



the Independent Final Cluster Evaluation on the Public-Private Partnership for compliance with national law and respect for fundamental principles and rights at work in the electronics sector of Viet Nam

QUICK FACTS

Countries: Vietnam

Evaluation date: 15 October 2024

Evaluation type: Clustered

Evaluation timing: Final

Administrative Office: CO-Hanoi

Technical Office: INWORK, WORKQUALITY, BETTERWORK, SECTOR

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DC Symbol: VNM/20/02/APL; VNM/21/50/JPN; GLO/20/40/EUR; and VNM/22/50/JPN

Donor(s) & budget: GLO/20/40/EUR: The European Commission's DG-Employment's EaSI Programme with total budget: € 1.546.734 (1.793.075 USD) (all countries) of which EU contribution is € 1,4 million (1.612.265 USD); VNM/21/50/JPN: Government of Japan/ Ministry of Health, Labour and Welfare (SSN Fund) with total budget USD 300,000; VNM/22/50/JPN: Government of Japan/ Ministry of Economy, Trade and Industry (METI) with total budget of USD 1,685,964 for Viet Nam component and all countries: USD 6.8 million; VNM/20/02/APL: The APPLE Inc. with total budget of USD 1 million

Key Words: Better Work, Decent Work, Responsible Value Chains, Responsible Business Conduct, Human Rights Due Diligence, Electronics value chains, Gender Equality, Social Dialogue; Viet Nam. [Use themes as provided in i-eval Discovery](#)



BACKGROUND & CONTEXT

Summary of the project purpose, logic and structure

Introduction: The present report provides the findings of the Independent Final Cluster Evaluation of the ILO projects that work with the electronics sector, and that share the common objective, i.e. to contribute to the sustainable and inclusive economic growth of Viet Nam and advancing decent work in the supply chain in Viet Nam and through promotion and improvement of labour standard compliance and dialogue in global supply chain in the electronics sector of Viet Nam. The cluster of four linked projects is funded by APPLE Inc. (Project VNM/20/02/APL, running from July 2021 to December 2024), the European Commission's DG Employment's EaSI Programme (Project GLO/20/40/EUR, running from June 2021 to March 2023), the Government of Japan/Ministry of Health, Labour and Welfare (SSN Fund) (Project VNM/21/50/JPN, running from June 2021 to September 2023), and the Government of Japan/Ministry of Economy, Trade and Industry (METI) (Project VNM/22/50/JPN, Viet Nam component running from April 2022 to March 2024).

Present situation of the project

The cluster of four linked project is implemented in the context that the electronics industry in Viet Nam has experienced tremendous growth over the last decade, as evidenced by the rapid rise in the share of electronics exports of total exports from the country from 5 per cent in 2010 to 32.22 per cent in 2021 and 30% in 2022. The electronics industry plays a significant role in balancing foreign exchange and the trade balance for the entire country. For instance, in 2022, the country had a trade surplus of 11.2 billion USD, while the electronics industry had a trade surplus of 11.246 billion USD. In 2021, the country had a trade surplus of 4 billion USD, whereas the electronics industry had a trade surplus of 11.5 billion USD. The electronics industry has also been one of the biggest job creators in Viet Nam in the last decade, employing more than one million workers. One of the biggest challenges businesses are facing is the significant disruption in the labour market, including labour shortages, attrition, attracting workers back to work, and creating decent jobs. Within this context, the ILO has forged a unique partnership approach in the electronics sector since 2015 as part of their mandates for supporting the tripartite partners, including its target for promotion of sustainable enterprises. In period between

	late 2020 and 2024, ILO has collaborated with Vietnamese partners to implement the cluster of four projects in electronics industry. They worked together in a consistently cooperation and with complementarity manner at all levels (national, sectoral and enterprise) under the oversight by the ILO Country Office (Hanoi) Director and Better Work Viet Nam manager.
Purpose, scope and clients of the evaluation	The main purpose of the independent final clustered evaluation is to identify accountability to the main stakeholders and to learn from current practice. The overall objectives of the clustered evaluation are to assess the performance and impact of the cluster, and to provide recommendations for future efforts to strengthen ILO's Development Cooperation and enhance its impact and contributions to implementing the decent work agenda.
Methodology of evaluation	The evaluation applies a clustered approach, and cover all the ILO projects in the electronics sector, to allow for more strategic focus to guide further interventions/actions of the ILO in the sector. The clustered evaluation applied an integrated approach in assessing the performance of the four linked projects against the OECD/DAC evaluation criteria ¹ and also evaluated and assessed the cluster's contribution to ILO's cross-cutting issues. The ToR for the present evaluation identified the following eight Evaluation Criteria , including: Relevance, Validity of intervention design, Coherence, Effectiveness, Efficiency of resource usage, Impact orientation, Sustainability and Cross-cutting issues.
MAIN FINDINGS & CONCLUSIONS	With respect to the first evaluation criteria, Relevance , the relevance of the clustered projects is significant, as they align closely with the needs and priorities of stakeholders across all levels. The Partner-driven approach ensured in all four clustered projects facilitates the alignment with relevant national and institutional priorities. At the national level, the projects are well-aligned with various laws and plans related to labour and industrial development. They support and harmonize with the tasks of the

¹ <https://www.oecd.org/dac/evaluation/revised-evaluation-criteria-dec-2019.pdf>

tripartite partners, state management functions concerning labour, and the efforts to promote collective bargaining. The initiatives of the projects have also contributed to advancing various demands of stakeholders like MOLISA, VCCI, VGCL, and electronic enterprises. The four projects within the cluster cater to various needs in the electronics sector by addressing specific issues such as labour relations, decent work challenges post-COVID-19, and the high turnover rates among workers. The GLO/20/40/EUR project evaluates the impact of the pandemic on decent work and has led to collaborative efforts to help workers return sustainably. Meanwhile, project VNM/20/02/APL focuses on labour relations issues, such as the use of outsourced labour and electronic contracts, which enhance management efficiency and compliance with labour laws. Collectively, these projects aim to resolve challenges related to labour shortages, seasonal employment, and the need for skilled workers, thereby promoting stable working conditions and improved labour relations within the industry. The relevance of each of the four projects varies based on their specific focus and activities, with the majority demonstrating a high level of alignment with the needs of the participating enterprises. Additionally, the projects show a strong gender equality focus and a high degree of alignment to the priorities of the ILO in terms of promoting decent work and sustainable enterprises in Viet Nam, contributing significantly to DWCP and the UN Sustainable Development Goals (SDG).

On the *Validity of Design* it was found that the clustered projects present a complex scenario, with architecture posing certain challenges while also demonstrating coherence. The Theory of Change (ToC) for the electronics cluster was constructed after the launch of the four projects, comprising one goal, four impacts, and eight specific objectives at three levels. The alignment of the logical frameworks of the four projects with the ToC presented certain challenges while addressing the priorities of the different donor while ensuring a thorough alignment across the cluster.

Despite being relatively independent in design stage, the designs of each project are logical and coherent in achieving their respective outputs and outcomes. Different activities and project timelines vary across the four projects, leading to varying levels of change in the beneficiary enterprises. Project VNM/20/02/APL stands out for

its coherent design, particularly tailored to the needs of the electronics industry. Project VNM/21/50/JPN complements the former and focuses on maintaining workplace compliance and promoting social dialogue practices. Project GLO/20/40/EUR effectively equips tripartite constituents with the capacity to promote decent work in the electronics industry, while Project VNM/22/50/JPN's expansive evidence base has limited activities targeting small and medium enterprises within the electronics sector. Despite their diverse approaches, the projects exhibit considerable coherence and logical progression in attaining their objectives.

The Projects VNM/21/50/JPN, VNM/22/50/JPN, and VNM/20/02/APL share a common foundation as they are structured based on the existing framework of Better Work, aimed at delivering enterprise-level services. These projects capitalize on established processes and draw from Better Work's wealth of experience and relationships with the Tripartite Constituents, including Governments, Employers' Organizations, and Trade Unions.

However, ensuring strong links in the project design to realize the entire cluster's impacts and outcomes remains less evident, signifying areas for improvement. For an enhanced cluster design, it would have been beneficial to involve more comprehensive inputs from the Tripartite Constituents in the development of the Cluster's ToC right from the start. Some partners lack an understanding of the link between the Better Work Viet Nam program and various activities within the Cluster. Therefore, a well-defined ToC is essential, followed by a robust monitoring framework incorporating smart indicators to gauge the cluster's performance effectively. To ensure coherence within the cluster, each project should utilize specific indicators to measure its individual performance meanwhile using a set of cluster indicators.

The **Coherence** is notably high, reflecting their ability to leverage synergies and partnerships to enhance efficiency and effectiveness. Evidence shows a strong synchronization among the four projects, which aim to maximize resource utilization and achieve common goals. For example, Project VNM/21/50/JPN and Project VNM/20/02/APL work collaboratively to establish a dialogue mechanism for sustainable compliance in the electronics sector;

they have successfully organized sectoral consultation meetings on critical topics such as occupational safety and health in the post-COVID-19 context. Additionally, Project GLO/20/40/EUR has facilitated the identification of priority compliance topics, increasing stakeholder commitment to addressing these issues. While Project VNM/22/50/JPN integrates deeply with the Better Work Viet Nam initiative, allowing it to tap into existing structures and experiences, thus achieving outputs beyond its individual capacity, Project VNM/21/50/JPN promotes tripartite dialogue at the provincial level and supports various initiatives such as training on gender sensitization. The collaborative approach among the projects addresses challenges like budget limitations and tight schedules, optimizing resource allocation and facilitating large-scale initiatives that would be unfeasible individually. The alignment of the projects with ongoing tasks from tripartite institutions further reinforces their coherence. Mobilization of human resources has been significant due to the project's design aligning with partners' needs, and studies conducted at partners' requests have aided in this endeavor. Training programs and advisory services at enterprises have created positive changes at the operational level. Contextual factors, such as the Vietnamese government's reforms of the Labour Code and engagement from NGOs, have also heightened the commitment of project partners. However, some government policies, particularly stricter ODA approval processes for externally funded projects since mid-2023, have presented challenges to program performance. Overall, the effective collaboration and strategic alignment among the projects significantly contribute to their success in promoting decent work within the electronics sector. Overall, the *Effectiveness* of the four projects and the cluster has been deemed to be more than satisfactory based on the accomplishment level of the expected results outlined in its ToC. All four projects have implemented all of their outputs with committed deliverables as planned and, thus, achieved their outcomes. The projects were impacted by the COVID-19 pandemic and the lengthy procedures for approving activities by relevant Vietnamese regulatory agencies, resulting in some delays in implementation. The Cluster Performance Matrix in Annex 3 provides an encompassing illustration of the degree of achievement across all



levels of outcomes, including immediate outcomes, intermediate outcomes, specific objectives, and impacts as per the cluster's ToC. Notably, the cluster has been effective in the establishment of effective social dialogue, including collective bargaining at the national/sectoral level, evidenced by the successful organization of seven quarterly sectoral consultation meetings in the electronics sector, consequently strengthening social dialogue mechanisms. Concerning the specific objectives delineated by the Theory of Change, six out of eight set objectives have been successfully accomplished, including the establishment and maintenance of a robust tripartite dialogue platform and the enhancement of the Employer's Organization's capacity to facilitate collective bargaining and social dialogue. Nevertheless, challenges confronted the attainment of objectives related to workplace cooperation practices and compliance with industrial relations and legal requirements, highlighting the need for further interventions within these areas. The *Efficiency of Resource Usage* was found to be satisfactory. The tripartite partners involved in the four projects within the Electronics Cluster include VCCI, VEIA, MOLISA, and the Viet Nam General Confederation of Labour, along with provincial labour federations. These partners play dual roles as both implementers and beneficiaries, coordinating a variety of sector-related activities such as consultation meetings and capacity-building efforts. Feedback indicates that the partners generally view the coordination processes as effective, although some staff members suggested improvements to streamline budget approval procedures, which can hinder implementation efficiency. The capacities of these constituents have been significantly enhanced through extensive training for VGCL's union officers, who now serve as grassroots trainers. VCCI has developed important training materials and guidelines to help enterprises improve their human resource policies. The collaboration with Better Work Viet Nam led to the successful finalization of the FIT toolkit, which will have broader applications in the future. Overall, trade union leaders and managers have shown improved awareness of non-discrimination and sexual harassment prevention, fostering a work environment that aligns with decent work principles. Despite positive evaluations, some enterprises noted delays in receiving training

materials and a lack of responsiveness to suggestions regarding training logistics.

Four projects, exhibiting varying management structures, are coordinated under a cluster system with overall ILO oversight. While some projects are integrated into broader programs, others operate independently, all sharing a lean management structure. Effective coordination mechanisms, including regular meetings, facilitate information sharing and resource optimization, leveraging successful past interventions to enhance efficiency and avoid duplication. Project management is deemed efficient, with strong collaboration between the ILO and partner organizations (MOLISA, VGCL, VCCI). International expertise is strategically deployed, enhancing project capacity. Successful initiatives include multi-factory labour agreements and the adaptation of best practices from the garment to the electronics industry. Streamlined budget approval processes are needed. Insufficient communication with key partners limits buy-in to the overall cluster vision, and a cluster-wide results-based monitoring framework is lacking. Furthermore, suboptimal utilization of human resources and incomplete methodology transfer limit the potential for replication. Greater engagement from top-level enterprise management and donor agencies is needed. Finally, bureaucratic procedures and limited project timelines hampered the implementation of certain activities.

With respect to *Impact*, this evaluation assesses the impact of ILO interventions in the Vietnamese electronics sector across three key areas: social dialogue, freedom of association and collective bargaining, and as a key part of ILO Fundamental Principles and Rights at Work. It is too early to draw conclusions about the impact on freedom of association as a result of the project group's activities. The impact observed at the enterprise level is that projects fostered social dialogue through best-practice sharing, leading to improved grievance mechanisms and employee satisfaction. A significant achievement was the negotiation of a multi-employer collective bargaining agreement (MECBA) in Que Vo Industrial Park, facilitated by project-supported capacity building. At the national and sectoral levels, interventions established sustainable multi-stakeholder platforms and regular consultation meetings, disseminating best practices and addressing industry

challenges. While evidence supports progress in freedom of association and collective bargaining at the workplace and provincial levels, exemplified by the MECBA and reported internal collective bargaining agreements, a lack of predefined indicators limits comprehensive assessment. Regarding FPRW, projects contributed to reviewing labour-dispatch policies, addressing non-discrimination concerns, and improving legal compliance among factories. Training initiatives, particularly for production supervisors, demonstrably enhanced understanding and implementation of non-discrimination principles. However, the absence of standardized metrics across projects hinders a precise quantification of overall impact.

With respect to *Sustainability*, the results clustered project's demonstrate varying levels of sustainability, the evaluation of sustainability is ascertained to be medium to high based on the following robust foundations:

Primarily, the meticulous design of the cluster and its associated projects is tailored to demonstrate a high degree of relevance, ensuring harmonization with the priorities and needs of partners. This strategic approach not only instills a sense of ownership and dedication among partners but also fortifies their enduring commitment to uphold and propel project interventions forward. Moreover, the bolstered capabilities of tripartite partners play a pivotal role in bolstering the continuity and expansion of project initiatives within the cluster. By enhancing partner capacities, the projects establish a sturdy groundwork for the perpetuation of interventions well beyond the projects' intended lifespan.

The unwavering commitment of factories towards formulating internal policies, such as enacting Codes of Conduct, implementing Grassroots Democracy Regulations, and nurturing Social Dialogue Processes within their establishments, not only augments the impact on employees but also upholds the continuous flow of project interventions. These internal policies cultivate a positive organizational culture that resonates with employees, sustaining the progress achieved through the Project.

Finally, factories exhibit proactive involvement by tailoring training materials to suit their specific needs, drawing from initiatives such as VNM/20/02/APL and VNM/22/50/JPN Projects. By nurturing internal trainers and entrusting them with internal training

responsibilities, factories foster a culture of perpetual learning and development, ensuring the enduring dissemination of knowledge and skills throughout the organization. This proactive engagement further solidifies the sustainability efforts within the cluster, setting a strong foundation for lasting impact and growth.

An extended number of **Cross-Cutting Issues** mainly on **Gender Equality** was used in this report based not only on the ToR, but also on ILO's Checklist 4.2: Preparing the Evaluation Report. The cluster's interventions aimed to reduce sexual harassment and enhance gender equality within the Vietnamese electronics industry, showing positive impacts at the factory level based on interview data. While lacking formal impact indicators, evidence suggests increased worker awareness of sexual harassment and improved behaviour among shift leaders. Project teams actively promoted women's participation, consistently achieving at least 50% female representation in project activities. Initiatives included training programs for union representatives on sexual harassment prevention, developing guidelines for gender mainstreaming in business policies, and creating educational materials. Best practices were also integrated into national codes of conduct. The projects successfully integrated gender equality perspectives into broader business and human rights frameworks. However, a critical limitation was the absence of sex-disaggregated data in monitoring and evaluation, hindering a more comprehensive assessment of impacts, specific objectives and outcomes. Using robust quantitative sex-aggregated data is needed to fully measure the effectiveness of these interventions.

RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES

Main findings & Conclusions

1. Advocate for the formulation of the vision and industrial strategy for the electronics sector of Vietnam. The process needs comprehensive consultation with all key and related stakeholders including VCCI and VCGL, VEIA, and representatives of brands and enterprises. This is crucial for moving beyond packaging and assembly to improving local value addition, productivity, and competitiveness, investing in skills, and fostering opportunities for decent work.

2. Continue the programmatic areas of capacity building and awareness raising of government officials, employers' organisations, trade unions and companies, around ILO Fundamental Principles and Rights at Work.
3. Continue to revise the current manuals/guidance on conducting social dialogues at sectoral and national level. The national partners expected more appropriate tools and expertise for designing and conducting social dialogues at sectoral and national level.
4. Consider extending the approach of the electronics project cluster to other labour-intensive industries that have similar needs, such as retail and tourism. These industries are also among those where tripartite partners promote social dialogue and multi-enterprise collective bargaining.
5. Explore specific areas in the Law on Employment that are under review for amendment in order to develop future projects that support the implementation of the new provisions in this law. In the future, when the Law on Occupational Safety and Health is being considered for amendment, this recommendation remains valid. It is recommended that the ILO support VCCI and VGCL in conducting research and assessments on the topic of Occupational Safety and Health in the electronics industry. These case studies will help them contribute effectively to the law amendment process
6. Enhance engagement with trade unions in any follow-up interventions, including targeted capacity building. Trade unions in industrial parks and export processing zones in Hai Phong, Bac Ninh, Bac Giang, and Hung Yen provinces should continue to collaborate on capacity building activities for grassroots trade unions. Given the human resources available within these trade unions, a pool of regular experts should be established to work alongside them in delivering capacity development to grassroots trade unions.
7. Engage and provide the technical support (such as equipping international brands with deeper knowledge about Vietnam's cultural environment and the characteristics of Vietnamese workers) to the international brands can significantly influence the commitment of top leadership of the suppliers within the global supply chain. By fostering collaboration with international brands,

the commitment of factory leadership to sustainable practices can be markedly strengthened, ensuring long-term positive impacts within the supply chain.

8. Consider establishing longer-term agreements and facilitating comprehensive capacity transfer to the technical staff of local agencies, such as the General Statistics Office (GSO). The GSO has expressed interest in further researching decent work within supply chains once they have attained adequate competence. The agency can then extend its advocacy to other sectors, thereby benefiting broader state management efforts.

9. Consider further support to MOLISA to examine measures to ensure equitable rights between workers under direct contracts and those engaged under the dispatch protocol. This is a research priority to support the implementation of Vietnam's legal policy, which MOLISA highlighted as important in this assessment.

10. Complete the technical support content for factories in the following directions: (1) Continue to revise the Factory Improvement Tool (FIT) to better suit the electronics industry; (2) Engage consultants with extensive practical experience in the electronics industry to conduct consulting activities for enterprises, thereby ensuring the relevance and effectiveness of the guidance provided; (3) Conduct thorough needs assessments to understand enterprises' consulting requirements. This is crucial for tailoring support programs that align precisely with the specific needs of each enterprise, including compliance with standards such as the Responsible Business Alliance (RBA) standards. (4) Reduce the concentration of training sessions held in Hanoi to encourage wider participation from factories located in provinces like Bac Ninh and Bac Giang. (5) Continue offering training courses on collective bargaining for enterprise trade union officials; (6) Implement training courses directly for workers on selected topics, including occupational hygiene and safety; and (7) Continue and refresh training on SHP and LGBTQI+ friendliness working environment for a larger targeted audience, specifically workers at enterprises.

11. Expand collaborative efforts beyond the current tripartite partners to include relevant state management agencies, particularly the Ministry of Industry and Trade (MoIT) in relation to the electronics sector. By ensuring these agencies are fully informed about the competitive advantages that arise from improving decent

	<p>work conditions, the ILO can encourage international importers to recognize adherence to decent work practices in Viet Nam, thereby motivating state management agencies alongside MOLISA.</p> <p>12. Allocate resources to support VCCI in sharing good practices of sectoral dialogue mechanisms and systematic, strategic public-private collaboration at both national and provincial levels in multi-sectoral forums for greater impact.</p>
Main lessons learned and good practices	<p>LL-1 – The selection of the electronics sector, a pivotal contributor to exports, GDP, and employment generation, is strategically targeted due to its unique characteristics such as seasonal production cycles, creating enduring labour relations challenges that necessitate the concerted attention and collaborative efforts of tripartite partners.</p> <p>LL-2 – In its capacity as the implementing entity, the ILO assumes a crucial role as a neutral facilitator, leveraging its esteemed international expertise to convene and mobilize national partners effectively. By fostering a conducive environment for national partners to converge around sector-specific challenges, the ILO plays a pivotal role in catalysing collaborative solutions to industry-level issues.</p> <p>LL-3 - Central to effecting the anticipated transformations is the endeavour to shift the mindset of grassroots trade union officials towards becoming effective facilitators in social dialogue and collective bargaining within the factory setting. This shift, facilitated by a partners-driven approach, nurtures the requisite capacity and ownership among national partners, laying the foundation for sustainable, long-term impact.</p>