



Evaluation Summaries

Strengthening Social Partnership in the Western Balkans Project

Quick Facts

Countries: *Albania, Bosnia and Herzegovina, Montenegro*

Final Evaluation: *November–December 2010*

Mode of Evaluation: *independent*

Technical Area: *Social Dialogue*

Evaluation Management: *DWT-CO Budapest*

Evaluation Team: *PLURICONSULT*

Project Start: *August 1, 2007*

Project End: *December 31, 2010*

Project Code: *RER0609IRL*

Donor: *Government of Ireland (550.000 Euro)*

Keywords: *social dialogue; tripartism; transition from informal to formal economy*

Background & Context

Summary of the project purpose, logic and structure

The Decent Work Country Programmes (DWCPs) are the main tools for delivering ILO support to countries with the aim of promoting Decent Work as a key part of national development strategies and to organise the ILO's efforts at the service of tripartite constituents in a results-based framework. All the areas covered by the project are contained in the DWCPs and were selected based on a resource gap analysis of the DWCPs in Albania and BiH and by extrapolation of the findings of the analysis to Montenegro, which does not have a formal

DWCP, but nevertheless has been confronting similar issues as its neighbours. The respective DWCPs have as a long term goal the reduction of the informal economy, as agreed upon and implemented by the government in consultation with social partners,

Although Albania, Bosnia and Herzegovina (BiH) and Montenegro have made considerable progress in their social, economic and political development, these countries count among the neediest for technical assistance in the field of social dialogue. As an instrument of good governance, social dialogue has not been functioning properly, whereas these countries are facing huge economic and social challenges such as high levels of unemployment, the spread of poverty and an expanding informal economy. In the three countries the issue of the informal economy is a problem of concern for the governments as well as the employers' and workers' organizations since according to the available estimates; it represents 30 – 50% of the economy.

In this regard, the objective of the project was refined at the inception phase, based on gap analysis and in consultations with the constituents, as follows:

More effective social dialogue mechanisms established to support enterprises and workers move from informality to become part of the formal economy.

The project was jointly managed by a team of Senior Specialists from the ILO Decent Work

Technical Support Team and Country Office for Central and Eastern Europe (DWT/CO-Budapest).

Purpose, scope and clients of the evaluation

The purpose of the final evaluation was to:

- determine if the project achieved the stated immediate objectives and to which extent, explain any difficulties that were encountered and identify lessons learned,
- document lessons learned and good practices and
- develop recommendations for follow up.

The evaluation was scheduled at the end of the project implementation period and was intended to address the project as a whole.

The evaluation process was designed to be credible, valid, ethically sound, and to produce results and recommendations that would be useful to the ILO as well as to the donor. The evaluation integrates a reflective process with a learning focus which, at the same time, pays attention to accountability.

The clients of the evaluation include the ILO Staff in DWT-CO Budapest and at the HQ, representatives from the Ministries of Labour, employers' and workers' organizations in the countries covered by the project, and the donor.

Methodology of evaluation

The evaluation combined a desk review of ILO and other relevant documents with field visits for interviews addressing project stakeholders from all three countries included in the project, as well as with ILO/Budapest staff. In addition, the evaluator attended the Seminar on Tackling Undeclared Work through Social Partnerships in Istanbul, Turkey, 25 - 26 November 2010.

The evaluation was carried out in the context of the outcomes described in the Terms of Reference and taking into account the expected results associated with the respective

outcomes as described in the DWCP Work Plan for Albania and BiH. In the absence of a DWCP in Montenegro, the expected results described in the ToR were used as a baseline.

Main Findings & Conclusions

Through this project, the ILO made substantial contributions to the development of inter-institutional coordination mechanisms to implement measures to promote the transition from the informal to the formal economy in the targeted countries. Also, the project promoted a more business friendly legislative environment to encourage enterprises and workers to engage in the formal economy in the Western Balkans (WB). Through the project's focus on tripartite ownership of activities, social dialogue as a tool to deal with such broad societal issues was enhanced and the importance of continued social dialogue to address similar issues, highlighted. However, despite the positive gains achieved by the project, a large informal economy still exists in the WB countries. Further, although steps have been taken by the Government in each of the three countries, more focus is still needed on developing a more business-friendly legislative environment to support the reduction of informality.

Given the dimensions of the informal economy in the WB, the overall effect of the project aiming to reduce undeclared work in this area was understandably limited. It is rather unlikely that national tripartite constituents have the resources and ability to continue the information and awareness raising campaigns about the risks of undeclared work without outside assistance.

The ILO has a competitive advantage focusing on the policy level and aiming at better coordination mechanisms and understanding of the legislative environment, while other development agencies tend to be more oriented towards implementation of grass-roots projects. Also, the ILO has good sustainable relationships with its tripartite constituents.

The project delivered a remarkable quantity of outputs including several high-quality events, trainings and products (research reports, awareness campaign materials, trainings, knowledge products related to the informal economy and occupational health and safety risk assessments) as well as good media coverage. The project activities were successfully carried out in accordance with the Action Plans despite there being initial delays in implementation due to the need to gather data and thus enable the tripartite constituents to develop appropriate country Action Plans. Although this approach was time-consuming it gave much-welcomed flexibility and focus. It also meant that most of the activities were carried out in the last year and a half, which put pressure on the project team to ensure all the elements of the action plans were actually realised.

The project included an important awareness raising campaign in order to draw attention of the general public to the negative effects of undeclared work on society and to change public passive attitude towards this phenomenon.

The project did not provide for a single monitoring mechanism. Each component coordinator developed a separate monitoring system. For instance, the implementation progress of the tripartite component was tracked through the monthly reports of the national consultants whose contracts included certain performance indicators. The monitoring of the EO and TU components was done through the Work Plans and quarterly reports of the ILO Senior Specialists provided to their respective sectors. However, on-going close consultations took place among the three senior specialists and an overall monitoring of the project was ensured within the general monitoring framework of the DWCPs. There was a mixture of qualitative and quantitative indicators in the DWCPs that were used as the basis for the monitoring of project activities.

The ILO project contributed to achieving Millennium Development Goals in each of the three countries, as well as supporting the EU agenda for the Stabilization and Accession Agreement with Western Balkan countries and the United Nations Development Assistance Framework (UNDAF). The ILO is well placed to ensure synergies with other projects with a similar focus and demonstrated this by its close collaboration with the Austrian Development Agency's project on strengthening social dialogue institutions in the WB, as well as with the ITUC's and the Building and Wood Workers International's sub-regional project on informality in the construction sector.

Recommendations & Lessons Learned

The Evaluator made the following recommendations and suggestions for follow-up

1. The ILO should continue to support activities designed to move enterprises and workers from the informal to the formal economy through social dialogue by more targeted interventions on specific problems already identified, such as law enforcement, and outreach to vulnerable groups more difficult to reach, such as those in domestic work, agriculture and self-employment.
2. There should also be an extension of the activities undertaken under the project to other sectors and, in the case of BiH and Albania, to wider geographical areas than those that could have been covered by this project. International exchanges of best practices should also be intensified.
3. The Governments and social partners in the three countries should be further assisted to continue using the deliverables of this project in order to consolidate the impact of the project. The ILO should continue to support

- national tripartite partners in order to make sure that the issue of undeclared work and informal employment remains on the agenda of the Social and Economic Councils.
4. The ILO should focus future work on (i) mainstreaming the topic of tackling undeclared work into the governments' agendas, as well as on (ii) monitoring the development of national policies/legislation and on (iii) increasing the capacity of the less developed institutions of social dialogue in order to strengthen tripartite mechanisms comprising equally developed partners.
 5. By continuing to strengthen the capacity of constituents, the ILO should create opportunities to enable more active participation by the social partners in the ILO's results-based management of its projects.
 6. The ILO should reduce the inception period of the project implementation where practicable and involve partners to a greater extent in the project monitoring, thus increasing the role they can play in the attainment of the results and ensuring sustainability of results.
 7. If the project is to be replicated in other regions, awareness raising TV campaigns should be planned for the early stages of the project. This would give more impetus to the activities of the labour inspection and a wider recognition of the need for legislative reforms.
 8. The ILO should design its project management system to allocate sufficient resources in order to make possible better monitoring and control of the overall project progress and results achieved. Readjustment of monitoring plans is recommended at the level of the interface between projects and DWCP implementation.
 9. ILO staff at all levels should be trained to create and implement linkages between technical cooperation project outcomes and DWCP outcomes & indicators. The outcome of this capacity-building will be demonstrated by the identification of relevant qualitative and quantitative indicators for future projects, as well as for their monitoring and evaluation plans.
 10. In order to increase the efficiency in the resource allocation and to increase the effectiveness of the projects, the ILO should continue to use its advantages of wide knowledge of other initiatives to coordinate its own efforts with other organizations involved in similar projects in the recipient countries.

Important lesson learned

Addressing issues like the implementation of the measures to promote transition from informal to formal economy is a major challenge for societies with non-functional labour markets, which lack proper and well-functioning mechanisms of social dialogue. This is a context generating difficulties in implementation of the projects, often difficult to overcome. Moreover, the project implementation timeframe overlapped with national elections in two of the three recipient countries. Many new laws were passed or amended following the procedures set forth in the Action Plans to combat undeclared work and without the involvement of the social partners. The project was designed based on the assumption that it will not be able to quickly solve the problems, which need long-term incremental steps. The strategic approach was to promote the need of addressing undeclared work as a win-win situation, meaning that everyone wins if the problem of undeclared work is solved. Although the project strategy and assumptions were appropriate for achieving the planned immediate results and contributed to the current DWCP outcomes, they seemed too ambitious given the complexity of the constituencies and the difficult nature of the problem addressed.