Draft)*
- Duran, Mitchell. (Sept 2015). *Communications Plan for ILO-China South-South Cooperation Project to Expand Employment Services*
- Salter, Bill. (September 2015). *HR Development Plan for ILO-China Project*.
- MoLSW. (2015). *Follow-up Assessment on Current State of Employment Service Centres*: (Analysis of survey data as part of ILO-China Project)
- Cousins, Mel (March/April 2016). Conversation on initial informal findings of the concurrent final *Evaluation of the Joint Programme Supporting the Establishment of the National Social Health Insurance Scheme (NHI) and the Extension of Coverage in Lao PDR*
- Theile, Silas and Cichon, Dr Michael (2016). *Assessment-Based National Dialogue on Social Protection in Lao PDR: Preliminary Assessment Report (draft)*. Vientiane
- McCabe, Chantelle (2015). *Evaluation of TRIANGLE Project on labour migration* (part of wider study)
- Also: Clarke, Don., Somith, Sok. (November 2015). *Cambodia Decent Work Country Programme (2011-2015): Review Report*.

UN 'Delivering as One' documentation, including:

- UN Country Team. *UN Development Assistance Framework (UNDAF), 2012-2016*, Vientiane
- UN Country Team (25 March 2016). *Draft Lao PDR – UN Partnership Framework, 2017-2021*, Vientiane
- UN in the Lao PDR. (November 2015). *Country Analysis Report: Lao People's Democratic Republic*. Vientiane
- Askwith, Michael., Esser, Andrea Lee., Low, Sharon., Sysaneth, Souklaty. (22 October 2015). *Lao PDR*:

Evaluation Report. UN Development Assistance Framework 2012-2016.

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ASEAN AEC frameworks, policies and related studies projecting likely impacts in the Lao PDR context, including

- ASEAN Economic Community: One Vision/One Community: asean.org/asean-economic-community/
- ILO/ADB (2014) *ASEAN Community 2015: Managing integration for better jobs and shared prosperity*. Bangkok

Relevant programmatic, analytical and other materials of international agencies active in Lao PDR, including:

- World Bank. (2014.) *Lao PDR Development Report 2014: Expanding Productive Employment for Broad-Based Growth*
- ADB: Proposed Programmatic Approach, Policy-Based Loan and Grant, and Grant Assistance for Subprogram 1 Lao People's Democratic Republic: Governance and Capacity Development in Public Sector Management Program (September 2012) ☺ <http://adb.org/sites/default/files/projdocs/2012/46059-001-lao-rrp.pdf>
- ADB in Lao PDR: www.adb.org/countries/lao-pdr/mai
- UNDP in Lao PDR: www.la.undp.org/

Annex V

ANALYTICAL FRAMEWORK FOR THE REVIEW

The following core review categories and points for assessment form the basis of a semi-structured engagement with representatives of the key constituency groups and other stakeholders.

Application in practice of the following framework will appropriately take account of:

- The particular role, perspectives and circumstances of each of the core constituency groups and other interlocutors interviewed for the purpose of the review. This will require appropriate adjustment and nuancing of the assessment points below.
- Progress in addressing the particular constraints identified by the last such review: (a) absence of formal in country presence; (b) limited profile of the ILO programme; and (c) limited scale of financial resources able to be mobilised.
- The particular perspectives, experiences and realities of women and girls from a gender mainstreaming perspective.
- The particular perspectives, experiences and realities of youth and persons with disability.
- Opportunities in the emerging domestic and regional context (including the introduction of AEC) which the current and next phase of the DWCP can leverage for implementation and partnership building purposes, as well as emerging challenges and risks to be mitigated.

Core analytical categories, questions and assessment points

The outline below generally follows the categories, questions and assessment points which are set out in the review TOR, with adjustments to strengthen/clarify certain areas.

The role and relevance of ILO in Cambodia, its niche and comparative advantage

- The extent to which the national political, economic and social factors have shaped formulation of DWCP.
- To extent of flexibility that the DWCP has the ability to respond to emerging opportunities.
- The extent to which DWCP priorities are consistent with ILO's capacities and its comparative advantages.
- The extent to which the ILO has achieved the overall policy coherence and partnership between ILO interventions and those of other UN agencies.
- Alignment with, and contribution to, Cambodia's MDG strategies and achievements.

Tripartite ownership, participation and capacity

- The extent that the national tripartite constituents are active in national development planning forums and networks.
- The extent to which the national tripartite constituents take ownership of, and are accountable for, DWCP outcomes and initiatives.
- The extent to which the tripartite constituents have improved capacities to influence national policy and resources within Decent Work areas.
- The extent to which that the DWCP has worked in partnerships with tripartite constituents, built national capacities and supported policy change.
- The main capacity and resource constraints of the tripartite constituents in delivering DWCP - and steps taken to address them collectively.

The focus and coherence of the programme's design and strategies

- The degree to which coherence and integrated approaches are evident in DWCP strategy and implementation.
- Alignment of the DWCP with ILO's overall strategic policy framework, programme and budget priorities.
- The extent to which the DWCP 1) reflects a consensus between the RGC and the ILO on Decent Work priorities and areas of cooperation and 2) responds to recognised needs among constituents.
- The extent to which the DWCP strategy has been backed-up by the means and resources necessary for delivery of ILO support.
- To extent to which the cross-cutting goals have been integrated into DWCP e.g. gender mainstreaming, targeting vulnerable groups.
- The extent that the current programme is coherent, logical and captures opportunities for internal mutual reinforcement in meeting objectives.
- The extent to which the resource mobilization is an integral part of DWCP strategies and engagement.

Managing for results

- The clarity of DWCP outcome-level results against which the programme can be assessed.
- To what degree is there clarity and agreement on how results have been documented and verified in line with the indicators, targets and milestones set. Have monitoring plans been prepared and used as a management tools?
- The existence of exit strategies to ensure results are sustainable by partners' institutions at various levels (local, provincial and national).
- The effectiveness and relevance of monitoring and evaluation arrangements under the DWCP.

The efficiency & adequacy of organizational arrangements to deliver the DWCP in Cambodia

- The extent to which internal operational and management arrangements are effective for DWCP implementation, adequate monitoring and ensuring delivering of the expected results.
- The extent to which the ILO has operated fairly and with integrity.
- Evidence that credible, skilled specialists are supporting all aspects of the work.
- The extent to which resource mobilization is carried out effectively and efficiently.
- The general efficiency and timeliness of internal work processes.

Knowledge management and sharing

- The degree to which DWCP performance being effectively monitored and reported.
- The extent to which and how the information is shared and made accessible to national partners.
- The extent to which the ILO is using/strengthening and drawing on national knowledge networks and knowledge bases.
- The extent of internal sharing of knowledge and information across outcome areas and ILO organizational units
- The degree to which lessons and good practice are being identified and applied in ongoing programme development and implementation.

Progress made on achieving tangible outcomes

- The extent to which the planned outputs will be delivered by the end of 2015.
- The extent to which the quality and quantity of outputs delivered are satisfactory/acceptable.
- The extent to which the outputs delivered by the ILO are being used by partners/ target groups to enhance sustainability and results.
- Emerging risks and/or opportunities which have affected the progress of specific outcomes.

- The extent to which DWCP implementation takes into account those risks and opportunities and makes adjustments in outcomes, strategies and /or outputs.
- The degree to which ILO contributions to the achievement of outcomes are adequately resourced. Other resources that could be potentially accessed. Reasons for under-resourcing of activities.
- The links between technical cooperation activities (regardless of the sources of funds) and the achievement of broader outcomes.

Annex VI

DRAFT UNPF RESULTS AND RESOURCES FRAMEWORK 2017 – 2021 (truncated)

Draft as of 25 March 2016

Outcomes 1,2,4 and 8 shown below are those where the ILO has a designated role.

ILO is the designated lead agency for **Outcome 2**: More people have access to social protection benefits, in particular vulnerable groups and the poor

Outcome	Indicators, Baselines, Targets	Means of Verification	Partners
Outcome 1: All women and men have increased opportunities for decent livelihoods and jobs <i>Decent Livelihoods</i> UNDP, IFAD, ILO, IOM, UN Women, UNDP, UNFPA, UNICEF, UNIDO, WFP	1.1. Percentage of total population living below the national poverty line Baseline: 23.2% (2012-2013) Target: 16.2% (2020) 1.2. Percentage of labor force in formal sector as a share of total employment rate, male/female Baseline: 15.6% (male: 75%, female: 15%) (2010) Target: 30% (male: 70%, female: 30%) (2021) 1.3. Percentage of women and men employed by (a) agriculture sector, (b) industrial sector and (c) service sector Baseline: (a) 70% in skilled agriculture and fishing sector (male: 48.6%; female: 51.4%); (b) 5.8% in Service and sales worker sector (male: 37.4%, female: 62.6%); (c) 7.7% in manufacturing and industrial sector (male: 59%, female: 41%) (2010) Target: (a) 63% in skilled agriculture and fishing sector (female: 40%); (b) 10% in Service and sales worker sector (female: 70%); (c) 15% in manufacturing and industrial sector (female: 50%) (2021)	1.1. Lao Expenditure and Consumption Survey (2017/18) 1.2. National Labour Force Survey data (2016, 2021) 1.3. National Labour Force Survey data (2016, 2021)	Government: Ministry of Planning and Investment, Ministry of Labour and Social Welfare and other line ministries, Lao National Chamber Of Commerce And Industry, Lao Federation of Trade Unions Other partners: World Bank, ADB, bilateral agencies, other development partners
Outcome 2: More people have access to social protection benefits, in particular vulnerable groups and the poor	2.1. Number of formally employed workers enrolled in Social Security Fund (excluding army officials) Baseline: 230,000 (2015) Target: 300,000 (2021) 2.2: Number of poor covered by	2.1. Annual Records of the Social Security Fund Office 2.2. Annual Health Equity	Government: Ministry of Labour and Social Welfare, Ministry of Health, Ministry of Education and sports, and other line ministries, Lao National Chamber Of Commerce And Industry,

<i>Social Protection</i> ILO, IOM, WFP, WHO	social protection schemes Baseline: 80% (2015) Target: 95% (2021)	Fund data	Lao Federation of Trade Unions Other partners: Australia DFAT, Oxfam, CARE International, Non-Profit Associations
Outcome 4: Children and youth enjoy better access to inclusive and equitable quality basic education and vocational skills <i>Basic Education</i> UNICEF, ILO, UN Women, WFP, WHO	4.1. Percentage of new entrants in Grade 1 of primary education with pre-school experience Baseline: 51% (Girls: 52% / Boys: 50%) (2015) Target: 75% (Girls: 75% / Boys: 75%) (2021) 4.2. Survival rate in primary education (girls/boys) Baseline: 78% (Girls: 80% / Boys: 77%) (2015) Target: 93% (Girls 93%/Boys: 93%) (2021) 4.3. Proportion of youth (female/male) employed as a result of participation in vocational training programmes Baseline: 30% (2015) Target: 70% (2021)	4.1. Annual data by Ministry of Education and Sports: Education Management Information System 4.2. Annual data by Ministry of Education and Sports: Education Management Information System 4.3. Annual Reports by the Ministry of Education and Sports, and Ministry of Labour and Social Welfare; Employers' survey (2020/21)	Government: Ministry of Education and Sports, Ministry of Health, Nam Saat, Ministry of Labour and Social Welfare, Lao Women's Union, Lao National Chamber of Commerce and Industry, Lao Federation of Trade Unions Other partners: World Bank, Australian Embassy, European Union, Japan International Cooperation Agency, Save the Children, Plan International, World Vision, Child Fund, Catholic Relief Services, South East Asia Ministers of Education Organization
Outcome 8: People enjoy improved access to justice and fulfillment of their human rights <i>Access to Justice</i> UNDP, ILO, UN Women, UNICEF, UNODC	8.1. Number of citizens' grievances redressed through courts and village mediation units using legal aid services Baseline: Formal Courts 4,000; Village Mediation Units 4,747 (2015) Target: Formal Courts: 7,000 Village Mediation Units: 8,000 (2021) 8.2. Number of Laws certified by the Ministry of Justice that are compliant with requirements of drafting / amending and public consultations Baseline: 0 (2014) Target: 8 (by 2021) 8.3. Percentage of accepted recommendations of the second Universal Periodic Review cycle implemented Baseline: 0 (2015) Target: 60% / 70 of 116 (2021) 8.4. Percentage of women in National Assembly, and in leadership positions in state and	8.1. Annual data from Peoples' Supreme Court and Ministry of Justice 8.2. Law-making Baseline Report (2015); annual reports foreseen 8.3. Annual Reports on the Universal Periodic Review Action Plan 8.4. Annual National Assembly Reports; Ministry of Home Affairs Reports	Government: Ministry of Justice, Ministry of Foreign Affairs, Ministry of Public Security, Office of Supreme People's Prosecutor, People's Supreme Court Other partners: Lao Bar Association, International Development Partners

	<p>party</p> <p>Baseline: 27.5% in National Assembly (2016); 6.06% in leadership positions in state and party (2013)</p> <p>Target: 35% in National Assembly and 20% in leadership positions in state and party (2021)</p>		
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Annex VII

SUMMARY OF INITIAL RESULTS FROM PILOT PROJECT ON RURAL EMPLOYMENT PROMOTION FOR POVERTY REDUCTION, 2012-2016, SEKONG PROVINCE

Establishment of an institutional framework for rural employment creation: As indicated earlier, multi-stakeholder Steering Committees were established at national and provincial levels. 10 officials were furthermore assigned to five technical working groups. These officials in particular had the opportunity to obtain knowledge and skills transferred by project consultants and specialists.

Dissemination of the concept of integrated approaches for rural employment: *Inter alia* a National Workshop on Rural Employment Promotion was organised in Vientiane in July 2015, to disseminate project experience amongst various national line ministries, development partners, UN agencies, etc. Strong national and local ownership was shown with respect to project processes and results to date. The interest shown by other ministries and members of the international community indicated the potential for the project to be expanded and for it to serve as a ‘learning site’ for interested organisations, ranging from the World Bank to members of the National Statistics Centre.

Capacities of provincial and district officials have been strengthened: Some 112 officials from participating ministries, departments and other organisations took part in trainings and coaching using relevant ILO tools on Gender Equality Mainstreaming Strategies (GEMS); TOT on ‘GET Ahead for Women in Enterprise’ (participants are 70-90% confident that they can further conduct training programme [Khounouvong & Champasith, 2014]; Value Chain Assessment (using a training manual adapted from ‘Agriculture Enterprise Development Process’); Data Collection for the Project Baseline Survey: (all participants jointly worked with National Consultant to collect baseline data of seven villages and 150 households in two project sites); TOT on Occupational Safety and Health (OSH) in Rural Employment using ‘Work Improvement in Neighborhood Development (WIND)’; and Routine Maintenance Implemented by the Community (using ILO technical manuals on labour-based technology and routine road maintenance).

Community access and productive assets developed through community contracts: Particular achievements in this respect were the improvement of two community roads in target sites and the construction of two fishponds which were fenced, disinfected and filled. One of the challenges in constructing community assets in Sekong is the existence Unexploded Ordnance (UXO), requiring clearance before pond construction could continue.

Creation of jobs for short-term income created through community contracts: Through community contracts and the use of labour-based construction technology for community road maintenance and fish pond construction, short-term income was generated for the poorest villagers within the community.

Various farm and non-farm skills provided at the village level : This was usually a result of TOT of selected provincial and district officials, pre-training assessments, training of selected villagers, village to village awareness raising, follow-up support, and monitoring and evaluation. Specific examples included training on ‘GET Ahead for Women in Enterprise’; mushroom growing; gender equality; fish pond construction and fish raising; motorcycle repair and service operations; chicken raising; routine road maintenance and community contracting; and coffee production improvement.

Market-linkage activities organised for selected villagers and products: To link villagers in target areas to the market, the project provided various supports and activities directly and indirectly. The main contributions were to improving road conditions and two exposure visits for villages to share experiences and lessons and develop market linkages.

Annex VIII

Terms of Reference

Monitoring and Evaluation Working Group of ILO Decent Work Country Programme for Lao PDR 2011-2015 (DWCP MEWG)

1. Background

International Labour Organization's first Decent Work Country Programme (DWCP) for Lao PDR 2011-2015 was formally endorsed and signed on 16 February 2012 by ILO and its tripartite constituents, namely, the Government of Lao PDR, the Lao Federation of Trade Unions (LFTU), and the Lao National Chamber of Commerce and Industry (LNCCI). The Government represented by the Ministry of Labour and Social Welfare (MOLSW), LFTU, LNCCI and ILO have decided and agreed on establishing a working group on Monitoring and Evaluation of the progress towards the achievement of the 15 Outcomes under 4 Priorities that the DWCP sets forth (*refer to Annex*) in response to the national development goals enshrined in the 7th National Socio-Economic Development Plan (NSED) 2011-2015 and the outcomes of the new United Nations Development Assistance Framework (UNDAF) 2012-2015.

2. Goal

The Decent Work Country Programme Monitoring and Evaluation Working Group (DWCP MEWG) will assist the Tripartite Committee in measuring the results from the DWCP

3. Objectives

To achieve the above overarching goal, the DWCP MEWG has specific objectives including, but not limited to, the following:

- To develop, update and maintain a Monitoring and Evaluation framework document that defines the M&E of DWCP implementation, including SMART indicators and targets at both the Outcome and Output levels, plus division of labor
- To coordinate monitoring and evaluation of the implementation of the DWCP and provide support and oversight of the execution of the M&E processes
- To help build and develop capacities of ILO constituents for M&E, with tools, methodologies and human capital
- To report to the Tripartite Committee on the findings of the M&E

4. Composition and Chairpersonship

- The DWCP MEWG is composed of the M&E Focal Points designated by each constituent (MOLSW, LFTU and LNCCI) who deal with planning, monitoring, evaluation and reporting in his/her core work, in addition to ILO representative

- The MEWG may establish a sub working group for a specific task.
- Individuals may be invited or designated by constituents as ad-hoc members, or to contribute to specific activities or specific meetings of the MEWG, based on their relevant technical capacity.
- The DWCP MEWG shall be co-chaired by the designated representatives of each of the tripartite constituents, namely, MoLSW, LFTU, LNCCI and ILO.
- The Co-Chairs shall elect by consensus the 'Lead Chair' among them to lead a meeting. Such Lead Chair may rotate among the constituents and ILO.
- Each constituent shall designate a deputy to the representative, to co-chair in his/her absence.

5. Principles

- The DWCP MEWG takes a Managing for Development Results (MfDR) / Results-based Management (RBM) approach, as per the 2006 Vientiane Declaration on Aid Effectiveness as well as the MfDR/RBM policies of UN/ILO.
- Also in light of the Vientiane Declaration, the work of the MEWG shall be guided by the principles national ownership, national capacity development, alignment with national system, and mutual accountability.
- The work of the DWCP MEWG shall therefore be treated as part of the core work of the constituents, and not as "additionality"
- The MEWG shall maximize coordination and information sharing, to avoid duplication of M&E efforts and share good practices and lessons learnt.
- A decision of the MEWG shall be made on consensus.

6. Roles and Responsibilities

The DWCP MEWG has the following tasks:

- Develop and update a Monitoring and Evaluation framework document for DWCP implementation, with SMART indicators and targets at both the Outcome and Output levels
- Based on the M&E Framework, update the draft DWCP M&E plan covering the entire DWCP period, by identify annual plans and milestones, with description of activities (what/how), timeframe (when), division of labor (who does what) and budget/cost estimate (how much); Carry out M&E activities as per the plan
- Develop and update a common template for M&E activities (e.g. regular meeting minutes, project site visit report, quarterly report, annual review report, and other key M&E events/activities)
- Develop, where appropriate and if possible, M&E tools and methodologies based on best practices, for DWCP and other work of the constituents
- Contribute inputs to an independent evaluation of the DWCP commissioned by ILO
- Report to the Tripartite Committee regularly on the status and findings of the work of MEWG, and provide recommendations
- Provide technical advice to those involved in planning, implementation and results reporting of DWCP in Lao PDR and other programmes/projects of the constituents,
- Research and adapt good practices and tools used by other institutions, either globally, regionally or nationally, as applicable to the DWCP context
- Network with M&E officers of other ministries and development partners
- Serve as the depository of M&E policies and reports on DWCP

7. Meetings

- The DWCP MEWG may meet as often as necessary to carry out the aforementioned responsibilities, however minimum once every quarter.
- The Lead Chair shall be responsible for convening a MEWG meeting, including sending out invitations, securing the venue, preparing a minutes, etc

8. Workplan and Resources

- As the M&E is part of the core work of the constituents, and not "additionality", the cost of the M&E work for DWCP shall be built in the budget of each DWCP project and activity.
- MoLSW, LFTU, LNCCI and ILO are jointly responsible for mobilising resources necessary for the activities of the DWCP MEWG.
- The MEWG shall submit an annual work plan of the working group (with budget estimate) to the Tripartite Committee for its endorsement and to ILO for approval. The first annual workplan (i.e. for 2012) shall be developed and approved in the 2nd quarter of 2012. And subsequent annual plans shall be developed by/in the 4th quarter of the previous year.

Annex IX

Terms of Reference: LAO PDR DWCP Review (2011-2015), 25 January 2016

Introduction

Over the past decade, the ILO programme in Lao PDR contributed to important results at both the policy and practice levels. This achievement was in large part due to strong national ownership, in particular within the Ministry of Labour and Social Welfare (MOLSW), Lao Federation of Trade Unions, Lao National Chamber of Commerce and Industry and other national partners. Highlights of the ILO programme were also enunciated in the previous Country Programme Review (CPR 2006 – 2009)³⁶

The previous CPR made a number of recommendations for the improvement of future ILO programmes and all of which have been reflected in the design of the current DWCP, after various consultation process between and amongst ILO, relevant ministries, unions and other local stakeholders, and pursued throughout the DWCP implementation.

The DWCP focused on four priority areas, which also reflecting the commitments of the United Nations Development Assistance Framework (UNDAF) in Lao PDR, as well as the main concerns of the tripartite constituents. These areas are:

- (a) Promoting employment and skills development for more equitable growth and poverty reduction;
- (b) Improving labour market governance;
- (c) Improving and expanding social protection; and
- (d) Improving constituent capacities and strengthening social dialogue.

The CPR is a participatory self-evaluation tool used to review the design of a country programme, focusing on the outcomes and guiding strategies of the ILO Country Programme, and to identify where and how improvements can be made. It enables constituents and partners to consider future strategies and actors.

Background and context

Socio economic context

Lao PDR, with GNI per capita of over \$1,000 in 2014, is one of the fastest growing economy in the East Asia. The country showed an impressive economic growth rate of 8% annually in the last five years, this growth contributed to slowly lowering the number of poor people.

With the strong commitment of the Government to tackling poverty issues, focusing aid support for remote communities, the country has made a significant progress towards achieving the Millennium Development Goals (MDGs), however, in certain areas such as in health, nutrition and education the MDGs remain off track. The country aims to meet the criteria for graduating from the least development country status by 2020.

National development framework

The Government committed to ensure inclusive growth focusing on rural areas where the majority of the poor live. The country's development policy agenda - the 7th National Social and Economic Development Plan (NSED 2011-2015), approved by National Assembly in June 2010, strives to achieve growth with equity. The NSED contained five major thrusts: i) national economic development; ii) rural development and poverty eradication; iii) the promotion of livelihoods; iv) improved public administration; and v) competitiveness.

³⁶ The review of the ILO Country Programme for Lao People's Democratic Republic (Lao PDR 2006-2009) managed by the Regional Monitoring and Evaluation Officer of the RO-Asia and the Pacific and conducted by an external evaluator.

Government of Lao PDR

Lao PDR joined the ILO as a member States as early as 1964. To implement the ILO activities, the Government created MOLSW in 1993. It serves as basis for programme development in six areas: employment promotion and poverty alleviation, human resource development: labour administration, industrial relations and tripartism; workers' organisations, employers' organizations; and social security.

Besides MOLSW, the ILO works with the Lao-Federation Trade Unions (LFTU) that was established in 1966 with direct involvement of the Government and with the Lao National Chamber of Commerce and Industry (LNCCI), established in 1989.

The labour law was promulgated in 1990 and amended in 1994 and 2006, and 2014.

UNDAF

In order to contribute to the 7th NSEDP and to the achievements of MDGs in Lao PDR, the UN system together with the Government identified areas where the UN has a comparative advantage. The followings are the UNDAF Outcomes and Outputs to which ILO is assigned:

Outcome 1: By 2015, the Government promotes more equitable and sustainable growth for poor people in Lao PDR.

- Government and national institutions are better able to enhance sustainable tourism, clean production and export capacity (Output 1.2)
- Government supported to develop capacity for labour market information system and analysis (Output 1.9)
- Government officials have knowledge on and national policy to eliminate hazardous forms of child labour (Output 1.10)

Outcome 2: By 2015, the poor and vulnerable benefit from the improved delivery of public services, an effective protection of their rights and greater participation in transparent decision making.

- Labour migration policy and mechanisms developed and adopted to protect Laotian migrant workers from exploitation and abuse during recruitment and employment. (Output 2.3)
- Social dialogue mechanisms to ensure industrial peace and institutionalised. (Output 2.12)

Outcome 3: By 2015, under serviced communities and people in education priority areas benefit from equitable quality education and training that is relevant to the labour market.

- Government and concerned industries have the capacity to develop and approve Skills Standards and Testing modules and certify the upgraded skills of workers. (Output 3.5)

Outcome 4: By 2015, people in Lao PDR benefit from more equitable promotive, preventive, curative and rehabilitative health and social welfare services.

Outcome 6: By 2015, key populations at higher risk of HIV infection benefit from increased coverage and quality of integrated prevention and treatment, care and support services.

(ILO plays as lead agency for the most of the above outputs except 'output 1.2' where ILO is a partner agency.)

ILO's Decent Work Country Programme

The previous CPR provided an opportunity for ILO and its constituents to reflect upon and assess the performance of ILO's support to the country and, with the corresponding workshop, the result of the review saw some encouraging recognitions of the achievement at both policy and practice levels, largely due to: (a) strong national ownership³⁷, (b) high quality and respected technical assistance and (c) in the best cases, combining actions at local levels with wider policy formulation processes. Also highlighted were such operation constraints; (a) absence of formal in country presence; (b) limited profile of the ILO programme; and (c) limited scale of financial resources able to be mobilised.

The review also made a number of recommendations:

- Ensure that the DWCP Document is designed with the full intention of assisting national stakeholders in achieving key development outcomes. In this regard, the design process should also enable ILO constituents and partners the opportunity to better shape its work;
- Through their early and active involvement in the DWCP design process, build greater awareness of the ILO programme among national constituents;
- Develop stronger synergies between the DWCP and the work of other development partners;
- Develop structured resource mobilisation strategies for the programme;
- Establish strategies to mitigate risks in implementation.

CP's Priorities and Outcomes

Priority 1: Promoting employment and skills development for more equitable growth and poverty reduction

- *Increased opportunities created for decent and productive employment, particularly in rural areas. (Outcome 1.1.)*
- *Increased numbers of men, women and youth demonstrate skills in line with labour market demand. (Outcome 1.2.)*
- *Enhanced institutional capacity to support entrepreneurship and enterprise productivity and competitiveness, particularly in sectors with high employment potential. (Outcome 1.3.)*
- *Improved migration management mechanisms and policies. (Outcome 1.4.)*

Priority 2: Improving labour market governance

- *Labour law is more effective at facilitating social dialogue, resolving disputes, setting wages and preventing misuse of employment contracts. (Outcome 2.1.)*
- *More effective ratification and application of fundamental and governance conventions. (Outcome 2.2.)*
- *More effective application of laws against gender discrimination. (Outcome 2.3.)*
- *The elimination of child labour receives stronger recognition as an integral part of national development policies, plans and programmes. (Outcome 2.4.)*

Priority 3: Improving and expanding social protection

- *Social protection mechanisms strengthened and expanded, with a particular focus on the expansion of health insurance. (Outcome 3.1.)*
- *HIV and AIDS policies and programmes enhanced and coverage widened. (Outcome 3.2.)*
- *Improved institutional and legal provisions for the promotion of Occupational Safety and Health (OHS) in the workplace. (Outcome 3.3.)*

Priority 4: Improving constituent capacities and strengthening social dialogue

- *Enhanced capacity of Lao National Chamber of Commerce and Industry (LNCCI). (Outcome 4.1.)*

³⁷ Particularly from MOLSW and MOPWT

- *Enhanced capacity of Lao Federation of Trade Union (LFTU). (Outcome 4.2.)*
- *Improved mechanisms for preventing and resolving disputes. (Outcome 4.3.)*
- *Enhanced institutional and legal mechanisms to determine Minimum Wage(s). (Outcome 4.4.)*

Purpose and Scope

Purpose: The purpose of CPRs are for improvement and learning. The CPR (2011-2015) will contribute to the development of the new cycle of DWCP for Lao PDR. The CPR will assess the relevance and coherence of the DWCP design and implementation, and will examine how these contribute to performance against stated outcomes. The CPR will determine what has been achieved, whether outputs are being covered into expected outcomes, and whether the strategies being used as effective and efficient.

Specifically, the review is to:

- Assess the overall relevance of the programme to national development challenges, national priorities (7th NSEDP, Labour and Social Welfare Strategy), the UNDAF, ILO priorities and MDGs.
- Assess the programme formulation process and the focus, coherence and logical fit of the outcomes, outputs and strategies.
- Analyse programme implementation, looking at:
 - ✓ effectiveness of interventions in producing results, with particular attention to synergies/coherence across interventions;
 - ✓ sustainability, with particular attention to capacity/institutional development and the creation of an enabling environment (changes in laws, policies and behaviours); factors of success and constraints encountered (internal and external);
 - ✓ adaptation/adjustments to the changing situation (emerging opportunities and threats) and evidence of the application of lessons learned;
 - ✓ the partnership approach, the role and effectiveness of partners in promoting decent work and coordination among partners;
 - ✓ knowledge management, communication strategy (internal and external) and incorporation of monitoring and evaluation results into the knowledge base;
 - ✓ organizational arrangements (managerial, administrative and business processes);
 - ✓ resource availability; and
 - ✓ efficiency of programme execution (time and costs).
- Assess progress towards outputs and outcomes with data-supported evidence and using the scale and matrix in the terms of reference.

Scope: all relevant mix of advocacy and policy advice, capacity building, services, strategic partnership, direct demonstration projects and research the make up a DWCP during the period 2011-2015 in all geographical coverage will be included in the CPR.

Methodology

The methodology will comprise an extensive desk review of relevant documentation. It also includes an in-country mission of the review team for information gathering. The process includes a series of meetings/interviews between the review team and the Government, workers' and employers' organizations, other UN agencies, major donors, as appropriate. A stakeholder workshop will be organised as a platform for relevant internal and external colleagues to discuss the ILO's work in the country.

The CPR will be managed and coordinated by the ILO Regional Office for Asia and the Pacific (ROAP) and CO-Bangkok and the ILO Lao PDR Office (or ILO-Vientiane) in consultation with DWT-Bangkok. An external consultant will be hired to facilitate the review process and to prepare the review report. The ILO Monitoring and Evaluation

Officer from ROAP will provide overall oversight. The core CPR team will comprise an international consultant as facilitator/team leader and a national consultant. The ILO encourages a participation of key stakeholders throughout the review process.

The gender dimension should be considered as a cross-cutting concern throughout the methodology, deliverables and final report of the CPR. This means that both women and men should be involved in consultations, review analysis, and in the review team. Data reviewed by the team should be disaggregated by sex, and based on this analysis should assess the relevance and effectiveness of strategies and outcomes for both women and men. Recommendations should reflect such analysis, which should be accurately included in the inception and the final review report, and should be gender-responsive.

Review questions and analytical framework

The CPR focus on the relevance of the programme to beneficiary needs, the validity of the DWCP design, the efficiency and effectiveness, the impact of the results and the potential for sustainability. Other complimentary criteria are

- The focus and coherence of DWCP strategies
- DWCP strengths, weaknesses, opportunities and threats (SWOT)
- DWCP's niche and comparative advantage
- Tripartite participation
- Strategic partnerships
- M&E system
- The organizational arrangement
- The knowledge management and sharing

Relevance

- The extent to which the national political, economic and social factors have shaped formulation of DWCP.
- To extent of flexibility that the DWCP has the ability to respond to emerging opportunities.
- The extent to which DWCP's intended outputs or outcomes are consistent with national and local policies, the UNDAF, if appropriate. Is the approach
- How well priorities and needs of intended beneficiaries have been addressed by DWCP.

Effectiveness

- Achievement/Progress made on tangible outcomes (Annex 2 provides info. per outcome)
 - Is the ILO contribution to the outcome adequately resourced? Any technical cooperation activities (regardless of the sources of funds) contribute to this outcome? Any other resources? If under-resourced, why?
 - Will all the planned outputs be delivered by the end of 2015?
 - Are the quality and quantity of outputs delivered satisfactory/acceptable?
 - Are the outputs delivered by the ILO being used by the partners/ target groups?
 - Have the progress/changes taken place in the past three years (against the indicators/milestones set)? If not, why did it not happen?
 - What emerging risks and/or opportunities have affected the progress of this specific outcome?
 - Does the country programme take into consideration those risks and opportunities and adjust the outcome and/or its strategies?

The efficiency and adequacy of organizational arrangements to deliver ILO's programme in the country

- To what extent the operation and management set up are effective for DWCP implementation, adequate monitoring and ensuring delivering of the expected results.
- To what extent the ILO has operated fairly and with integrity
- Are credible, skilled specialists supporting the work?
- Is resource mobilization being carried out effectively and efficiently?
- Are work processes efficient and timely?

Impact

- The extent that the strategic orientation of the DWCP has contributed toward making a significant change to the broader, long-term development context.
- Has there been any changes experienced by beneficiaries, target groups of capacity building, whether direct or indirect, intended or unintended.

Sustainability

- the extent to which the DWCP has produced durable interventions that can be maintained, or even scaled up and replicated, within the local development context including whether there has been any establishment of organizational arrangements at the public or private sector level to ensure that there will be a continuation of services or benefits once the funding of such interventions ended.

The role and relevance of ILO in Lao PDR, its niche and comparative advantage

- The extent of DWCP priorities consistent with ILO's capacities and its comparative advantages
- The extent to which it is realistic in its approach and takes into account budgetary realities

Tripartite participation and capacity

- The extent to which it has been based on a solid mapping of constituent needs and is fully reflective of those needs in execution
- The extent that the national tripartite constituents are active in national development planning forums and networks.
- To what extent the national tripartite constituents have ownership of the DWCP.
- To what extent the tripartite constituents have improved capacities to influence national policy and resources within decent work areas.
- What are the main capacity and resource constraints of the tripartite constituents in delivering DWCP in line with their priorities? And if so have there been steps to address them.

Strategic partnership

- To what extent the ILO has achieved the overall policy coherence and partnership between ILO actions and those of other UNs, and of the MDGs.
- The extent to which that the ILO has worked in partnerships with tripartite constituents and built national capacities and support policy change as per the goal of DWCP.

The focus and coherence of the programme's design and strategies

- Is there coherence and integrated approach in DWCP strategy?
- The DWCP fits within ILO's strategic policy framework and programme and budget priorities and strategies.
- Does the DWCP reflect a consensus between the country and the ILO on decent work priorities and areas of cooperation?
- The extent to which that the DWCP strategy has been presented with main means of action for delivery of ILO support.

- To what extent the cross-cutting goals have been integrated into DWCP e.g. gender mainstreaming, targeting vulnerable target groups.
- The extent that the current programme is coherent, logic and captures opportunities for reinforcing each other in meeting objectives.
- Verification that ILO responds to recognised needs among constituents.
- The extent to which the resource mobilization is an integral part of DWCP strategies.

Managing for results/ Monitoring and Evaluation

- Has the DWCP defined clear outcome-level results against which it can be assessed?
- Is there clarity and agreement on how results have been documented and verified indicators with targets and milestones set are being applied? Has the monitoring plan been prepared and used as management tools?
- Are there exit strategies to ensure results are sustainable by partners' institutions at various levels (local, provincial and national)?
- How effective is performance being monitored and reported?

Knowledge management and sharing

- The extent to which and how the information is shared and made accessible to national partners?
- Is the ILO using/strengthening national knowledge networks and knowledge bases?
- How is the ILO utilising the knowledge garnered from the DWCP in its wider policy work and what are the mechanisms that help information feed into the wider policy discourse in HQ?

Management and roles and responsibilities

ROAP's roles and responsibilities

ROAP has oversight responsibility for the whole review process and, in collaboration with the ILO-Vientiane, will coordinate the review process, preparing internal documents and arranging meeting with key stake holders. ROAP Monitoring and Evaluation Officer and ILO-Vientiane Office may participate in the mission, if necessary. The review exercise will be technically and financially supported by the ROAP in consultation with ILO-Vientiane.

The draft report will be submitted to the ROAP and it will be shared with relevant stakeholders DIC/MPI (Department of International Cooperation at the Ministry of Planning and Investment) and the MOLSW for their comments. The DIC/MPI will consolidate other stakeholders' comments and submit them to ROAP. ROAP will further consolidate the comments from ILO staffs and specialists and the review team will revise and finalize the report.

CO-Bangkok and NC in Vientiane roles and responsibilities

CO-Bangkok (and NC in Lao PDR) will coordinate with ROAP and will brief partners on the process and their participation. CO Bangkok and the national coordinator in Lao PDR will help facilitate the whole review process. CO-Bangkok will also prepare relevant information in advance to contribute to the review exercise.

CO-Bangkok in consultation with the tripartite constituents, will arrange a stakeholder workshop where relevant internal and external stakeholders can analyse and discuss ILO's work in the country (also for the CPR team to share the preliminary findings).

CO-Bangkok and NC (together with other stakeholders if relevant) will take action and follow up on the recommendations of the review.

CO-Bangkok needs to prepare relevant information in advance to contribute to the review exercise prior to the start of the field mission as follows:-

- Portfolio of interventions in 2011, 2012-13 and in 2014-2015 including total allocation and expenditure of all sources of funds (RB, RBTC, PSI, XBTC and RBSA) during 2011-2015 by outcomes.
- Summary performance profiles for each outcome – not to exceed one page with information that corresponds to assessment criteria. A summary of outcomes performance profile should be prepared as per template in annex 2 for each outcome
- Updated DWCP monitoring plan and implementation plan
- Summary of relevant countries' policies, such as employment, migration, education, social security and labour protection.
- Other relevant background information, including project progress reports, project evaluations, as well as evidence of major outputs and other performance-related information.

ILO-Vientiane needs to coordinate and prepare the review mission's agenda and schedule meetings for the review team with the following:

- Ministry of Labour and Social Welfare (MOLSW)
- Ministry of Commerce and Industry
- Ministry of Education and Sports
- Lao statistic Bureau of MPI
- Department of International Cooperation at the Ministry of Planning and Investment (DIC/MPI)
- Lao-Federation Trade Union (LFTU)
- Lao National Chamber of Commerce Industry (LNCCI)
-
- UN agencies
- Donors
- Relevant ILO staffs in Vientiane, DWT-Bangkok Specialists, ILO HQ, who have been directly involved in the development and implementation of the DWCPs and technical cooperation interventions
- other key partners

ILO tripartite constituents and other key partners

ILO constituents will be consulted throughout the process. The tripartite constituents and key partners will provide inputs to this TOR, and participate and contribute actively in the review process including attending a stakeholders' workshop at the end of the review mission.

ROAP, DWT-Bangkok, EVAL, PROGRAM and others

ILO specialists and other staff may participate and/or be asked to contribute to the exercise, including providing inputs to the TOR or participation in review process and also input to a self-evaluation of outcome specific component, and inputs to the draft report. EVAL and PROGRAM provides guidance and may provide comments to the draft report.

Review team's roles and responsibility

A team of external consultants (international and national consultant) will be hired to facilitate the review process and to prepare the review report as per this TOR.

The international consultant, as a team leader, is responsible for the conducting of the review, facilitating of the stakeholders' workshop, drafting and finalising the review report based on the inputs from the consultations with relevant stakeholders and member of the review team. The international consultant will report to the ROAP M&E Officer. The report will encompass the purposes, scope, methodology and performance criteria as per this TOR.

The draft report will be submitted to ROAP M&E Officer who will share it with CO-Bangkok and other key stakeholders in due course.

Specific outputs to be delivered:

- 5) Inception report – outline a plan for the review including purposes, scope, methodology, key questions and target stakeholders, the workplan, deliverables, etc;
- 6) power point presentation of preliminary findings and facilitation of the stakeholders' workshop;
- 7) draft review report; and
- 8) final report incorporating inputs from key stakeholders.

The international consultant 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 shall be written in an evidence-based manner such that all observations, conclusions, recommendations, etc. are supported by evidence and analysis.

The national consultant will assist the international consultant in the whole review process. Specifically, the national consultant will be responsible for:

- Conduct desk review of relevant documentations and contribute to the preparation for the CPR
- Proactively provide relevant local knowledge and insights to the review team e.g. Cambodian's context and suggest other possible key persons to be interviewed if relevant
- Be available during the review mission
- Take part in the interviews with ILO constituents and key stakeholders
- Take note and write brief reports
- To contribute to the main report to be written by the international consultant – the national consultant may be asked to contribute to certain sections of the draft report as requested by the team leader
- To participate and jointly facilitate the stakeholders' workshop
- To help provide interpretation during the meetings, where needed, including interpretation during the interviews for the international consultant, and translation of documents as and when necessary.

Provisional work plan and schedule for the review

The time frame is based on the scope of work and methodology previously outlined and resources available for the review.

Task	Time frame	Responsible unit/person	Consultations
9. Draft TORs prepared and consulted	January 2016	ROAP	CO-Bangkok, tripartite constituents
10. Identification of external facilitator	January 2016	ROAP	
11. Internal and external consultations to finalize TOR	Jan-Feb 2016	RAOP, CO-Bangkok	DWT-specialists, national stakeholders
12. Preparation of background document and summary performance profiles by outcomes	Jan 2016	CO-Bangkok	DWT specialists and Project staffs
13. An Itinerary of CPR team to get inputs from national stakeholders	Feb 2016	CO Bangkok	ROAP
14. Documents reviewed by CPR team	March 7-11	Consultants	

15. Field mission/consultations	March 13-21/22 (TBC)	CPR team	National tripartite stakeholders, national partners, UN agencies
16. Stakeholders workshop	21-22 March TBC	Consultants to present	
17. First draft report	22 April 2016	Consultant, CPR team	ROAP, CO-Bangkok
18. Sharing the report to key stakeholders for comments	25 April to end of May 2016	RAOP, CO-Bangkok	Tripartite constituents, CO/DWT-Bangkok
19. Final report submitted	mid June 2016	Consultant, ROAP	
20. Follow up on the recommendations and commence on the design of the next DWCP	June 2016	CO-Bangkok	

Annex 1: List of documents to be reviewed

- UNDAF
- MDG Progress Report 2000-2015
- DWCP Document
- DWCP implementation reports (SMM/IR)
- Relevant key project documents and reports

Annex 2: DWCP specific outcomes – (1 page per outcome max) to be prepared by CO-Bangkok

CPO1:		
Performance area	Comments by CO –Bangkok	Plans for next period
A. Resource adequacy		
B. Delivery of outputs		
C. Use of outputs		
D. Progress made against outcomes indicators and milestone		
E. Measure to response to the emerging risks and the opportunities		