



Evaluation Summary



International
Labour
Office

Evaluation
Office

The Vietnam Labor Law Implementation Project – Midterm Evaluation

Quick Facts

Countries: *Vietnam*

Mid-Term Evaluation: **13 – 21 July 2015**

Mode of Evaluation: *Independent*

Administrative Office: *CO-Hanoi*

Technical Office: *DWT/CO-Bangkok*

Evaluation Manager: *Francesca Fantoni*

Evaluation Consultant: *Theo Van der Loop*

Project End: September 27, 2016

Project Code: *VIE/12/01/USA*

Donor & Project Budget: *US Department of Labor US\$ 3,000,000*

Keywords *Industrial relations, collective bargaining, social dialogues, labour legislation and implementation*

Background & Context

The *Vietnam Labor Law Implementation Project*, usually known as the **Industrial Relations (IR) Project**, is implemented by ILO and funded by the United States Department of Labor (USDOL). On 18 September 2012 USDOL and ILO signed a four-year **Cooperative Agreement (CA)** in which USDOL provided an initial US\$ 1 million with a **possible** maximum of US\$ 3 million conditional upon availability. This resulted in some uncertainties explained below. The effective date of the agreement is September 28, 2012 and it runs until September 27, 2016. This CA was developed on the basis of a draft

project proposal that had already been under design by ILO and the Ministry of Labor, Invalids and Social Affairs (MOLISA). This PRODOC which became the Annex to the CA was signed in May 2013 by MOLISA and ILO, and has some differences in terms of funding, objectives and indicators.

The **‘Overarching or Development Objective’** of the Vietnam Labor Law Implementation project is to develop regulations for the new labor legislation consistent with International Labor Standards, educate tripartite constituents on the provisions of the laws and regulations, and build their capacity to promote good IR with the new provision’s application in practice. The CA has identified **five Immediate Objectives**:

- 1) Facilitate the drafting and adoption of regulations and decrees;
- 2) Promote education and awareness of the new LC and TUL;
- 3) Improve trade unions’ capacity to effectively and democratically represent workers;
- 4) Facilitate development of an effective and sustainable system of minimum wage fixing; and
- 5) Promote the use of Collective Bargaining (CB) resulting in signed CB-Agreements (CBA).

In terms of management relations, MOLISA has been assigned by the Government of Vietnam to work with the ILO on the execution of this Project as implementing agency, assisted by the Project Management Unit (PMU). The Center for Industrial Relations Development (CIRD) is the Project Holder on behalf of MOLISA. The implementing partners (IPs) include several other departments of MOLISA (Legal Department, Labor and Wage

Department, National Wage Council – NWC, and International Cooperation Department), as well as the social partners (the Vietnam General Confederation of Labor - VGCL, the Vietnam Chamber of Commerce and Industry - VCCI, and the Vietnam Cooperatives Alliance - VCA), and, lastly, the Social Affairs Committee of the National Assembly (SAC/NA). The main coordination body of the project is the National Project Steering Committee (NPSC) which meets once a year. The project is executed by the ILO Country Office in Hanoi, in particular by the ‘IR Project Office, which provides overall coordination and implementation, with technical backstopping provided by the ILO Decent Work Team for East Asia and the Pacific (ILO DWT-EAP) and by ILO headquarters in Geneva. Geographically, the project covers both work at central levels as well as in the nine target Cities and Provinces.

Purpose of Mid-Term Evaluation

The *purpose* of the mid-term evaluation of the ILO project in Vietnam is to address issues of project design, implementation, lessons learned, replicability and recommendations for the future of the programme and for IR related work in Vietnam as indicated by the ToR (see Annex 1). It concerns a *mid-term* evaluation (and not a final one) indicating a larger focus on such issues as longer term sustainability and mid-term suggestions for adjustment of directions, activities and monitoring arrangements. Overall, the mid-term evaluation is expected to assess progress made on the implementation towards achieving impact; adjust the programme implementation according to the evaluation recommendations; and strengthen the organizational learning by sharing lessons learnt and good practices that emerged from the evaluation findings. Special attention will be paid to Cross-Cutting Issues, especially gender. The scope of the evaluation is the project from its inception in 2012 until June 2015, covering work at central levels and

in the nine target Cities/Provinces. The clients of this evaluation include the project management, MOLISA, all the project’s implementation partners (IPs), USDOL, and ILO DWT Bangkok. Possible users of this evaluation, besides its clients, are the direct beneficiaries of the project.

Methodology

The evaluation will be carried out in accordance with ILO’s Evaluation Handbook, its standard policies and procedures and USDOL requirements as specified in the CA. The Mid-Term Evaluation has applied mixed methods that draw on both quantitative and qualitative evidence and involve multiple means of analysis, such as desk review, interviews with key program staff by skype, write Inception Report, Field Mission to Vietnam meeting with all management staff, most of the Implementing Partners, and US Embassy, as well as site visits to Hai Phong, Ho Chi Minh City and Dong Nai. In addition, preliminary findings report was presented at a stakeholders’ validation meeting in Hanoi.

Main Findings & Conclusions

The main findings of this mid-term evaluation are below presented according to the six Evaluation Criteria used throughout this report, i.e. Relevance, Validity of design, Project progress and effectiveness, Efficiency, Effectiveness of Management Arrangements, and Impact and Sustainability, plus the Cross-Cutting Issue of Gender.

The relevance of the IR project has been concluded to be quite high for the needs, priorities and plans of the implementing partners in Vietnam, as well as for USDOL/US Government and ILO/UN. The project has been shown in the above to be very relevant for the GoV’s ‘Socio-Economic Development Plan 2011-2015’ (SEDP). At the time of its inception, the IR Project addressed highly relevant needs of Vietnam in particular because

at that time (mid-2012) two landmark pieces of legislation had just been adopted by the National Assembly, i.e. the Labour Code and the Trade Union Law. Together this amounted to an influential Labor Law reform. Such newly designed laws required a series of implementation decrees as well as adjustments for flaws and/or omissions. The project is also in line with the GoV/MoLISA ‘Sectoral plan on labour, persons rendering services for the country and social affairs’ for 2011-2015), and with the setting up of the Center for Industrial Relations Development (CIRD) within MOLISA in 2009 and of the National Industrial Relations Commission (NIRC) in 2007.

The objectives of the IR Project are also relevant for the policy and plans of the other implementing partners. The 10th National Congress of the VGCL adopted in 2008 a resolution emphasizing trade unions’ primary role of protecting workers’ rights and interests through bottom up organizing and collective bargaining trying to bridge the gap in representation between trade union structures and rank-and-file workers. The employers’ organisations (VCCI and VCA) have made efforts to broaden and deepen their contacts with the employers in, for example, consolidating employers’ position on labour law revision, which shows the relevance of the project. At the same time, workplace dialogue is not among the employers’ top priorities, although they do recognize the importance in terms of preventing wildcat strikes, etc. The Social Affairs Committee of the National Assembly (SAC/NA) played an important role in the passing of both Labour Code and Trade Union Law and the follow-up although having a small direct share in the project.

The interviews clearly showed the very active and concerned participation of most implementing partners leading to the conclusion that stakeholders’ *ownership* of the project’s approach has genuinely ingrained itself among most of them, perhaps somewhat

less in the case of the employers’ organisations and National Assembly. The involvement of certain partners, especially the different departments of MOLISA and VGCL, was so close, that they made persistent appeals for expanded as well as continued support in the light of the volume of work expected for the near future as a result of various trade agreements in which Vietnam is involved, such as TPP, EU and AEC. In particular, TPP’s Labor Chapter will require a closer alignment to International Labor Standards (ILS) including the ratification of the last three fundamental ILO Conventions.

For the United States Government and USDOL Vietnam is a *priority* country, and the Cooperative Agreement (CA 2012: 5) indicates that the U.S. Government has a far-reaching agenda in its engagement with the Government of Vietnam. USDOL, being one of few donors active in the labor area, is also funding the Better Work Vietnam program to promote labor compliance in the garment sector. The project is also aligned to the GoV-ILO national cooperation framework entitled ‘Decent Work Country Programme’ (DWCP) promoting decent work in Vietnam for the period 2012-2016. This concerns especially Outcomes 5 and 6 of Country Priority 3 of the DWCP, which are linked to most of ILO’s eight ‘Areas of Critical Importance’ (ACI) defined for priority action in 2014–15.

Recommendations

The **recommendations** are divided also according to the six Assessment Criteria:

Relevance

- 1) Modify, where possible, the approach and activities for the last year of the project (mid 2015 – mid 2016) in order to be able to best prepare for the expected enhancement of the workload after the possible signing of the Trans Pacific Partnership (TPP) and the start of the

ASEAN Economic Community (AEC) at the end of 2015.

Validity of Design

- 2) Make the Performance Monitoring Plan (PMP) more outcome-based (instead of activity-based), and modify the annual Work Plans accordingly; Sharpen the Results-Based Monitoring system and its PMP, and harmonize indicators and outputs in the annual Work Plans; and, Update the means of verification for tracking progress.

Project progress and effectiveness

- 3) Improve the communication between ILO and the Implementing Partners (IPs), especially on the development of urgently needed technical notes on selected topics not only by increasing the frequency of the NPSC meetings, but also by having regular bilateral meetings with the main implementing partners.
- 4) Continue the awareness raising among social partners and their Capacity Building particularly at the local level through the pilots with respect to Collective Bargaining (CB) and Social Dialogue (SD).

Efficiency

- 5) Re-allocate the un-committed funds to accommodate new requests for technical assistance especially within the framework of TPP, AEC and the ratification process of the three remaining Fundamental Conventions of the ILO. Concrete areas are proposed in the report for enhanced funding.
- 6) Re-focus and, where possible, reduce the number of pilots for the last year of the project, and implement the various components as much as possible all in the same province to enhance interaction between tripartite local stakeholders; Reconsider the pilots on Mediation and those on multi-enterprise CB; Prepare for the end of project phase.

Effectiveness of Management Arrangements

- 7) Conduct half-yearly, or preferably quarterly meetings, of the NPSC, beginning late August 2015; the next meeting should then be scheduled for December 2015 or January 2016 in order to be able to plan for the activities during the last phase of the project in a coordinated way with participation of all stakeholders.
- 8) Design a communication & media strategy to enhance the visibility of the IR Project further, and, include among other things the 'IR Bulletin', regular communication with the VGCL pilots, and the involvement of employers' organisations.

Impact and sustainability

- 9) Enhance the structural set-up of the National Wage Council (NWC) by stimulating and, where possible providing for, a platform for other ministries to become involved so that they can provide inputs in the minimum wage fixing process. In particular, inputs from specific ministries on productivity and macro-economic issues need to be institutionalised.
- 10) Prepare for a Multi-Donor Support Facility to scale-up the support for Industrial Relations in Vietnam as soon as TPP is signed and AEC starts implementation later in 2015; Study the example of Myanmar's multi-donor facility as a good practice; and prepare an Exit strategy in case the signing of TPP is delayed.

Cross-Cutting Issue of Gender

- 11) Maintain the current level of attention for gender issues, and where possible increase it through additional budgetary allocations for specific gendered activities related to Industrial Relations at national but surely also at local levels.