International Labour Organization

Evaluation Office

i-eval Discovery

Building Responsible Value Chains in Asia through the Promotion of Decent Work in Business Operations – Phase II

QUICK FACTS

Countries: India, Japan, Lao Peoples' Democratic Republic, Malaysia

Evaluation date: 30 March 2026

Evaluation type: Clustered

Evaluation timing: Final

Administrative Office: ILO Regional Office Asia and Pacific (ILO Country Offices for India, Lao PDR, and Malaysia) and the ILO Country Office for Japan

Technical Office: Multinational Enterprises and Responsible Business Conduct Unit (MULTI)

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DC Symbol: RAS/24/02/JPN (umbrella): RAS/24/50/JPN, and RAS/24/51/JPN

Donor(s) & budget: Government of Japan / Ministry of Economy, Trade and Industry (METI); project budget USD 2.7 million

Key Words: *Business and Human Rights, Decent Work, Final Independent Evaluation, Human Rights Due Diligence, Responsible Business Conduct, Responsible Value Chains*

BACKGROUND & CONTEXT	
Summary of the project purpose, logic and structure	**Project purpose**: This project continued the pioneering collaboration between the ILO and METI to advance Responsible Business Conduct (RBC) and ensure Decent Work (DW) in regional and global supply chains. In continuation of RVC – Phase I, the RVC – Phase II focused on Japan and the manufacturing sectors, but expanded to India, Lao PDR, and Malaysia. Moreover, Phase II was guided by the ILO's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) focusing on cross-border operations, as well as it includes a significant component of activities covering small and medium enterprises in Japan. **Overall aim**: The ILO aimed to strengthen compliance of enterprises with labour standards (national and international), and labour dimensions of Human Rights Due Diligence (HRDD); enhance the capacity of governments, employers, and workers' organizations to foster adoption of sustainable and responsible business practices, and inclusive growth. **Intervention Logic**: The ILO's aim was aligned to the Government of Japan expectations. To jointly achieve the respective aims of ILO and METI, the development objective (intended impact) of this project was set out as: More inclusive, responsible, and sustainable enterprises and decent work in supply chains in the specified sectors in the programme countries in Asia. The intervention logic of the project was accordingly underpinned in the Theory of Change (TOC). The project then pursued two interconnected outcomes to achieve this impact: (i) the first outcome was to strengthen enterprise compliance with national laws and international labour standards; and (ii) the second outcome was to enhance the capacity, dialogue, and collaboration of ILO tripartite constituents: governments, employers' organizations, and workers' organizations. The project activities, and their outputs, were then linked to the expected outcomes based on a set of TOC assumptions (hypotheses) which formed a cornerstone of this evaluation.
Present situation of the project	The project is currently in its closing stage; all planned activities are completed.

Purpose, scope and clients of the evaluation	**Evaluation purpose and scope**: A key purpose of this evaluation was organizational learning to improve future programming in areas where enterprise needs and development cooperation meet. The evaluation considered outputs, linked outcomes, and the impact of the interventions in the four programme countries, and the sustainability of results achieved. The evaluation findings are expected to contribute to future programme designs and implementations to advance RBC for DW in supply chains. **Clients of the evaluation**: ILO's tripartite constituents in each of the programme countries, the donor, ILO project staff, management, specialists, and technical branches. Other UN agencies, civil society organizations, non-governmental organizations, line ministries and other donors can also find this evaluation useful.
Methodology of evaluation	At an operational level, the evaluation spanned three months (January to March 2026) and was sequenced in three stages: inception; country-level data collection through key informant interviews of the ILO's tripartite constituents in each country, ILO project team and specialists, donor, participating enterprises, academia, and other stakeholders; followed by analysis, drawing insights by triangulating data collected from multiple sources, and synthesizing them into reporting. There were three rounds of review of the draft report, and the findings were presented in a stakeholders' validation meeting. The ILO HQ Evaluation reviewed the final report.

MAIN FINDINGS & CONCLUSIONS	The outputs of all implementation activities planned in this project were fully achieved in all four countries and the region. The project activities and results achieved were relevant to all stakeholders. While the intervention design was valid, there were a few takeaways for future programming. The evaluation found varying levels of coherence in achieving synergies: both internally (within ILO projects) and externally (with other national / institutional initiatives) revealing some scope for improvement. The Theory of Change (TOC) logic was implemented, but the consistency in the logic application varied across activities and countries.

	The effectiveness of activity outputs, and their linked outcomes varied across countries. While all output targets and performance metrics were achieved, the envisaged systemic changes as outcomes could not be realistically achieved as envisaged at the design stage (some of the reasons being beyond the ILO's control). In India, Lao PDR, and Malaysia the results were effective, for the short term, but may not remain effective over the medium term; it is to be further supported for deepening. In Japan, the results were more effective, with some results showing early signs of greater impact, and self-sustenance. The TOC hypothesis Home – Host country results was validated, and future programmes can contribute on foundations prepared. The project stimulated varying levels of interest in enterprises across countries to become catalysts for change to adopt RBC for DW. In Japan, the large enterprises were found to be interested, whereas Japanese SMEs showed 'mixed' interest levels. SMEs and suppliers in other countries were cautious, evincing low interest, with some of them considering RBC for DW to be a non-priority till enforced. The management arrangements were effective, scheduled adhered to, budgets utilized, and no significant unexpected reversals were noted. The Value for Money was found reasonable based on 11 outputs that were assessed qualitatively based on a 'with-case' / 'without-case' analysis. In Japan, where more conducive ecosystems are in place, the signs of early impact were visible and the impact may sustain in the selected sectors (such as E&E). In India, Lao PDR, Malaysia further support is likely to be needed through technical assistance to build up ecosystems that can sustain RBC for DW in supply chains.

RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES	
Main findings & Conclusions	**Two recommendations based on common findings and the lessons learnt across countries** Recommendation 1: deliver higher value to smaller enterprises in future RBC for DW projects

	Recommendation 2: deepen digital activities in future projects with an aim to enhance efficiency, effectiveness, and impact of outputs, and sustain the impact of interconnected outcomes. **Four country specific recommendations:** Recommendation 3, India: Operationalize the bipartite roadmap, begin with the "training" pillar Recommendation 4, Japan: Expand operationalizing "SPP" initiatives in at least two new sectors Recommendation 5, Lao PDR: Contextualized replication of the JEITA SPP initiative by developing one or two sectoral pilots according to national priorities Recommendation 6, Malaysia: Develop BHR sectoral templates, coherent yet differentiated from compliance requirements of the i-ESG framework
Main lessons learned and good practices	**Lessons learnt** The evaluation shortlisted two lessons learnt which can be generalized for national and regional stakeholders. Lesson 1: Improving effectiveness of the training imparted. Lesson 2: More focus is needed on SMEs **Emerging good practices** Three effective and replicable project outputs were identified. (i) Partnerships in Japan with JEITA on the SPP initiative having sector-wide impact (ii) Launching the India bipartite roadmap to promote RBC for DW. (iii) Beginning collaboration with the academia to promote RBC / BHR in Higher Education