



# Evaluation Summaries

## Evaluation: Global Compact and safety and health - improving occupational safety and health in the supply chain: a public-private partnership project between ILO, Volkswagen and GTZ

### Quick Facts

**Countries:** South Africa, Mexico and Brazil

**Final Evaluation:** September-December 2008

**Mode of Evaluation:** Independent

**Technical Area:** occupational safety and health (OSH)

**Evaluation Management:** GTZ, Germany

**Evaluation Team:** Petra Künkel (team leader), Schirin Yachkaschi and Vera Fricke, all from Collective Leadership Institute

**Project Start:** March 2004

**Project End:** November 2008

**Project Code:** INT/04/M27/GTZ

**Contributions:** GTZ on behalf of the German Federal Ministry for Economic Cooperation and Development: 500,000 euro

ILO: 200,000 euro in kind

Volkswagen, Germany: 300,000 euro in kind

**Keywords:** Occupational safety and health (OSH), labour inspectors, public-private partnership (PPP), small and medium sized enterprises (SMEs), supply chain

### Background & Context

#### Summary of the project purpose, logic and structure

This was a public-private partnership project between the ILO, Volkswagen and GTZ on behalf of the German Federal Ministry for

Economic Cooperation and Development, with an overall aim to establish and implement national OSH action programmes, based on international labour standards, in South Africa, Mexico and Brazil. This was the first project of its kind to be undertaken within the framework of the UN Global Compact, launched in 2000. The project was also innovative in that it involved Ministries of Labour and labour inspectors as well as other international and national partners. Labour inspectors were to participate with Volkswagen (VW) experts in project activities at enterprise levels, such as joint visits to suppliers and in training courses. Suppliers were mostly SMEs who lacked OSH guidance and support. Training and guidance were also to be developed for inspectors and national policies drafted for SMEs to help ensure greater sustainability of project results.

The project was managed centrally by an Overall Steering Committee comprising the three main project partners with representatives from IOE and ITUC. On a day-to-day basis, the project was managed by ILO SafeWork. National Project Coordinators were appointed to the 3 ILO country offices and National Steering Committees, comprising all 3 project partners and also social partners, coordinated and managed country plans and activities.

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

The evaluation was conducted to address key questions with regard to 1.) achievement of the PPP, 2.) good practices and lessons learned regarding the project management within the multi-stakeholder cooperation and 3.) insights for future projects of this kind. The assessment of results is based on the indicators in the project planning document. The impact assessment is based on DAC-criteria such as impact, effectiveness, efficiency, relevance and sustainability.

## **Methodology of evaluation**

The evaluation was conducted by a team of three persons from the Collective Leadership Institute, Potsdam, Germany. Two of the team members collected information in Mexico and South Africa, where the project was implemented and the overall evaluation of the partnership was managed by Ms Petra Kuenkel, the team leader.

The key approach for the evaluation was a combination of preparatory desk research and data analysis, and empirical research mainly through interviews with relevant actors at an international level, and country level in Mexico and South Africa. Following a round of preparatory telephonic interviews the in-country-missions took place between 30 August and 6 September 2008.

A draft evaluation report was prepared and shared with stakeholders for their comments and inputs during the Final Overall Steering Committee meeting taking place on 24 November 2008 in Berlin, Germany. The final version of the report was produced taking into account the consolidated comments of the stakeholders.

## **Main Findings & Conclusions**

- The project was very successful at the enterprise level, where all partners gained from better working conditions,

more of a preventative OSH culture and better productivity as a result. Trust and cooperation between SMEs and inspectors were enhanced too.

- The overall project aim was not achieved, mainly because of the difficulties of scaling up successes at the enterprise level to the national level within the time and resource constraints of the project.
- Inspectors' roles within the PPP were successfully negotiated in South Africa and Mexico, but not so in Brazil, where the project ceased because such issues remained unresolved.
- OSH was a high priority for the key project partners and the project was seen as very relevant. However, there was insufficient exchange of lessons learned between countries or between national and international organisations.
- The structure of this project was complex as it involved several international and national partners in several countries, with different layers of management. The amount of time allocated to managing the project was much underestimated at the design stages, which was further exacerbated by some long-term shortages of ILO HQ and field project staff.
- Training materials and guidance on best practices and audit techniques were produced for the benefit of labour inspectors and suppliers, helping to promote sustainability of the project results.
- A mid-term evaluation of this project had not been initially planned and none was carried out. Such would have helped in rectifying some of the problems that the project was facing mid-term as well as monitoring how well the PPP itself was working.

## Recommendations and findings

### Main recommendations and follow-up

- Lessons from this project should be considered by teams managing other similar ones, such as the ILO/IFC *Better Factories* and *Better Work* projects. An ILO meeting on lessons learned from this and other PPPs is recommended.
- Multi-national enterprises should consider participating in similar PPPs that include Ministries of Labour and labour inspectors, building on the successes of this project. Special attention should be given to agreeing inspectors' roles in such PPPs, since their enforcement powers can be a potential obstacle to the building up of the mutual trust and confidence needed for PPPs to succeed.
- Such PPPs could be extended to other parts of the automotive sector and to other employment sectors, eg textiles, construction, in developing countries.
- During the design stages of a PPP, extensive stakeholder and context analyses should be undertaken and relevant partners should be engaged, to help ensure ownership and sustainability of results. Project budgets should also be decentralised as far as possible.
- Good process management should be provided for PPPs, monitoring them to ensure ongoing commitment and trust. Good communications between partners at enterprise, national and international levels should also be maintained.
- Realistic staff resources should be provided to manage and implement PPPs, taking into account their structural complexity and scope. Key staff that leave project teams, for whatever reason, should be promptly replaced.

- Mid-term evaluations of PPPs of this scope and potential are vital, whatever their duration, and should be included in project initiation documents.

### Important lessons learned

- Labour inspectors have an important role to play in PPPs, especially if they are well trained in OSH or other relevant technical matters. In other cases, inspectors can benefit much from participation in PPPs, building their own capacity to promote compliance with national standards. Their involvement also helps to ensure the sustainability of PPP project results.
- Such PPPs often focus on giving expert advice, monitoring and training, without issuing sanctions. Inspectors' basic functions are to "secure the enforcement of legal provisions" etc (Labour Inspection Convention 1947, No.81), so their participation in a PPP needs careful negotiation. Nevertheless, it should be possible to reach agreement with inspectors remaining as PPP partners without compromising their enforcement role.
- Some enterprises request that technical information gained from visits is treated in confidence. Readily acceding to such requests helps to build trust and confidence between partners.
- The supply chain provides a worthwhile avenue for promoting national and international labour standards. Suppliers, who are often SMEs, benefit from expert advice, not only achieving improvements in physical working conditions but also seeing more positive attitudes towards the prevention of accidents and ill-health, HIV/AIDS etc.
- PPPs focused on the supply chain also provide an opportunity for multi-national enterprises to meet obligations under the UN Global Compact and/or their own CSR agendas.