International Labour Organization

Evaluation Office

i-eval Discovery

Skills Development and Responsible Business Conduct for Transition –Final Independent Clustered Evaluation

QUICK FACTS

Countries: **Japan, Thailand, Indonesia**

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Evaluation type: Clustered

Evaluation timing: Final

Administrative Office: ***RAS/23/52/JPN: RO-Asia and the Pacific in coordination with CO-Jakarta and CO-Bangkok; JPN/23/51/JPN: ILO-Tokyo***

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Key Words: skills, Responsible Business Conduct, Business and Human Rights, Automotive Sector, Electrical and Electronic Sector

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

BACKGROUND & CONTEXT	
Summary of the project purpose, logic and structure	"Skills Development and Responsible Business Conduct (RBC) for Transition" was a two-year project funded by the Japanese Ministry of Economy, Trade and Industry (METI) with interventions delivered in Japan, Thailand and Indonesia. In Japan, the project focused on raising the awareness of institutional investors, trading companies and Multinational Enterprises (MNEs) of business and human rights issues as they affect their investment decisions and operations. In Thailand and Indonesia, the project worked a sectoral level (Automotive, and Electrical and Electronic) embedding principles of responsible business conduct into skills initiatives designed to support the transitions faced by these sectors and their workforces.
Present situation of the project	The project concluded on 31 March 2025.
Purpose, scope and clients of the evaluation	The **purpose** of this final clustered evaluation was to assess the relevance of this cluster of interrelated projects and the validity of the design, to document and assess its achievements and effectiveness in terms of the intended outcomes, and to evaluate its impact or likely impact. The **scope** covered all three countries from April 2023 to March 2025. The **clients** of the evaluation were the ILO, the donor, and national and local partners/constituents.
Methodology of evaluation	Data collection **methods** included: A review of documents/reports related to the programme's context, design, ongoing development and modification, technical and financial progress, monitoring and evaluation systems, and programme outputs. Field visits to each country. Personal, group and remote interviews with 92 programme stakeholders/beneficiaries including 38 women (41%). Case studies to highlight noteworthy aspects of project implementation and results in each country.

MAIN FINDINGS & CONCLUSIONS

RELEVANCE

Design: The project design was weak in several important respects, hindering the efforts of project staff to achieve the intended outcomes. The design greatly overestimated what could be achieved in such a short project timeframe. Project staff had to build relationships with stakeholders from scratch, research their needs, develop and test new tools, training modules and information products, and had very little time to fully implement and institutionalise these in national systems and policies. The results framework they were given was poorly conceived, lacked meaningful indicators of success or means of verification, and collected limited evidence for the evaluation's assessment of effectiveness, impact and sustainability.)

Linking skills development with Responsible Business Conduct (RBC): A valid rationale underpinned the project's novel approach of combining these two project elements and supporting SMEs in supply chains to both up-grade their skills and to comply with RBC principles. In practice, project staff had to pioneer this new approach with little guidance from the project document.

Relevance to national stakeholders: Project activities were relevant to the needs and priorities of national and sectoral stakeholders and ILO constituents. Over time, as awareness grew and project tools and resources were completed, stakeholders in all three countries expressed a strong desire for continued support in the areas targeted by the project.

Gender and disability inclusion: These areas seem to have been given only cursory attention in the project design and in its monitoring framework and were not a major focus of implementation. The project's focus on business and human rights necessarily included these issues along with other aspects of the ILO's normative mandate but they were not given special emphasis in project deliver

COHERENCE

ILO priorities: The project cohered well with the ILO's priority action programme to address decent work in supply chains (AP/Supply

Chains) and included activities that aligned with outputs set out in the strategy endorsed by the Governing Body in March 2023.

METI priorities: The project also cohered well with the Japanese Government's policies relating to business and human rights and its efforts to raise awareness and to build the capability of Japanese companies to address issues in their supply chains. The project opened a new communication channel to promote business and human rights issues to hard-to-reach SMEs in supply chains in Thailand and Indonesia.

Other ILO projects: The level of coherence with other ILO projects addressing RBC or skills development varied. In some cases, building on the work of these projects in a more deliberate way might have enhanced results. Coherence with the closely related RISSC project was generally good, though overlaps posed some operational challenges for project staff that could have been minimised with better project design.

EFFECTIVENESS

The project's short timeframe and poorly conceived results framework limited the evaluation's ability to assess its effectiveness beyond the output level. Lack of time was a major limiting factor for the project – with so many activities related to training, institutional capacity building, policy development and awareness raising, a much longer lead-time is required for any behavioural changes to be observed in individuals, institutions and enterprises. While stakeholders indicated that some early progress had been made toward the intended outcomes, concrete evidence of the outcomes envisaged in the project document remains scarce.

Outcome 1: The project enhanced social dialogue, but a sustainable mechanism is needed to continue discussion on key issues, such as up-skilling workers and developing a strategic sectoral response to transitions. Knowledge and awareness have been increased about the need for workforce re-skilling/up-skilling, but mechanisms and policies still need to be developed to expand access to these opportunities in Indonesia and Thailand. The primary challenge is funding. Work on apprenticeships and occupational mapping were welcomed by stakeholders, but were different from what was envisaged in the project document, which sought to engage Japanese MNEs with SMEs in their supply chains.

Outcome 2: The project's work encouraging constituent collaboration tended not to be in the form of discrete activities but as part of its skills development work (Outcome 1). In this respect, engagement with constituents, sectoral bodies and training providers was strong, and their shared interest in the need for re-skilling and up-skilling provided a platform for also cultivating a shared commitment to RBC. The project successfully supported social dialogue during its implementation. What is unclear is whether its focus on skills development and RBC for transitions will continue without the project.

Outcome 3: While stakeholders recognize the project's valuable contribution in Japan through awareness raising activities and the development of guidelines and other resources, mechanisms need to be put in place to measure their impact, analyse their effects on different beneficiary groups, or define the next steps and responsible parties.

EFFICIENCY

The project was adequately resourced financially. Budgets allocated to specific outcomes were revised to meet shifts in project strategy at the output level. The budget for staff-related costs was revised down in absolute terms and as a proportion of the total allowing for more external technical expertise to be sourced for some project elements.

The project's management structure was not fit for purpose. The project needed a manager with operational oversight of project activities in all three countries and who could act as a single point of contact with the funding partner. Instead, there were barriers that made it difficult for the project in Thailand and Indonesia to efficiently communicate with METI on operational issues and to respond to their requests. Both project staff and METI were clearly frustrated by these barriers.

IMPACT ORIENTATION AND SUSTAINABILITY

There is a lack of reliable measures to assess the potential impact of the project at this early stage. The work done to strengthen the capacity of stakeholders in Thailand and Indonesia to adapt to industry transformations through skills development and a focus on Responsible Business Conduct demonstrated a new approach, but, despite some broad commitments by implementation partners to continue this work, its broader application and institutionalization is uncertain. In Japan, the guidelines and awareness raising activities found a receptive audience, but much more work needs to be done and the mechanisms to do this are also uncertain.

CONCLUSIONS

In practice the project **operated as two separate interventions** sharing only a mutual commitment to advancing decent work. The project's theme in Thailand and Indonesia could best be described as "skills for transition", working with a sector in each country that was facing the challenges of structural change and seeking to increase the knowledge and capacity of constituents and other stakeholders to respond to this change through vocational training which also promoted the principles of "responsible business conduct". The project focused more on skills than was originally envisaged in the project document.

In Japan, the project **focused on raising awareness of business and human rights** among Japanese institutional investors, trading companies and MNEs, developing a guide and running workshops and events. The focus there was at a quite different point on the continuum of responsible business conduct, emphasising the business case for addressing basic human rights in making investment decisions and in working with supply chains.

The project's work in these countries responded to real needs and constituents and implementation partners highly valued the ILO's contribution, both in its technical assistance and in the authority its involvement gave to the project as an international institution promoting standards. However, the **short duration of the project and the lack of a satisfactory framework to analyse progress** towards outcomes and impacts made it difficult to adequately measure the value added by the project. The project logic and theory of change were poorly articulated and there were no mechanisms in place to measure progress towards outcomes other than those related to completing activities.

	Looking forward, there is potential to do more to connect skills development with responsible business conduct, **working with both MNEs and the SMEs in their supply chains**. The project now has strong links with sectoral bodies that can help the ILO and its partners to reach the huge number of SME suppliers where business and human rights risks are great. At the other end of the supply chain, engaging MNEs to work with national constituents in developing structural adjustment policies and strategies that include skills development programmes would be an appropriate area to explore, given the technological changes and the threat of job losses faced by their suppliers. In line with RBC or ESG principles, local MNE subsidiaries could be engaged to support tripartite initiatives that contribute to a smoother transition for the affected workers and business owners.

RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES	
Main findings & Conclusions	**Main recommendations and follow-up** 1. In all future project, ensure that the monitoring and reporting system set out in the project document is fit for purpose and can measure progress towards outcomes and impact. 2. Ensure that the management and governance structure of future projects is similarly fit for purpose and can effectively coordinate activities and streamline communication. 3. Enhance the focus on gender and disability inclusion in project design and implementation. 4. Explore models for structural adjustment policies strategies that involve MNEs to support workers and enterprises affected by structural change
Main lessons learned and good practices	**Lessons** 1. Clarity in describing "what success looks like" is essential in defining a theory of change and in creating a meaningful results framework. This needs to be done in conjunction with the funding partner and with constituents so that they have a shared understanding of the outcomes beyond the completion of activities.

	2. A more systematic approach is needed to collect "stories of significant change". Given the long lead-time required, the scope for this is much less in short projects, but having mechanisms in place to describe what has changed or is beginning to change is still important. 3. Short, six-monthly updates may have helped identify the need for adjustments in approach and to provide the funding partner with the information it needed for accountability purposes. This would depend on having a better results framework in place. 4. Having a Project Manager with oversight of all three countries would also have helped strategic and operational decision making and communication with the funding partner. 5. Past projects delivered in related policy areas needed to have been more carefully considered in planning and implementing projects. 6. A clearer vision of the role to be played by constituents was needed in the awareness raising activities of the project in Japan. In particular, the role of employers' representatives could have been better recognised in advancing the business and human rights agenda within their membership. While capacity development for other partners representing investors and trading companies was important, more needed to be done for constituents. **Good practices** 7. In Thailand, the project's success in gaining the commitment of ECOT and AHRDA to adopt and disseminate the skills and RBC modules developed through the project, of TAPMA to use and promote the occupational map with its many members, and of OVEC to adopt the in-company training manual revised through the project all demonstrate how project staff have independently identified important mechanisms for pursuing sustainable outcomes, even when such approaches are not clearly set out in project documents. 8. In Indonesia, engaging with Matsushita Gobel Foundation (YMG), a foundation linked to the MNE Panasonic was a highly effective way of engaging with a major company to work with its supply chains. It acted as an intermediary with Panasonic's local subsidiary on RBC-related matters and to elicit their cooperation and support. It also helped set up new collaborative arrangements with a key Ministry of Manpower

	vocational training centre, greatly enhancing their links with and responsiveness to suppliers in the E&E sector. 9. The project built new partnerships that could expand the reach of the ILO and METI, such as with PRI and the Japan Foreign Trade Council. While this was a good approach, it could have perhaps been done in a way that continued to build the capacity of ILO employer constituent capacity to a greater degree.