



## External Independent Joint Final Evaluation

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Promoting Fundamental Principles and Rights at Work  
– Phase III –  
in  
SRI LANKA

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International Labour Organization

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*Sistemas, Familia y Sociedad*  
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## TABLE OF CONTENTS

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ACRONYMS.....	ii
EXECUTIVE SUMMARY .....	iv
 I. BACKGROUND AND PROJECT DESCRIPTION .....	 1
1.1    Project Context .....	1
1.2    Project Description .....	3
 II. EVALUATION OBJECTIVES AND METHODOLOGY .....	 5
2.1    Evaluation Objectives .....	5
2.2    Scope and Intended Users.....	5
2.3    Methodology.....	5
2.4    Evaluation Limitations .....	7
 III. EVALUATION FINDINGS.....	 9
3.1    Relevance and Validity of Project Design .....	9
3.2    Project Effectiveness.....	16
3.3    Efficiency of Resource Use.....	27
3.4    Sustainability.....	29
 IV. MAIN CONCLUSIONS .....	 33
V. LESSONS LEARNED AND GOOD PRACTICES .....	35
VI. RECOMMENDATIONS .....	39

## ANNEXES

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ANNEX 1: Overview of Project Progress.....	42
ANNEX 2: Evaluation Terms of Reference .....	56
ANNEX 3: Evaluation Question Matrix .....	82
ANNEX 4: List of Documents Reviewed .....	100
ANNEX 5: List of Interviews, Meetings and Site Visits.....	102
ANNEX 6: Stakeholder Workshop Agenda and Participants .....	103

## ACRONYMS

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BOI	Board of Investments in Sri Lanka
CB	Collective Bargaining
CBA	Collective Bargaining Agreement
CEACR	Committee of Experts on the Application of Conventions and Recommendations
CFA	Committee on Freedom of Association
CIMA	Chartered Institute of Management Accountants
CIWU	Commerce and Industrial Workers Union
COR	Contracting Officer's Representative
DOL	Sri Lankan Department of Labor
EFC	Employers Federation of Ceylon
EPF	Employment Provident Fund
EPZ	Export Processing Zone
FOA	Freedom of Association
FOACB	Freedom of Association and Collective Bargaining
FPRW	Fundamental Principles and Rights at Work
FTZ	Free Trade Zone
FTZGSEU	Free Trade Zones & General Services Employees Union
FTZMA	Free Trade Zone Manufacturers' Association
GSP	Generalized System of Preferences
HR	Human Resources
ILAB	USDOL International Labor Affairs Bureau
ILO	International Labour Organization
ILS	International Labor Standards
IT	Information Technology
LISA	Labor Inspection System Application
LTP	Labor Tribunal President
M&E	Monitoring and Evaluation
MOL	Sri Lankan Ministry of Labor
MOLTUR	Sri Lankan Ministry of Labor and Trade Union Relations
NILS	National Institute for Labor Studies
NLAC	National Labor Advisory Council
NPM	National Program Manager
NPS	National Productivity Secretariat
NTUF	National Trade Union Federation
OSH	Occupational Safety and Health
OTLA	USDOL Office of Trade and Labor Affairs
PAC	Project Advisory Council

PMP	Performance Monitoring Plan
RMG	Ready Made Garment
SCORE-SP	Sustaining Competitive and Responsible Enterprises – Short Program
SIDA	Swedish International Development Agency
SLNSS	Sri Lanka Nidahas Sevaka Sangamaya
SFS	Sistemas, Familias y Sociedad
SME	Small and Medium Enterprises
TOR	Terms of Reference
TOT	Training of Trainers
TPR	Technical Progress Report
TU	Trade Union
USDOL	U.S. Department of Labor

## EXECUTIVE SUMMARY

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### Background and Methodology

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This report documents the main findings and conclusions of an External Independent Final Evaluation (Joint Collaborative Evaluation) of Phase III of the International Labour Organization (ILO) project entitled “Promoting Fundamental Principles and Rights at Work in Sri Lanka.” The ILO and United States Department of Labor (USDOL) Bureau of International Labor Affairs (ILAB) Office of Trade and Labor Affairs (OTLA) initiated the Fundamental Principles and Rights at Work (FPRW) project in September 2009 with a budget of US\$402,500. Since then, the project has been extended for two more phases<sup>1</sup> and the budget increased to US\$1,402,500. In October 2016, it received a no cost extension and is scheduled to close on December 31, 2016.

The FPRW project emerged in the context of concerns raised regarding the application of FPRW in Sri Lanka’s Export Processing Zones (EPZs). This included comments received by the government from the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) and the Committee on Freedom of Association (CFA) regarding the country’s application of the principles of freedom of association (FOA) and the right to collective bargaining (CB).

The project was designed to provide support to ongoing efforts by ILO constituents and others to improve industrial relations and strengthen the application of FPRW in Sri Lanka’s EPZs. The project has three immediate objectives:

1. Legal framework more in conformity with international labor standards (ILS);
2. Institutions and processes for labor-management relations, including those at the enterprise level, strengthened; and
3. Strengthen labor administration for its effective intervention to promote sound labor-management relations, prevent and solve disputes and ensure compliance with labor regulations.

The project planned activities to assist ILO’s tripartite constituents in identifying and filling gaps in Sri Lanka’s legal framework related to FPRW; raise the awareness and capacity of tripartite constituents to know and exercise their rights and obligations in the workplace; strengthen capabilities of worker and employer organizations to develop policies that minimize conflict; foster bipartite cooperation and bargaining; improve conditions for decent work and higher levels of productivity; and promote and implement effective labor administration and inspection systems.

Sri Lanka is a democratic country that, since the end of its twenty five year long civil war in 2009, has been among the fastest growing economies in the world. Phase III of the project

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<sup>1</sup> Phase II was from 2012 to September 2014. Phase III was scheduled to run from October 2014 until September 30, 2016. In October 2016, a USDOL granted the ILO a no cost extension which extends the project until December 31, 2016.

largely coincided with a period of political upheaval within the country. The incumbent president who had been in power for over ten years was replaced by a new president presiding over a coalition of six political parties.

## Evaluation Objectives, Scope and Methodology

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The evaluation, which mainly considers Phase III<sup>2</sup> activities and outcomes, set out to assess the appropriateness of its main strategies, the relevance of the project's services to the target groups' needs, and the project's efficiency and effectiveness. One of the most important purposes of this evaluation is to assess and describe what is required from key stakeholders to sustain project interventions and results. Evaluation findings, good practices, lessons learned, conclusions and recommendations are primarily intended for USDOL, the ILO, and tripartite constituents in Sri Lanka.

The evaluation was framed by the key questions identified in the Terms of Reference contained in **Annex 2**. Data collection methods included a review of project documents along with interviews and focus groups with stakeholders. (See the question matrix in **Annex 3**).

The evaluation fieldwork was carried out from September 7-21, 2016 by a two person evaluation team.<sup>3</sup> During this period, the evaluators interviewed individuals from the following stakeholder groups: the ILO project management team; the Sri Lankan Ministry of Labor (MOL), the Ministry of Justice, the Sri Lanka Board of Investments (BOI); employers and their organizations including the Employers Confederation of Ceylon (EFC); workers and their organizations including trade union leaders and workers in the Katunayake; Labor Tribunal Presidents; the Sri Lanka Bar Association President; University Law Faculty in Jaffna and Colombo; project legal experts and implementers; and representatives of the US Embassy in Colombo. A detailed list of those interviewed is included in **Annex 5**. The evaluators concluded the fieldwork with a stakeholder workshop on September 21, 2016. The workshop program and list of participants are included in **Annex 6**.

Some of the limitations of the evaluation include:

- The absence of a revised Phase III log frame limited the evaluation teams' ability to analyze project effectiveness in regards to what was planned, since the project had evolved significantly since the last log frame revision and these changes were not reflected in the log frame outputs, activities and targets.
- Project Monitoring & Evaluation (M&E) indicators were not systematically tracked which further complicated the task of mapping project progress.
- Because there was significant overlap in the two projects being implemented simultaneously, some outcomes attributed to this project by stakeholders are most likely shared with another Swedish International Development Agency (SIDA) project. However, SIDA contributions are well documented in this report.

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<sup>2</sup> October 1, 2014 to September 30, 2016.

<sup>3</sup> This was a joint collaborative evaluation with the ILO and USDOL each appointing an evaluator.

- There were some gaps in stakeholder consultations due to lack of availability and other issues during evaluation fieldwork. However, the evaluators do not believe this significantly limited the accuracy of the report and its findings.

## Evaluation Findings

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### Findings 1-6 on Relevance and Validity of Project Design

The main project objectives were largely responsive to the needs and requirements of the ILO tripartite constituents in Sri Lanka. On the whole, the project offered assistance that was appropriately designed to respond to these stakeholder groups' priorities in relation to the project's main challenge.<sup>4</sup> Over the life of the project, the breadth of issues addressed by the project expanded in some strategic areas and became more narrowly focused in others. Some of the new directions, like its expansion into post conflict zones, were very relevant while others were less so, given their late timing in the project (for example, collaboration with the Faculty of Law).

In Phase III, the project introduced Labor Tribunal Presidents as a new stakeholder/beneficiary group and intervened to strengthen the capacity of the Labor Tribunals.<sup>5</sup> Measures to build the knowledge base of Labor Tribunal Presidents were relevant<sup>6</sup> and attainable. However, the rationale for adding a relatively large number of activities related to judicial reform to the already quite ambitious list of reforms promoted by the project was also weak given its timing.

Although not part of the original project design, project efforts to improve respect for women workers' rights gained considerable momentum in Phase III. Visibility to vulnerabilities of women workers, gender equality concepts and sexual harassment at workplace issues were integrated in activities undertaken by all key stakeholders in this phase and, overall, increased project relevance.

Of the project's three objectives, the project was most challenged to find relevant outputs and activities to significantly contribute the achievement of Objective 2 on the promotion of workplace cooperation. The project's main shortcoming was finding and piloting a methodology to promote workplace cooperation in the EPZs that also contributed to promoting Freedom of Association and Collective Bargaining (FOACB) rights. In Phase III, the project settled on

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<sup>4</sup> Improving respect for fundamental principles and rights at work with a particular focus on export processing zones.

<sup>5</sup> The main project interventions in favor of Labor Tribunal Presidents capacity building were: a National Symposium organized for Labor Tribunal Presidents on International Labor Standards, Procedural guidelines drafted for Labor Tribunal Presidents, Mediation & Conciliation guidelines developed for Labor Tribunal Presidents and High Court Judges, seminars held with Labor Tribunal Presidents regarding guidelines and Guidelines for High Court Judges regarding Labor Tribunal Appeals.

<sup>6</sup> The main justification for introducing work with the Labor Tribunal Presidents is that improving the functioning of the courts is a way to balance hard-to-achieve labor law reform with the provision of assistance to improve the application of existing laws. Inconsistent application of the law, long delays in obtaining labor courts judgments, and significant time lapses from the time a court ordered compensation is made to the time it is received disproportionately hurts workers. For this reason, trade union stakeholders and Employers alike report an almost total loss of confidence in the court system as a mechanism for defending workers' rights.

Competitive and Responsible Enterprises - Short Program (SCORE-SP), which did not align well with the project's focus because SCORE is designed for small and medium enterprises (SMEs) while EPZ enterprises are typically medium or large size. In addition, trade unions are not typically active in SMEs in Sri Lanka which made it difficult to engage trade unions in SCORE implementation.

Given its potential to improve the efficiency and effectiveness of labor inspection in Sri Lanka over time and the size of the investment in the deployment of Labor Inspection System Application (LISA) by the project and the Ministry of Labor, institutionalization of the information management system was a priority of the donor, the ILO and the Ministry of Labor. Ways LISA was relevant to stakeholder needs include: it contributes to greater consistency in the way that labor inspection is carried out by standardizing forms and procedures, it has potential to improve the quality and timeliness of decision making including the allocation of scarce resources by granting access to real time data about inspection findings and complaints, and it may contribute to increased accountability within the labor offices by making it easy to monitor certain "quality of service" or performance indicators related to the quality and efficiency of labor inspection and the handling of complaints.

The project was well-aligned with the Sri Lanka Decent Work Country Program. Based on this project, Sri Lanka was able to attract additional funding for activities to promote FOACB, which complemented the USDOL-funded initiative.

#### **Findings 7-14 on Project Effectiveness**

In Phase III, the project progressed significantly on its plans to facilitate labor law reform and promote greater awareness of labor rights by key stakeholders. Overall, this was the area where some of the project's greatest achievements can be found. In particular, the grants provided by the project to trade union partners active in the EPZs were effective in enhancing the recipients' capacity to reach out to workers and conduct awareness raising activities on labor rights, and resulted in gains in the number of active members and unionized enterprises in the EPZs. Free Trade Zones & General Services Employees Union (FTZGSEU) enrolled 4484 new members (62 per cent female) and established nine new local branches while Progress Union enrolled 1103 new members (54 per cent female). FTZGSEU was able to revise two of the three existing collective bargaining agreements (CBAs) while the third was under process at the time of evaluation. A new CBA is also in its final stages of negotiation. Progress Union was also able to amicably resolve a number of issues raised by workers in three companies.

Project trade union partners indicated that they are now better equipped to take up cases of violations of workers' rights, including sexual harassment, due to their work under the project.

On labor law reform, the project was effective in its support for a full review of labor laws that resulted in consensus on recommendations on previously divisive issues within the tripartite working group. Several stakeholders, including the EFC itself, asserted that the Employers' Confederation compromised on many issues related to labor law reform and that the final recommendations were balanced, very favorable to workers and women workers in particular.

Unfortunately, the project was unable to get buy in from a larger group of trade unions<sup>7</sup> on priorities, and in the absence of higher level political support, few proposed amendments reached the draft law stage.

The project made very little progress on planned capacity building activities related to collective bargaining and workplace cooperation. It missed most of its targets in this component of the project. It succeeded to pilot an enterprise-based workplace cooperation program but with limited scope and results. The SCORE-SP pilot in partnership with the EFC and the Chartered Institute of Management Accountants (CIMA) was limited to four enterprises (fifteen had been planned), three of which completed the training program. Within these enterprises, management, workers and employer representatives received training on workplace cooperation and on this basis, carried out projects to improve working conditions and increase productivity. However, the two enterprises visited by the evaluation team had not undertaken any significant workplace improvement measure in the four months since the program ended. Despite the implementation challenges, the EFC expressed appreciation for the SCORE methodology and with project support it is carrying out an SCORE-like program in four additional enterprises, in collaboration with the National Productivity Secretariat.

The project also fell short of what it planned to achieve under Objective 3 in regards to supporting the development of a labor inspector policy and training program and the creation of a specialized mediation unit within the Sri Lankan Department of Labor (DOL). Although the project had provided relevant technical support to the DOL related to these reform initiatives in Phase II, uptake on these issues was slow for a variety of reasons, including ongoing DOL disputes with the labor officer union. However, the project greatly surpassed all its targets related to the computerization of the labor administration. Island-wide computerization of the Labor Administration was its greatest achievement in Phase III.

Overall, there were both political and economic factors that may have hindered the project from making more rapid progress in some of its key initiatives and limited its overall achievements. Elections, significant leadership turnover within the MOL, challenges overcoming employer attitudes about trade unions, and lack of greater cooperation among trade unions are among these factors. Still, the project management team maintained effective communication with its major stakeholders. Project activities were regularly discussed through the Project Advisory Committee (PAC). However, the quality of dialogue in regards to progress on core objectives could have been improved. More efforts might also have been made by PAC members to circulate information among their constituency.

The ILO and USDOL were selective in following up on the recommendations of the midterm evaluation. It made significant efforts to act on some that it considered priority, but did not act effectively on others.

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<sup>7</sup> Only one representative of one national trade union, the SLNSS participated in the tripartite working group. Several trade unions raised objections to this when the consultation process was enlarged.

## Findings 15-17 Efficiency of Resource Use

This project had an average budget of a little over US\$230,000 per year, including personnel, during its six years of implementation. This is quite a limited amount of funding for the large scope of the project and expected results. On the whole, project resource allocations for activities were strategic and timely with some exceptions. In general the largest share of resources went to the most strategic project initiatives. However, project investments in SCORE, which were relatively large, yielded fewer results than had been hoped.

Overall, ILO and donor backstopping support for the project contributed positively to project achievements. The project size and scope coupled with the small number of ILO dedicated national staff managing the project led to some initiatives being under-managed and some targets being missed.<sup>8</sup> This gap was at least partially compensated by strategically identifying and hiring competent consultants to boost the capacity of the project management team and the technical support offered by ILO regional specialists.

## Finding 18 on Sustainability

Discussion of the project exit strategy and sustainability issues was extensive for some strategic initiatives and insufficient for others.

- There are examples of effective project strategies to promote the sustainability of labor law, judicial and labor administration reform efforts. These include mobilizing and supporting a number of high profile people in Sri Lanka<sup>9</sup> in favor of some proposed reforms and identifying important issues that should be addressed as well as documenting ILO expert and stakeholders proposals for reform. Examples include the Labor Inspectorate Assessment, the assessment for the creation of a mediation unit within the DOL, the position paper on Labor Tribunal strengthening, and the labor law reform matrix.<sup>10</sup>
- Although FOACB rights in EPZs and post conflict zones will remain a hotly contested issue, sustained project capacity building for trade union partners should enable them to further expand their membership base and continue workers' education.
- SCORE sustainability is doubtful. The new collaboration between the EFC and the National Productivity Secretariat on a home grown adaption of SCORE may offer the possibility for aspects of SCORE to be sustained. However, the ILO should review the EFC modules to ensure that FOACB issues are adequately represented.
- Sustainability of LISA is on good footing but is still facing challenges. Project efforts to address sustainability in Phase III made significant progress, especially on technical issues including system design, user training and support, and hardware and Internet

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<sup>8</sup> National staff included one full time National Program Officer and a part time administrative assistant.

<sup>9</sup> These include well placed and vocal trade union leaders, Supreme Court judges and lawyers, university professors, as well as the EFC.

<sup>10</sup> At the request of the National Labor Advisory Council (NLAC), the project has translated the labor law reform matrix into Sinhala and Tamil.

access in labor offices. However, there are institutional issues affecting the DOL that may hinder LISA sustainability. One of the issues, which the project and its key counterparts in the leadership of the DOL have battled from the start, is the acceptance of LISA by labor officers.

## Main Conclusions

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The project contributed to promoting respect for FPRW in many relevant ways and with some success. Its capacity building for trade union partners active in the EPZs was a successful strategy and contributed to capacity improvements that, among other positive benefits, helped the trade unions to expand their membership in the EPZs and post conflict zones. However, the project was not able to significantly alter employer attitudes about trade unions in the EPZs where trade union partners continue to report significant obstacles to organizing. On the positive side, the BOI, a key stakeholder and an institution considered close to employers' interests in the EPZs, now has a written policy which upholds FOACB rights thanks to project advocacy in Phases I and II. This policy has created a framework for greater respect for FOACB, even if practices within the enterprises are slow to change.

Project interventions were effective in highlighting gaps in the labor code and facilitating consensus among a working group of tripartite stakeholders on a large number of needed reforms. Similarly, project support was sufficient to increase labor tribunal president awareness of gaps in the implementation of labor law and ILS, and it raised critical issues affecting the speed of judgment and enforcement of judicial orders. However, for success, both labor law and judicial reform objectives require support from the highest levels of government, which to date has not been forthcoming, possibly because of other priorities related to building sustainable peace following the end to Sri Lanka's civil war.

Overall, the project did not contribute significantly to minimizing conflict and settling disputes in the industrial environment in general and in the EPZs in particular. SCORE did not contribute significantly to developing and promoting an innovative model of workplace cooperation that encourages FOACB and the project was also unable to make significant progress in building capacity within the DOL regarding mediation and dispute resolution.

Phase III implementation was largely effective in building DOL capacity to deploy and maintain LISA, and if used as intended it should contribute to increasing the capacity of the labor inspectorate to improve compliance with national labor legislation. By examining data produced by LISA, it is now possible to analyze complaints and devise proactive strategies to address reoccurring issues. Actual use of the data for this purpose has not yet happened as far as the evaluators are aware but it is at least being discussed by Sri Lankan Ministry of Labor and Trade Union Relations (MOLTUR) leaders. Overall, continued efforts to optimize the use of LISA data by the MOL is a critical element in the system's sustainability strategy.

## Good Practices and Lessons Learned

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One of the project's good practices was educating workers on their labor rights, using approaches that facilitated women's participation and contributed to developing women leaders among workers in EPZs and conflict affected regions. Workers' education on labor rights was an important step in creating awareness, in promoting union membership in areas where

union activity is challenging, and in identifying and developing leadership at local levels. Trade union partners used the opportunity to build a positive image among workers by educating them about the advantages of collectivization and building capacity on constructive negotiation and communication.

One of the key outcomes was the inclusion of greater number of young men and women facilitators in trade union local cadres and mainstreaming gender and sexual harassment at the work place issues into awareness and training programs. Trade union partners used innovative strategies to accommodate the constraints faced by workers (such as organizing after-hours and weekend meetings near workers' dormitories) and used innovative outreach methods (such as medical camps and collaboration with local non-governmental organizations and labor officers).

A lesson learned through this practice is that trade unions need to be flexible and innovative to reach out to workers, especially women workers in challenging situations. Another lesson is that developing women leaders at the local as well at executive levels is important for trade unions to represent the voice of women workers.

Another project good practice was its support for computerization of the Labor Administration to strengthen compliance with labor laws. The implementation of LISA, while by no means an easy task, received broad support from project stakeholders because everyone perceived the benefits of greater efficiency and more transparency in labor inspection (with the notable exception of some labor officers). Strong leadership, adequate attention to technical issues and an effective change management strategy within the DOL were important prerequisites for the success of this initiative to date.

Computerization has already improved access to timely information by DOL administrators. Also, as previously highlighted, LISA has also contributed to making procedures more consistent across labor offices by embedding standard forms, notification letters, and work processes into the application. Other potential benefits of LISA include data for better planning of labor inspection and DOL awareness raising activities, as well as more accurate information on key performance indicators by region, labor office and labor inspector.

There are numerous lessons to be learned from the computerization of the Labor Administration in Sri Lanka. The main ones are: (a) It is important not to underestimate the changing management dimensions of computerization; (b) computerization alone is insufficient to improve compliance or efficiency and should be accompanied by capacity building to use the data for more effective decision making; and (c) adequate time should be allowed for effective implementation.

## Recommendations

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### Labor Law Reform

1. **For Trade Unions:** Establish a trade union working group on labor law reform to build consensus on priorities and establish common positions.
2. **For ILO:** Continue to exert pressure for labor law reforms related to FPRW through appropriate mechanisms, such as the International Law Commission and CEACR and provide technical assistance through regional specialists when requested.

3. **For ILO:** New and other ongoing cooperation projects should focus on easier-to-impact procedural improvements rather than labor law reform. For example, on improving the response time and efficiency of the DOL related to addressing worker complaints, establishing a special procedure for dealing with complaints related to freedom of association, etc.

### Labor Tribunal Capacity Building

4. **For Judicial Services Committee, the Ministry of Justice and the MOL:** Take timely and positive action on recommendations contained in the Labor Tribunal Position Paper.
5. **For ILO:** Follow up and continue advocacy on the issue of the Labor Tribunal President's powers related to enforcement of orders. If they are approved by the Judicial Service Committee, consider a follow-up study to assess procedural guidelines, implementation and effectiveness.

### Labor Law/Rights Education

6. **For Trade Unions:** Continue membership expansion and workers' education program in EPZs and in regions affected by the past conflict. Also continue to focus on women workers and women leaders. Create policies on the promotion of women and young people in leadership positions. Consider using external resource persons in training programs so that workers have an opportunity to interact with subject matter specialists from other sectors (for instance, law, gender, human resource management, communication).
7. **For BOI, MOL, Trade Unions and Employers:** Create a joint forum or create more opportunities for interaction between trade unions and Enterprises operating in EPZs. This is particularly required for strengthening dialogue and consensus on issues such as the labor law reforms and workplace cooperation.
8. **For ILO:** Continue to provide technical support to trade unions with particular focus on EPZs and Northern and Eastern regions and women workers.
9. **For ILO:** Support trade unions to better present their progress by developing key indicators such as number of workers covered through formal capacity building programs, number of workers educated through outreach programs, number of new members, and number of CBAs reached, along with gender disaggregation where applicable.

### Workplace Cooperation

10. **For ILO:** In the context of the EPZs, facilitate alternative programs to SCORE with a focus on developing bipartite/tripartite dialogues on workplace cooperation and productivity.
11. **For EFC:** The financial viability of SCORE or SCORE-like program should be assessed before making new commitments to such programs.
12. **For EFC:** Follow up on the use of the code of conduct on gender equality and Sexual Harassment in the Work Place as part of current collaboration with the NPC.

## Labor Administration Reform

13. **For Department of Labor:** Now that LISA is in use, conduct a data quality audit to identify system design and data entry issues to be addressed through support/maintenance contract with LISA contractor and additional user training.
14. **For ILO and MOLTUR:** Provide additional user training at the management level on how to use data to drive effective decision making and policy.
15. **For ILO:** Future technical assistance to MOLTUR should focus on addressing some of the issues that may be highlighted in LISA reports, such as strategies for more effective and efficient handling of complaints, inspection planning and rationalizations, labor officer professional development and performance evaluation. Embed follow-up on LISA implementation in sustainable ILO Technical Assistance structures and ensure that challenges, opportunities, technical and change management requirements are understood.

## Other Recommendations

16. **For ILO and USDOL:** The ILO and USDOL should strengthen its internal monitoring procedures. Requirements should include approval of a log frame and work plan whenever a new phase is granted. Not having a relevant or updated log frame reduces the “evaluability” of a project and leaves the projects too open-ended.
17. **For ILO and USDOL:** To improve return on investment, ensure that the numerous assessments, manuals and guidebooks supported by the project in all three phases are finalized, distributed to relevant stakeholders and posted online on ILO and/or USDOL websites.

## I. BACKGROUND AND PROJECT DESCRIPTION

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This report documents the main findings and conclusions of an external independent final evaluation of Phase III of the International Labour Organization (ILO) project entitled “Promoting Fundamental Principles and Rights at Work in Sri Lanka,” which was carried out in September and October 2016. The ILO and the United States Department of Labor (USDOL) Bureau of International Labor Affairs (ILAB) Office of Trade and Labor Affairs (OTLA) initiated the Fundamental Principles and Rights at Work (FPRW) project in September 2009, when they signed an initial Cooperative Agreement worth US\$402,500. Since then, the project has been extended for two more phases<sup>11</sup> and the budget increased to US\$1,402,500. In October 2016, it received a no cost extension and is scheduled to close on December 31, 2016.

### 1.1 Project Context

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Sri Lanka is a democratic country that, since the end of its twenty five year long civil war in 2009, has been among the fastest growing economies in the world. Growth in the last five years is in substantial part due to a “peace dividend.” Going forward, economic growth will likely require continued structural changes towards greater diversification and productivity increases. In a policy statement presented in November 2015, the government envisioned promoting a globally competitive, export-led economy with an emphasis on inclusion.<sup>12</sup>

The FPRW project emerged in the context of concerns raised regarding the application of FPRW in Sri Lanka’s Export Processing Zones (EPZs). This included comments received by the government from the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) and the Committee on Freedom of Association (CFA) on the country’s application of the principles of freedom of association (FOA) and the right to collective bargaining (CB). Many of these comments were focused on anti-union practices in the EPZs, such as restrictions on the right to organize, limitations on the right to strike, and restrained government action against anti-union discrimination and unjust dismissals.

The main contextual factors and issues that form the project backdrop as well as the identity and roles of many of the key project stakeholders are described below:

- The Government of Sri Lanka has ratified the eight core ILO conventions on FPRW, including the conventions on freedom of association and the right to collective bargaining,<sup>13</sup> signifying its commitment to promote respect for fundamental labor rights in national law and practices. Under national legislation there are protections for trade

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<sup>11</sup> Phase II was from 2012 to September 2014. Phase III was scheduled to run from October 2014 until September 30, 2016. In October 2016, a USDOL granted the ILO a no cost extension which extends the project until December 31, 2016.

<sup>12</sup> The World Bank Country Overview <http://www.worldbank.org/en/country/srilanka/overview> accessed 10/10/16.

<sup>13</sup> These are the Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87), and the Right to Organize and Collective Bargaining Convention, 1949 (No. 98).

unions both within and outside the EPZs. The Constitution of Sri Lanka recognizes the fundamental right of workers to organize and join trade unions.

- The EPZs, which currently number thirteen, were created in the late 1970s when Sri Lanka introduced liberalized economic policies with the goal of accelerating economic development and the creation of employment through foreign investment. The zones are investor-friendly by design and offer various tax, infrastructure and other incentives to attract both national and international investment. Most project stakeholders agree that mechanisms to uphold workers' rights in the zones were initially weak but have been strengthened over time. The EPZs are administered by the Sri Lankan Board of Investment (BOI), a public agency charged with attracting investment and managing the free trade zones, which is one of the main stakeholders and partners of the FPRW project. The BOI's industrial relations department, which has at least one industrial relations officer in each of the thirteen zones, is responsible for issuing and supervising the implementation of guidelines for investors on labor standards and employment relations.
- There are relatively few trade unions actively engaged in the EPZs. BOI guidelines for EPZ enterprises initially favored employee participation through employee councils or similar non-trade union mechanisms; however, the same guidelines are currently clear on workers' right to join trade unions. One union that has been working in the EPZs for many years is the Free Trade Zones & General Services Employees Union (FTZGSEU). Its leader has been one of the leading trade union voices raising concerns about labor rights abuses in the EPZs and his union has been heavily involved in the FPRW project from its start. He and other trade union leaders maintain that employees' councils are unable to represent workers because they are controlled by factory managers and that anti-union practices are preventing more EPZ workers from joining trade unions. In addition to the FTZGSEU, the project has partnered with other trade unions including the Commerce and Industrial Workers Union (CIWU), the Progress Union, the National Trade Union Federation (NTUF), and Sri Lanka Nidahas Sevaka Sangamaya (SLNSS), some of which are also active in the EPZs.
- The EPZs currently host approximately 268 enterprises of various sizes and types, both national and internationally-owned and managed, with garment and textile factories being the dominant sector. The Free Trade Zone Manufacturers' Association (FTZMA) is one of the oldest and largest organizations representing the interests of EPZ enterprises and has participated in the project.<sup>14</sup> The Employer's Federation of Ceylon (EFC) is the only employers' organization that is recognized by the ILO in the International Labor Conference and has been an active partner of the FPRW project for employer capacity building programs. It represents over 600 employers. Over the period of project implementation, the number of EPZ based members increased but are still relatively

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<sup>14</sup> The FTZMA has been invited to and has attended some project activities. It is also a member of the Project Advisory Council and has been consulted during various assessment missions, including fieldwork for the present evaluation.

few.<sup>15</sup> Both the EFC and the FTZMA maintain that their members have good labor practices; many abide by international buyers' codes of conduct and are subject to independent compliance audits.

- The Department of Labor (DOL) within the Sri Lankan Ministry of Labor and Trade Union Relations (MOLTUR) is the principal government authority charged with enforcing labor laws inside and outside the EPZs. Sri Lanka has over 400 labor inspectors responsible for general inspection related to working conditions, and another 25 inspectors responsible for inspections under the factories legislation. In addition, the Employee Provident Fund has 200 field officers responsible for ensuring employer compliance with the national social security scheme. Restructuring the labor inspection system, including recruiting 200 additional inspectors, developing the prevention side of labor inspection and promoting qualifications of labor inspection, has been part of the agenda of the Government during implementation of the FPRW project, but the pace of reform has been slow. Among other reasons for this, there has been significant number of changes in Ministry leadership since 2009. Following January 2015 elections, the Ministry of Labor and Labor Relations became the "Ministry of Labor and Trade Union Relations" indicating greater focus on trade union activities.
- Phase III largely coincided with a period of political upheaval within the country. The incumbent president who had been in power for over ten years was replaced by a new president presiding over a coalition of six political parties. This resulted in a new cabinet and change in the leadership of many government bodies. A "100 day accelerated" program followed the presidential elections of January 2015. This led to a period of uncertainty, followed by the General Elections in August 2015 which ushered in more changes in government counter-parts (post-elections). The leadership of the new government embarked on a new approach to long-term rebuilding of peace and democracy following the end of the civil war. This has been a complex task and may have affected the capacity of the government to progress on lower priority reform agendas such as labor reform.

## 1.2 Project Description

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The OTLA-funded ILO FPRW project was designed to provide support to ongoing efforts by ILO constituents and others to improve industrial relations and strengthen the application of FPRW in Sri Lanka's EPZs. At the end of its first phase, USDOL and the ILO agreed to extend the project for four more years and revised the project log frame. The project set three immediate objectives for Phase II that continued into Phase III of implementation:

**Immediate Objective 1:** Legal framework more in conformity with international labor standards (ILS);

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<sup>15</sup> The EFC Director General reported that 70 of his association's members are based in the EPZ.

**Immediate Objective 2:** Institutions and processes for labor-management relations, including those at the enterprise level, strengthened; and

**Immediate Objective 3:** Strengthen labor administration for its effective intervention to promote sound labor-management relations, prevent and solve disputes and ensure compliance with labor regulations.

The ILO project management team planned the project activities to: (a) extend technical assistance and guidance to ILO's tripartite constituents in order to identify and fill gaps in Sri Lanka's legal framework related to FPRW; (b) raise the awareness and capacity of tripartite constituents to know and exercise their rights and obligations in the workplace; (c) strengthen the capabilities of workers' and employers' organizations to develop policies that minimize conflict; (d) foster bipartite cooperation and bargaining; (e) improve conditions for decent work and higher levels of productivity; and (f) promote and implement effective labor administration and labor inspection systems. Over its six years of implementation, project activities evolved with some planned initiatives, such as the computerization of the Labor Administration, taking on greater importance than others based on stakeholder priorities and opportunities and constraints.

The direct target groups for the project were: workers and their organizations, employers and their organizations, the Sri Lanka BOI, labor ministry officials in charge of labor inspections, and labor tribunal judges.

## II. EVALUATION OBJECTIVES AND METHODOLOGY

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### 2.1 Evaluation Objectives

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The main objectives of the evaluation were to identify the project's primary achievements in Phase III, to analyze the appropriateness of its strategy, the relevance of the project's services to the target groups' needs, and the project's efficiency and effectiveness. One of the most important purposes of this evaluation was to assess the potential for the sustainability of its interventions and results and to identify concrete steps the project might take to help enhance sustainability. Finally, the evaluation investigated how well the project team managed project activities and whether or not it had the necessary tools in place to ensure achievement of the outputs and objectives.

### 2.2 Scope and Intended Users

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The evaluation mainly considers project activities and outcomes during Phase III of project implementation from October 1, 2014 to September 30, 2016. The evaluation findings, good practices, lessons learned, conclusions and recommendations are primarily intended for USDOL, ILO, the Government of Sri Lanka and the constituents in Sri Lanka to use in order to promote the sustainability of project accomplishments beyond the project's implementation period and, if relevant, in the design and implementation of subsequent projects in the country, as well as elsewhere. Maintaining gender focus throughout the evaluation process and analysis of findings was an integral part of the evaluation exercise.

### 2.3 Methodology

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This is an independent collaborative evaluation managed jointly by USDOL and the ILO. Each organization appointed one evaluator to form the evaluation team. Sandy Wark served as Team Leader and was supported by Mini Thakur as Co-Evaluator.

The evaluators used the following evaluation criteria in their analysis of project achievements and outcomes: (a) relevance and validity of project design, (b) project effectiveness, (c) efficiency of resource use, and (d) impact orientation and sustainability. The evaluation was framed by questions contained in the final evaluation Terms of Reference (TOR) (see **Annex 2**). The evaluator's data collection methods combined a review of project documents, products and other documents related to the project or the subject matter (for example, press articles and ILO reports) along with stakeholder interviews and focus groups.

The main sources of information for the evaluation were:

- The project document, work plan, M&E framework, quarterly progress reports, and selected activity reports;
- Project-supported studies, assessments, and guidebooks;
- Stakeholder interviews and focus groups with the following staff and stakeholders: ILO project management team (including the Director, ILO Country Office for Sri Lanka and the Maldives, the current Project Manager, Geneva-based FPRW branch providing technical backstopping); the MOLTUR (the Secretary, Commissioner General of Labor,

various Assistant and Deputy Commissioners, technical consultants for Labor Inspection System Application (LISA) and LISA team constituted by MOLTUR); Assistant Commissioners of Labor the Western Province of Colombo, Galle and Jaffna; the Secretary of Ministry of Justice; the Sri Lanka Board of Investments (the Director of Industrial Relations, Industrial Relations officers in Katunayake EPZ); Employers and their organizations (the Director General of the EFC, the Director of FTZMA; Workers and their organizations (leaders of the FTZGSEU, CIWU, and Progress Unions and workers and leaders who participated in trade union awareness raising activities in the Katunayake, Biyagama and Jaffna); President of Bar Association of Sri Lanka; Bar Association members from Jaffna, Law faculty of University of Colombo and Department of Law, Jaffna University; Labor Tribunal Presidents from Colombo and Jaffna; representatives of the National Productivity Secretariat; the SCORE international consultant; SCORE national trainer; Chartered Institute of Management Accountants (CIMA) representative; legal experts; and representatives of the US Embassy in Colombo (including the Economic Officer). The USDOL representative was interviewed via SKYPE. The fieldwork schedule with a detailed list of those interviewed is included in **Annex 5**.

The evaluators carried out their fieldwork in Sri Lanka from September 7-21, 2016. Fieldwork comprised a combination of individual interviews and focus group discussions. The evaluators used semi-structured question guides prepared in advance for individual interviews and focus group discussions (see the question outline in the question matrix in **Annex 3**). In addition to questions related to project activities and outcomes, the evaluators also asked questions to assess the contextual factors affecting project implementation, including the social, economic and political context of Sri Lanka. The cross-cutting issues of gender, social dialogue and tripartism were addressed in the evaluation based on guidance in the TOR.

The evaluators visited the Katunayake EPZ, one of the three EPZs where the project intervened and where majority of the project activities were located including one of the SCORE participant enterprises.<sup>16</sup> In Katunayake, the evaluators visited FTZGSEU branch office for a group discussion with union members and leaders. One of the evaluators also travelled to the Galle district labor office to interview labor officials about the implementation of the project-supported computerized labor inspection system, called the Labor Inspection System Application (LISA). Both evaluators visited Jaffna, the conflict-affected province in the North of the island where project activities were initiated in Phase III. In Jaffna, evaluators met lecturers from the Department of Law at Jaffna University, the Labor Tribunal President of Jaffna, workers who participated in trade union education programs, and Bar Association members. The team also visited the Labor Office in Jaffna and received a LISA demonstration by the MOLTUR LISA team and ILO-supported LISA contractors.<sup>17</sup>

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<sup>16</sup> The second SCORE enterprise visited by the evaluation team is located in Homagama, near the Biyagama EPZ.

<sup>17</sup> The evaluation team leader visited additional EPZ and held worker focus groups in the Phase II evaluation. For this evaluation, priority was given to visiting the North in order to assess how project lessons learned were being applied outside the EPZ and to meet with a variety of stakeholders with whom the project had collaborated there.

Focus group discussion and individual interview methods were used with EPZ workers and enterprise representatives in order to enable participants to share their perspectives. Project management representatives did not participate in these discussions. Meetings with workers took place after working hours outside the EPZ (in trade union offices) to enable their participation without BOI or employer permission/supervision. Workers were encouraged to share perceived gains from participating in training and education programs implemented by trade unions. Members of Progress Union and CIWU were met in Colombo.

The evaluators facilitated a national level stakeholder workshop on September 21, 2016 attended by representatives from a majority of stakeholders. The evaluation team presented the initial findings, good practices, lessons learned and recommendations and invited feedback from the participants. The national project manager also presented a follow-up plan during the stakeholder workshop.

## 2.4 Evaluation Limitations

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Evaluation limitations include the following:

Phase III project work plan and targets were not updated: The absence of a revised Phase III log frame limited the evaluation team's ability to analyze project effectiveness in regards to what was planned, since the project had evolved significantly since the last revision and these changes are not reflected in the log frame outputs, activities and targets.<sup>18</sup>

Project monitoring & evaluation (M&E) indicators were not systematically tracked: Related to the above limitation, key project indicators were not systematically tracked by the project team, which also complicated the task of mapping progress. Similarly, the impact of trainings imparted through various stakeholders could not be objectively measured as post-training assessments were not conducted under the project.<sup>19</sup>

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<sup>18</sup> According to the donor program manager and the ILO, the project log frame, including targets and indicators, was not updated intentionally. At the beginning of Phase III, there was implicit concurrence by the ILO and USDOL that due to the dynamic and continuously changing project implementing environment, the best way forward was for the project to work within the set project objectives to identify opportunities that would have meaningful results and impact. They noted that having a flexible implementation framework had enabled the project to adapt successfully to its operating environment in the previous project phase and that they believed good results would continue to be produced by having such a flexible approach. The limitation pointed out by the evaluators neither promotes nor discourages flexibility; rather it is stating that to answer the evaluation question – “did the project meet its planned outputs and objectives based on its work plan,” we needed an updated Phase III plan as a point of reference. The evaluators note that documenting what is planned, even if changes are likely, is a way of promoting accountability and does not necessarily limit flexibility.

<sup>19</sup> The ILO notes that although the impact of training programs was not measured through post training assessments, the project tracked and reported the impact of training in other ways. Examples include the possible impact of project training on labor tribunal decisions and in trade union membership (although data on the latter was not systematically collected and reported by the project).

Outcomes were shared among two projects: The ILO used resources<sup>20</sup> provided by Swedish International Development Agency (SIDA) for promoting the Freedom of Association and Collective Bargaining (FOACB) rights in Sri Lanka (biennium 2014-15) to complement the project. SIDA funds were used for supporting trainings, workshops and knowledge products that were relevant to the USDOL-supported project. Because there was significant overlap in the two projects, including at the level of activities, some of which were co-funded, some outcomes attributed to this project by stakeholders are most likely shared with the SIDA project. The evaluators have noted relevant SIDA contributions throughout the report.

Gaps in stakeholder consultations: Another evaluation limitation was it was unable to consult with a large number of labor officers, in particular with those who object to LISA because they were on strike during the evaluation period. However, the evaluators do not believe this significantly limited the accuracy of the report and its findings. The resistance of labor officers to LISA is noted in the report, although the reasons for their resistance come mainly from sources other than the labor officers themselves.

Workers, with whom the evaluation team interacted during the mission, were not randomly selected but were invited by trade unions. However, the number of workers consulted was robust, nearly 40 workers in all.

Although the evaluators met the core team of SCORE trainees in the two enterprises visited during the mission, workers on the shop floor were not necessarily those who participated in the enterprise-based projects because of turnover and work shifts. As a result, some of the more active workers were not present during the evaluation visit.

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<sup>20</sup> The SIDA project budget was approximately US\$160k.

## III. EVALUATION FINDINGS

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### 3.1 Relevance and Validity of Project Design

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**Finding 1:** The main project objectives were largely responsive to the needs and requirements of the ILO tripartite constituents in Sri Lanka (the MOLTUR, the EFC, and several of the main private sector trade unions), which were the primary beneficiaries of the project. On the whole, the project offered assistance that was appropriately designed to respond to these stakeholder groups' priorities in relation to the project's main challenge.<sup>21</sup>

The project took a holistic approach to promoting FPRW in Sri Lanka, proposing strategies to contribute to strengthening labor laws and knowledge of labor rights by relevant stakeholders, capacity building for ILO tripartite constituents – the labor administration, selected trade unions and employers' organizations along with a number of more focused interventions designed to bring about more immediate and tangible improvements in working conditions and resolve labor disputes in the EPZs. While the project strategy became less focused on its original objectives over time, some of its most relevant core strategies were carried through to the end of Phase III:

*Relevance of Labor Law Reform:* The process of tripartite dialogue and technical assistance supported by the project for updating labor laws responded to needs expressed from various tripartite stakeholders. At the end of Phase II of the project, support for labor law reform, including its codification, was expressed by high level officials within the Ministry of Labor and Justice. Participants in the Phase II evaluation stakeholder workshop indicated that consensus on at least some needed reforms was sufficient to make reform achievable in the short time left in the project. Employers in particular were in favor of updating labor laws that they considered outdated (such as laws limiting night work by women) and, in addition, had come up with a set of recommendations to amend the Industrial Disputes Act<sup>22</sup> that they wished to promote. Trade union representatives likewise expressed their support for updating labor laws, in particular on issues such as lowering required membership thresholds for the registration of trade unions, improving the regulation of temporary work, and enabling the equitable treatment of public and private sector workers in regards to maternity benefits, among others.

ILO involvement in labor law reform in the context of this project responded not only to the priorities of key stakeholders consulted during the evaluation fieldwork but also to the recommendations of many of the experts commissioned to provide technical assistance to the project and its stakeholders, based on the evaluators' review of the various assessments within the project. These assessments pointed to gaps in current laws (as well as in their interpretation) that were impeding the rights of workers to exercise freedom of association and collective bargaining rights (FOACB) in the EPZs. In addition, in the view of the evaluators,

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<sup>21</sup> Improving respect for fundamental principles and rights at work with a particular focus on export processing zones.

<sup>22</sup> The employers' proposals were packaged as a proposed "Workplace Relations Act."

because the capacity of employers to access legal counsel and propose legislation often exceeds that of the trade unions, the facilitating role played by the ILO was also strategic to ensure that trade union concerns received equal attention in the formulation of recommendations for labor reform.

*Relevance of Trade Union Worker Education Programs:* Under Objective 1, the project continued its Phase II intervention strategy of providing grants to trade unions to educate workers in the EPZs on their labor rights. This approach was relevant to the overall goal and objectives of the project and to the larger context of FPRW situation in the EPZs because it helped trade unions to overcome at least some of the obstacles to expanding membership base in the zones by giving them a means to strengthen the leadership capacity of some of their young organizers and to implement outreach activities for workers. Trade union partners consulted during the evaluation indicated that although they were engaged in organizing workers in the EPZs prior to ILO support, this project allowed them to scale up their activities to reach larger numbers of workers, test new approaches, and expand their presence in the North and East.

**Finding 2: Over the life of the project, the breadth of issues addressed by the project expanded in some strategic areas and became more narrowly focused in others. Some of the new directions taken by the project in Phase III were very relevant while others were less so, given their late timing in the project.**

Some planned project strategies proved less feasible than originally perceived during the project design phase, and were reoriented largely for pragmatic reasons. Examples of these include:

- ▶ Establishment of trade union-managed legal advisory services for workers within the EPZs: This strategy was based on two assumptions that proved mostly untrue in practice: (a) with project support, the BOI and EPZ employers would readily facilitate greater trade union activity within the EPZs, and (b) that there was clear demand for such services from workers without some intermediary awareness raising by trade unions. Thus, to adapt, the project capacity building activities focused less on support for trade union legal aid services in EPZ-based worker facilitation centers but more broadly (and relevantly) on worker awareness raising and trade union membership drives. Trade union activities were organized on the outskirts of the EPZs where their activities were less scrutinized and therefore less threatening to workers.
- ▶ Support for comprehensive reform of labor inspection policy: Multiple changes in leadership within the Ministry of Labor (MOL) on one hand and the complexity of undertaking relatively rapid structural reform within a public institution on the other, led the project to narrow the scope of its interventions in favor of strengthening the capacity of the labor administration in Phases II and III. Labor administration reform, which started with the objective of introducing wide ranging policy changes, became more focused on improving information management within the DOL and in particular on the island-wide deployment of the LISA system. The latter was still quite an ambitious endeavor, but lined up better with the expertise available to the project and the Ministry of Labor's priorities.

Other new strategies were introduced at the end of Phase II/beginning of Phase III in response to requests from stakeholders. The following is an example of a relevant new initiative:

- ▶ Expansion to post conflict zones: In Phase III, the project expanded its support for worker education programs to Sri Lanka's post-conflict zones in the North and East. This moved the project away from its initial EPZ-focused strategy. The move was justified for a number of reasons:
  - *To strengthen a key project trade union partner:* Support was requested by one of its main trade union partners, the FTZGSEU, which wanted to expand into the region. Although it was a new geographic area, there was collaboration with an existing partner.
  - *To follow investment trends:* Representatives of the DOL and trade unions noted that there were many new factories being set up outside the EPZs and, in particular, in the North and East, taking advantage of the regions' abundant and relatively cheap labor pool.
  - *To defend against potential labor rights abuses:* Several stakeholders, including DOL and trade union representatives, labor tribunal presidents, and members of the law faculties of the Universities of Colombo and Jaffna interviewed in the course of the evaluation fieldwork, as well as complementary research<sup>23</sup> highlight that due to the years of war, workers in the post-conflict zones of Sri Lanka faced greater economic insecurity and lacked knowledge about their labor rights and labor institutions and because of this, they were at risk of labor exploitation as more enterprises moved into the North and East.

There are also examples of unplanned Phase III strategies that arguably were not as well-considered or timely:

- ▶ Labor Tribunal President Capacity Building: In Phase III, the project introduced Labor Tribunal Presidents as a new stakeholder/beneficiary group and intervened to strengthen the capacity of the Labor Tribunals.<sup>24</sup> Initially, the project was responding to a request for ILO training for Labor Tribunal Presidents that came late in Phase II and then extended its assistance as new needs were identified. Measures to build the knowledge base of Labor Tribunal Presidents were relevant<sup>25</sup> and attainable. However,

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<sup>23</sup> According to the Solidarity Center June 2016 report "Sri Lanka Workers in post conflict Jaffna," many employers in Jaffna are flaunting labor laws. The report asserts that, "The vast majority of workers are unaware of their statutory rights regarding pay, benefits and a written contract." <http://www.solidaritycenter.org/wp-content/uploads/2016/08/SRI-LANKA.Workers-in-Postwar-Jaffna.8.16.pdf>

<sup>24</sup> The main project interventions in favor of Labor Tribunal President's capacity building were: National Symposium organized for Labor Tribunal Presidents on International Labor Standards, Procedural guidelines drafted for Labor Tribunal Presidents, Mediation & Conciliation guidelines developed for Labor Tribunal Presidents and High Court Judges, seminars held with Labor Tribunal Presidents regarding guidelines and Guidelines for High Court Judges regarding Labor Tribunal Appeals.

<sup>25</sup> The main justification for introducing work with the Labor Tribunal Presidents is that improving the functioning of the courts is a way to balance hard-to-achieve labor law reform with assistance to improve the application of existing laws. Inconsistent application of the law, long delays in obtaining labor courts judgments, and significant time lapses from the time court ordered compensation is made to the time it is received disproportionately hurts workers. For

the rationale for adding a relatively large number of activities related to judicial reform to the already quite ambitious list of reforms promoted by the project was weak given its timing. Because little time remained in the project, the project's ability to contribute significantly to improvements was limited (for a variety of reasons, including that the judiciary was facing bigger issues of constitutional reform in the post conflict period, based on an interview with the Secretary of the Ministry of Justice) and had an opportunity cost in terms of progress against the other strategic priorities of the project.

- **Collaboration with Law Faculties in Jaffna and Colombo:** In Phase III, the project organized activities with the University law faculties of Jaffna and Colombo and with the Bar Association of Sri Lanka. Beyond sensitizing a new generation of lawyers on FPRW, which is a noble objective, the rationale for this new initiative relative to the core objectives of the project was weak. One strategy that might have been relevant had it been initiated earlier was the proposal to mobilize University of Colombo Law students in supporting legal aid clinics in the EPZs, potentially with linkages to the Bar Association of Sri Lanka.<sup>26</sup> Although the University of Colombo highlighted some relevant constraints to implementation during the evaluation fieldwork,<sup>27</sup> these might have been overcome had the project taken up the initiative earlier and had a more focused strategy.

**Finding 3: Although not part of the original project design, project efforts to improve respect for women workers' rights gained considerable momentum in Phase III. Visibility to vulnerabilities of women workers, gender equality concepts and sexual harassment at workplace issues were integrated in activities undertaken by all key stakeholders in this phase and, overall, increased project relevance.**

The original project design lacked any recognition of issues specific to women workers and was largely gender-neutral in its approach until late in Phase II. The gender equality aspects and issues of women workers received special attention during Phase III, especially through the project components dealing with labor law reforms and capacity building. The National Program Manager (NPM) proactively included gender equality issues in her interaction with stakeholders and facilitated systematic inclusion of gender equality and sexual harassment at workplace issues in project activities with all stakeholders. Inputs provided by the gender specialist from ILO Decent Work Team in New Delhi to constituents on gender and the gender disaggregated data collection under the SIDA-supported program also complemented the NPM's effort, and gender disaggregated data was maintained for all major activities under the project.

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this reason, trade union stakeholders and employers alike report an almost total loss of confidence in the court system as a mechanism for defending workers' rights.

<sup>26</sup> The original project strategy was that trade unions would provide legal aid clinics through worker facilitation centers but as noted earlier, this turned out not to be feasible.

<sup>27</sup> These constraints were: Labor law is studied late in the School of Law program and attracts a relatively limited number of students as a specialty; Law students do not have sufficient practical experience and should be paired with more experienced lawyers; There are no formal incentives for students to engage in such activities and because the course of study is demanding, their time is limited.

Specific issues relating to women workers, as identified by key stakeholders, includes: women's vulnerability to sexual exploitation; gender specific Occupational Safety and Health (OSH) and reproductive health issues; and greater economic insecurity and lower levels of awareness of labor rights faced by young women workers in the Northern and Eastern provinces. Women workers also face additional risks as they migrate from their villages and reside in boarding houses around EPZs. These, along with the fact that trade unions have very limited outreach in sectors in which women workers are predominant, such as the Ready Made Garment (RMG) Sector, called for greater attention to women workers by the project in general and by trade unions in particular.

Key initiatives taken through the project with regard to promoting gender equality and the dignity of women workers included:

- Priority attention to labor law reforms concerning women: Repeal of Restrictions on Night Work by Women, Maternity Benefit Ordinance; Recommendations for a grievance handling mechanism to prevent sexual harassment.
- Inclusion of women's issues (gender equality concepts, vulnerabilities of women workers and sexual harassment at workplace) in workshops and training programs with all stakeholders including EFC, trade unions, Industrial Relations officers of BOI, Labor Tribunal Presidents, Labor Officers, Bar Association of Sri Lanka, Law Faculty/departments at Colombo and Jaffna University.
- Trade unions (Progress Union, CIWU and FTZGSEU) made conscious efforts to identify and train potential women leaders and to expand their women membership base. FTZGSEU held specific training for women leaders on workers' rights and collective bargaining.
- Trade union partners mainstreamed gender equality and issues of women workers in their training program and worker-level meetings. They also used this opportunity to expand their membership strength among female workers in EPZ.
- The project supported the translation and further dissemination of a code of conduct on dealing with sexual harassment at the work place that had been developed in collaboration with the EFC in a previous project. The code of conduct was translated into Sinhala and Tamil and disseminated to workers. It was used by trade unions as a standard tool for their gender sessions.
- EFC included gender equality aspects in its current collaboration with the National Productivity Secretariat (NPS) to follow up SCORE.

Overall, nearly 3,800 workers participated in workshops and training programs organized by trade union partners, of which 65% were women.

**Finding 4:** Of the three project objectives, the project was most challenged to find relevant outputs and activities to significantly contribute the achievement of objective two, "Institutions and Processes for Labor Management Relations, including those at enterprise level strengthened." The main difficulty was in identifying a methodology to promote workplace cooperation in the EPZs that also contributed to promoting FOACB rights. In Phase III, the project settled on SCORE, which did not align well with the project's overall goal.

The strategy for Objective 2 of the project suffered several false starts. It implemented a pilot program on workplace cooperation in partnership with the BOI (Phase I) that was criticized by the trade unions as being too productivity orientated. In late Phase I and early Phase II, the project attempted to produce a master trainer program on workplace cooperation that failed to gain acceptance from workers' and employers' groups within the ILO. Finally, the project settled on the short version of Sustaining Competitive and Responsible Enterprises (SCORE-SP), an enterprise-based productivity enhancement and workplace cooperation program, as its main intervention strategy for Objective 2. It had initially planned to support the Collective Bargaining and Social Dialogue unit of the DOL to implement SCORE, but dropped this at the end of Phase II due to changing priorities within the DOL. At the beginning of Phase III, it launched SCORE in partnership with the EFC and the CIMA.

Overall, applying SCORE under this objective was not relevant for two reasons. First, SCORE is targeted to small and medium enterprises (SMEs, ideally 50-200 workers) while EPZ enterprises are typically larger in scale. Second, it is mainly focused on employee engagement for productivity improvements and has no direct relation with the project's core agenda of promoting FOACB. In fact, inasmuch as it was implemented in enterprises without trade unions and focused on building capacity of bipartite employee councils, in the context of this project, the methodology could potentially undermine ILO efforts to increase understanding among employers and workers about the important role played by trade unions at the enterprise level. Because employee councils had long been, and still are in many cases, promoted by employers as an alternative to trade unions in EPZ enterprises, the issue is particularly sensitive in the context of this project.

Besides the planned enterprise-based pilot in component two, the project work plan included a number of complementary capacity building activities for workers, employers and the MOLTUR on workplace cooperation that were not implemented. There were good rationales for having planned these activities; EPZ-based enterprises and trade unions needed capacity building on how to promote their interests effectively without automatically resorting to confrontational approaches. Labor officers needed training on how to facilitate negotiation/cooperation in the work place. SCORE, on its own, fell short of reaching these objectives. To fill this void, the project may have considered:

- Sector-specific, bipartite capacity building workshops on “interest based negotiation,” “collective bargaining,” and/or “workplace collaboration to promote occupational health and safety.” The former have been implemented with some success by the ILO in other countries and may have contributed to improving levels of understanding and trust between trade unions active in the EPZs and employers, with positive repercussions at the enterprise level.<sup>28</sup>
- Additional tripartite workshops on conflict resolution and mediation skills such as the Mediation workshop funded by the SIDA-funded ILO project, which used case studies and role play effectively.

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<sup>28</sup> The ILO's SIDA project experimented with this approach in Sri Lanka with a focus on the RMG sector. More might have been done in the sector, building on potential synergies.

- Documenting and sharing good workplace cooperation practices in enterprises with trade unions in EPZs in Sri Lanka or elsewhere.<sup>29</sup>

**Finding 5: Given its potential to improve the efficiency and effectiveness of Labor Inspection in Sri Lanka over time and the size of the investment in the deployment of LISA by the project and the Ministry of Labor, institutionalization of the information management system was a priority of the donor, the ILO and the Ministry of Labor in Phase III. This was a relevant choice.**

The deployment of LISA holds strong potential to improve the efficiency and effectiveness of labor inspection in Sri Lanka if it is institutionalized and parallel efforts are made to use the data produced by the system to facilitate better planning and decision-making within Sri Lanka's Labor Administration. The following are examples of how LISA is a highly relevant strategy with transformative potential:

- ▶ It supports greater consistency in the way that labor inspection is carried out. LISA designers report that as part of the implementation of LISA, the Ministry reviewed and standardized certain forms and work processes that previously varied depending on the labor office. To the degree that LISA is implemented, it will support greater uniformity across all 57 labor offices in regards to complaints and court case management, labor inspector time scheduling, and reporting on labor and OSH inspection.
- ▶ It may be used to improve the quality and timeliness of decision making including the allocation of scarce resources by granting access to real time data. LISA automates statistical reporting on complaints, court cases and labor inspections. To the extent that the data that enters the system is up-to-date and accurate, it is now possible to obtain statistics in real time on a large number of indicators that could be used by decision makers to improve the efficiency and effectiveness of labor inspection.

For example, LISA statistics highlight which laws and regulations are most frequently violated or subject to the greatest number of complaints and can be reported by geographic area and time period. With this type of data, labor offices may decide to focus their awareness raising and inspection programs on areas (thematic and/or geographic) that are the most problematic. It will allow the DOL to identify which enterprises have the best and worst record or which enterprises have no record because they have not been regularly inspected. With this kind of data, the DOL can establish priorities in regards to which enterprises should be inspected.

- ▶ It increases accountability within the labor offices. LISA makes it easy to monitor certain "quality of service" or performance indicators such as the time required to close a complaint, the number of inspections carried out in a certain time period, etc. It is possible to monitor performance by zone, office and by labor inspector. This type of data

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<sup>29</sup> The ILO SIDA project produced on study along with some examples of good practice along these lines: '*Country Study on Challenges and Opportunities to Promote Freedom of Association and Collective Bargaining in the Ready Made Garment Sector in Sri Lanka.*' The study was subject to lively debate between Workers' and Employers' organizations.

may be used to improve accountability within the labor inspectorate and to orient professional development programs including training priorities and employee promotion decisions.

**Finding 6: The project was well aligned with the Sri Lanka Decent Work Country Program. Based on this project, Sri Lanka was able to attract additional funding for activities to promote FOACB, which complemented the USDOL-funded initiative.**

The project was well aligned with ILO's overall country program for Sri Lanka (the Decent Work Country Program Sri Lanka 2013-17), specifically with Country Priority 2, "Strengthened democratic governance of the labor market." The project objectives and activities directly contribute to the outcomes conceptualized under this priority.<sup>30</sup> The gender aspect addressed during Phase III also contributed to the constituents' commitment to promote gender equality in the world of work in Sri Lanka, as noted in the country program. The outcome-based funding provided by SIDA which promoted the right to FOACB in Sri Lanka for biennium 2014-15 was strategically used to complement the project. SIDA funds were used for supporting trainings, workshops and knowledge products that were relevant to the USDOL-supported project.

### 3.2 Project Effectiveness

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**Finding 7: In Phase III, Under Objective 1,<sup>31</sup> the project progressed significantly on its plans to facilitate labor law reform and promote greater awareness of labor rights among key stakeholders. Because it was unable to achieve consensus among trade unions on priorities for labor law reform, and in the absence of higher level political support, few proposed amendments reached the draft law stage. Project grants to trade union partners active in the EPZs were effective in enhancing the recipients' capacity to reach out to workers and conduct awareness raising activities on labor rights and resulted in modest gains in the number of active members and unionized enterprises in the EPZs.**

There were three outputs under Objective 1. Under Output 1.1, the project planned to provide technical advice to the Ministry of Labor legal task teams to review pending labor laws or circulars not fully in conformity with ILS, to draft amendments, and to facilitate the tripartite discussion and endorsement of new legal provisions by the National Labor Advisory Council (NLAC). Under Output 1.2, the project planned to support social partners' capacity to conduct training and awareness raising on labor rights and ILS. Under Output 1.3, the project planned to continue partnerships with national training institutions to provide advanced training to social partners on labor laws and ILS.

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<sup>30</sup> The four outcomes under DWCP Sri Lanka country priority 2 are: Improved labor administration and strengthened social dialogue mechanisms; Strengthened institutional capacity of Employers' Organization; Strengthened institutional capacity of workers' organization; and Strengthened capacity of member state to ratify and apply international labor standards and their reporting obligations.

<sup>31</sup> Legal framework more in conformity with international labor standards.

- ▶ Achievement of Targets: Overall, between Phases II and III, the project surpassed its targets for the number of workers reached through trade union awareness raising, reaching over 5,000 workers (3,000 reported in Phase II and over 2,000 reported in Phase III), although not through legal aid clinics as originally planned. However, it fell far short of its target for training labor officials and social partners on ILS through national training institutions (it achieved 20 versus 500) nor did it provide advanced training to trade union representatives to enable them to represent workers in court (50 planned).
- ▶ Project Support for Labor Law Reform: Project support for labor law reform built on previous Phase I and II interventions.<sup>32</sup> In Phase III, the project supported the Ministry of Labor to reinitiate labor law reform with a full review of labor laws, with inputs from a small tripartite working group and a comprehensive desk review by experts. The project commissioned a former Supreme Court Judge who supported the tripartite group, which met five times between March and November 2015.<sup>33</sup> Based on the work of the former, the project provided expertise to compile a comprehensive set of recommendations to strengthen labor laws and their application.

Based on reports by those involved and the matrix of recommended amendments it produced, the committee was effective in discussing and reaching a degree of consensus on a wide range of recommendations for labor law reform, many of which had previously been highly contentious. This was a significant achievement. However, at the stage of enlarged stakeholder consultations in November 2015, additional progress was curtailed by protests from trade unions that had not participated in the initial working group.<sup>34</sup>

Based on limited consultations, a matrix of recommendations for reform organized by the Act and article was forwarded by MOL to the NLAC for discussion but in light of the protests, and most likely the absence of strong political will to push labor law reform from higher levels in government, the recommendations were sent back to the legal department of the Ministry of Labor. The Labor Commissioner reported that some of the recommendations regarding Maternity Benefit Ordinance and Occupational Health and

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<sup>32</sup> In Phase I, with project support, the MOL conducted a review of laws and made recommendations that were to have been used by its legal department to draft amendments, but it apparently progressed no further. In Phase II, the project organized multiple tripartite workshops to discuss how to strengthen the way Sri Lankan law deals with unfair labor practices within its legal and institutional framework. It was not able to achieve consensus on recommendations for change and requested help from the office of the President, but received no response due to upcoming elections.

<sup>33</sup> The tripartite stakeholder group meetings were funded by the SIDA project.

<sup>34</sup> Only one senior trade union representative took part in the committee. Representatives of trade unions not represented felt that they should have been allowed to participate in the working group and that the initial proposals emerging from the group did not represent their priorities. The ILO country program director attempted to recuperate the situation by requesting additional recommendations from the protesting trade unions by the end of 2015, but no proposals were received.

Safety laws have been taken up and final recommendations have been submitted to the NLAC by the department.

- ▶ Project Support for Trade Union Education Programs: In Phase III, the project continued to grant support for trade unions to expand their activities in the EPZs. It supported three trade union partners–FTZGSEU, Progress Union and CIWU–to conduct training of trainers (TOT), promote leadership among potential members and expand their membership through worker education programs with particular focus on women workers. FTZGSEU was able to recruit 4,484 new members during 2014-2016, of which 62% were female, while Progress Union enrolled 1,103 new members, of which 54% were female. FTZGSEU was able to establish nine new branch offices through project support and was able to revise two existing collective bargaining agreements (CBAs), while the third was under process at the time of evaluation. A new CBA (with STAR Group) was also in its final stages. Progress Union was able to settle several issues raised by the workers amicably with three enterprises between 2014 and 2016.

Under Phase III, CIWU developed a standard training tool for future TOTs based on their experience in conducting worker education program (as did the NTUF in Phase II). The CIWU tool was quality checked by both the project and the MOLTUR's legal adviser.

The trade unions used the project resources effectively and reached out to approximately 2,000 workers using several innovative strategies. Across the three trade union partners, 60 to 90% of these workers are women. For instance, one trade union used health clinics as an entry point to counsel workers on their rights. Another trade union invited labor department officials in their trainings and workshops. Workers were asked to bring their pay slips as evidence of non-payment of overtime and other similar issues, which provided evidence for the participating officials regarding the genuineness of the problems that were narrated by workers and it facilitated dialogue on practical solutions. Trade unions also used trainings and meetings to raise awareness about the provisions of the Budget Relief Allowance of 2016 related to wage increases.

- ▶ Project Support for Employer Education Programs: No new activities of this type were organized during Phase III, with the exception of the distribution of a gender code of conduct to human resource managers by the EFC. With funding from the SIDA project, the ILO organized complementary activities in which a small number of EPZ enterprise representatives participated (see **Annex 1**). The focus group of human resource managers organized during the evaluation was only attended by two managers from one company. They reported that the Human Resource Manager Network, which the project helped initiate during Phase I, still functioned informally and was used mainly for information sharing purposes. Trade unions asserted that there is still significant anti-union sentiment among EPZ managers, which was backed up with detailed accounts of anti-union behavior from workers. Evaluation interviews with representatives of employers produced a more mixed picture: some leaders highlighted the value of responsible union leadership while others insisted that trade unions only seek their own interests rather than those of the workers.
- ▶ Project Support for Establishing National Institutional Capacity to Conduct Advanced Labor Rights and International Labor Law Training: Prior to Phase III, planned

collaboration with the National Institute for Labor Studies (NILS) was suspended due to leadership changes within the institution that resulted in a loss of capacity and interest. At the end of Phase II, the option of supporting the Faculty of Graduate Studies of the University of Colombo to offer a formal course on labor laws and ILS was taken up by the new project manager but this initiative did not progress beyond the negotiation stage. Later in Phase III, a new proposal from NILS (under new leadership) to host the training was received and funded by the project. Twenty trade union representatives (11 women) took part in a 9-day course on Employment Law, Labor Standards & Rights at Work in September 2015. However, the institutionalization of the course may be compromised by new changes in leadership within NILS, according to the project manager.

**Finding 8: Under Objective 2,<sup>35</sup> the project made very little progress on the implementation of planned tripartite partner capacity building activities related to collective bargaining and workplace cooperation. As a result, the direct contribution of the project to creating capacity within its key partners to conduct collective bargaining was negligible. Its contribution to fostering capacity to promote workplace cooperation was better but still quite limited relative to what had been planned.**

There were four outputs under Objective 2. The first two outputs planned capacity building activities for workers' and employers' organizations on workplace cooperation. The third output planned capacity building for the DOL on collective bargaining and workplace cooperation. Finally, under Output 2.4, the project planned to support an enterprise-level workplace cooperation program within 15-20 enterprises.

- ▶ Achievement of Plans/Targets: The project planned to train 30 trade union and 100 employer organization trainers on workplace cooperation. These trainers were to have reached 2,000 workers and 250 human resource managers with capacity building on workplace cooperation. It also planned an assessment, training programs for labor officials (reaching 100 on collective bargaining and 200 on workplace cooperation) and tool development for the promotion of collective bargaining and workplace cooperation by the DOL. These activities were not carried out in either Phase II or III. The SCORE program, the project's enterprise-level workplace cooperation pilot, was implemented in four enterprises and a planned follow-up activity may reach an additional four enterprises (8 enterprises versus planned 15-20).
- ▶ Capacity Building for Labor Officers, Workers and Employer Organization Representatives on Collective Bargaining and Workplace Cooperation: Almost no progress was made on these objectives by the project. Through the SIDA project, the ILO implemented some activities to promote collective bargaining and workplace cooperation that were reported as being well received.<sup>36</sup> Grant-funded trade union

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<sup>35</sup> Institutions and processes for labor-management relations, including those at the enterprise level, strengthened.

<sup>36</sup> These included a rapid assessment on the country's legal and institutional framework for collective bargaining which was followed by a training workshop for ILO Constituents on the facilitation of Collective Bargaining. The SIDA

worker education programs may have touched on some aspects of collective bargaining and workplace cooperation, but this was not the primary focus of the programs. Through the implementation of SCORE (see below), one EFC employee participated in the training of trainers as an observer.

Finding 3 highlighted the challenges experienced by the project in formulating its strategy for Objective 2. As a result of these strategic and implementation gaps, the project did not contribute significantly to developing and promoting an innovative model of workplace cooperation that could be used as an entry point for promoting greater respect for FOACB rights.

- ▶ Pilot Enterprise-level Workplace Cooperation Program: The main progress made by the project towards Objective 2 outputs was through the implementation of an enterprise-based workplace cooperation pilot. The project supported the implementation of SCORE-SP pilot in partnership with the EFC and CIMA. An international SCORE trainer was engaged by the project to lead the pilot. The program produced three national SCORE certified trainers while two others, one each from EFC and NPS, were allowed to assist the trainers although they were not certified.

The SCORE pilot was limited to four enterprises, three of which completed the training program. Of these, two (Polycrome Electrical Industries Pvt Ltd and DSL Global Pvt Ltd) are situated in or near the EPZs. The third enterprise (Cargills Quality Dairies Pvt Ltd.) had shown declining engagement during implementation phase itself. Within these enterprises, management, workers and employer representatives received training on workplace cooperation and on this basis, carried out projects to improve working conditions and increase productivity. These small projects were used to make productivity and working condition improvements such as better waste management, increasing time efficiency by organizing the workplace and improving basic facilities for workers.<sup>37</sup> The two enterprises visited by the evaluation team had not undertaken any significant workplace improvement measure in the four months since the program ended.

With project support and following up on SCORE-SP, at the time of the evaluation, the EFC had started implementation of a SCORE-inspired training program in collaboration with the NPS, targeting four enterprises. The revised model is different from SCORE and is delivered jointly by NPS and EFC staff members. Under this new model, the NPS focuses on productivity and quality aspects while EFC delivers the modules on gender, social dialogue and labor laws. The NPS is a public institution for productivity

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project also commissioned a study on challenges regarding Freedom of Association and Collective Bargaining in the Readymade Garment Sector and organized a tripartite workshop to share its findings. It organized a separate workshop for human resource managers and compliance managers in the Ready Made Garment Sector on workplace cooperation, which was organized with the Joint Apparel Association of Sri Lanka.

<sup>37</sup> Examples of projects include creating a parking space for worker bikes, cloak rooms, changing rooms, and placing suggestion box and notice boards. The donor program manager reported that one enterprise project was too OSH oriented and included the provision of better protective gear for workers by the management.

enhancement. The director of the NPS department that is collaborating with EFC was not well briefed on the collaboration but expressed the view that trade unions were not needed when managers used good employee engagement strategies.

**Finding 9: The project fell short of what it planned to achieve under Objective 3<sup>38</sup> in regards to supporting the development of a labor inspector policy and training program and the creation of a specialized mediation unit within the DOL. It surpassed what was planned regarding the computerization of the labor administration.**

There were two outputs under Objective 3. The first output was capacity building for the labor inspectorate to improve compliance with national labor legislation. The second output was capacity building for the DOL to use conciliation and mediation for dispute resolution.

- ▶ Achievement of Plans/Targets: The planned Sri Lanka Labor Administration and Inspection Needs Assessment was carried out early in Phase II by an ILO expert and consultant. In Phase II and III, the project was to have used this assessment to support the development of an inspector training strategy, inspector training and the development of an inspection policy, most of which were dropped by the project in Phase III. The inspection policy never got off the ground mainly because of an ongoing dispute with the Labor Officers' union on salary scales and related anomalies which limited the Ministry's capacity to move forward on recommended reforms. Activities focused almost exclusively on computerization, which was carried out on a much larger scale than originally planned (island-wide, or in 57 offices versus the planned 20).

On its second output, the project completed the planned assessment for the creation of a specialized conciliation and mediation unit early in Phase III but was unable to support implementation because of constraints within the Department (resistance from labor officers, insufficient staff). Unplanned activities implemented by the project include: the development of a short training module on mediation, the "Module For Mediators Resolving Employment Issues," that targeted Labor Tribunal Presidents and High Court Judges;<sup>39</sup> research on alternative dispute resolution for an ILO global research project that provides an overview of industrial dispute resolution processes covering both the public and private sector; and through the SIDA project, the ILO organized a tripartite workshop on mediation.

- ▶ Project Support for Labor Administration Computerization: Phase III activities focused on the roll out of LISA countrywide which included user training<sup>40</sup> and the provision of

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<sup>38</sup> Strengthen Labor administration for its effective intervention to promote sound labor-management relations, prevent and solve disputes and ensure compliance with labor regulations.

<sup>39</sup> The module was developed by the consultant under the supervision of the project in consultation with labor officers and social partners. It was tested during a workshop held for labor officers which was part of the preparation for the establishment of the Mediation and Consultation Unit.

<sup>40</sup> Approximately 2,000 (includes double counting) DOL personnel have been trained over the last 3 years of the project (Phase II + Phase III). The training included Training of Trainer programs for selected personnel in each region so that each province now has 2-3 trainers/support providers.

technical assistance to the Department for the creation its own internal training, support, and system maintenance capacity both in field offices and at the central level. Project-supported activities to consolidate the institutionalization of LISA within the DOL were implemented by the LISA contractor according to a well-thought out plan. Services were delivered in close collaboration with relevant stakeholders within the DOL with sufficient flexibility to adapt to Department needs as they emerged.

- ▶ Project Support for increased DOL capacity to use mediation and conciliation: Phase III activities kept the proposal to create a specific DOL Medication and Conciliation Unit as a point of discussion and provided a road map on how it might be implemented (the assessment). Through unplanned and SIDA complementary activities, it contributed modestly to capacity building for mediation among a small number of labor officers. Ultimately, it was not able to contribute significantly to improving DOL capacity on mediation and conciliation because of the MOLTUR's slow pace of restructuring, human resource shortages, and challenges dealing with the Labor Inspector Union on issues of promotion and reorganization of their responsibilities.

**Finding 10: Project support under Objective 3 for the computerization of the Labor Administration was its greatest achievement in Phase III. The project's greatest overall achievement relative to its core objective was under Objective 1 and related to creating awareness and fostering dialogue among a wide range of national stakeholders about the need to balance labor rights with the needs of economic growth and progress.**

- ▶ Achievements towards Computerization of the Labor Administration: The project made great progress in the face of significant challenges toward the computerization of the Labor Administration during III. Below is a list of its main accomplishments:
  - *The software functions related to inspection activities were completed.* The following modules are operational: complaints desk, legal desk, inspection scheduling, routine inspections reporting (includes OSH inspections), women and children inspections & complaints management, the statistical module and the management oversight module.
  - *Approximately 600 DOL personnel (Assistant Labor Commissioners, labor officers and management personnel) were trained over the last three years of the project (Phase II + Phase III).* The training included Training of Trainer programs for selected personnel in each region so that each province now has two to three trainers/support providers.<sup>41</sup>
  - *Some District Labor Offices have stopped keeping manual records (in the Western, Central, and Southern regions).* All 57 offices are expected to stop the manual processes in 2017; the Commissioner General's office sent out the required

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<sup>41</sup> The IT contractor reported 2,000 participants in training sessions with double counting. The project manager clarified that the actual number of participants was approximately 600 and these attended multi-phase training sessions.

circulars and directives to this effect.

- *The DoL established a five-member team for the management and day-to-day operations of LISA.* It comprises one labor officer and four information technology (IT) graduates. The IT graduates received specialized training on system maintenance in August 2016. Since April 2016, the MOLTUR reports that all training programs, support and troubleshooting of LISA have been performed by this team. The team is part of the Planning Unit, the department that is charged with strategic planning.

These achievements are attributable to the professionalism and persistence of the team contracted for LISA implementation, the commitment of successive Secretaries of Labor and Commissioner Generals of the DOL to the project, and the willingness of the donor and the ILO to allocate significant time and resources for the initiative over several years.

- ▶ Achievements towards Strengthening the Legal Framework in Support of FPRW in the EPZs: Although enormous challenges to the realization of FPRW in law and practice remain in Sri Lanka's EPZs, the project's support for awareness-raising and various tripartite workshops resulted in a number of achievements that were steps in the right direction:

- Contributed to the amendment of BOI guidelines to investors to include the obligation to respect freedom of association;
- Consensus achieved among a small group of tripartite stakeholders on the set of recommendations for labor law reform;
- Highlighted critical issues and possible solutions to improve functioning of Labor Tribunals in favor of fairer and speedier judgments on termination issues;
- Contributed to modestly higher levels of trade union activity in EPZs;<sup>42</sup>
- Contributed to trade union outreach in post conflict zones in North and East; and
- Highlighted sexual harassment as an important issue affecting workplaces and action against it as part of upholding labor rights.

These achievements are attributable to the relatively long duration and consistent focus of the project as well as its holistic approach. In its early phases, the project objectives were backed up by external pressure from the US and European Union governments in relation to Sri Lanka's access to these governments' Generalized System of Preferences (GSP and GSP+).

**Finding 11: There were both political and economic factors that may have hindered the project from making more rapid progress in some of its key initiatives and limited its overall achievements.**

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<sup>42</sup> According to the BOI, in 2010 there were 255 EPZ-based enterprises, 26 trade union branches, of which 13 were granted check off facilities, and 5 collective agreements were in place. In 2016, there were 268 EPZ-based enterprises, 31 trade union branches, of which 18 had check off facilities, and 7 collective bargaining agreements were in place.

In addition to those cited elsewhere in this report, factors that influenced the achievement of project objectives included:

- The political conjuncture which made peacemaking and improving the island's human rights record (rather than its labor rights record) a priority issue at the highest level of government: This may have affected the priority accorded by the Government for labor law reform.
- The economic conjuncture that saw Sri Lanka struggling to compete with its lower wage neighbors including countries with poor records on FPRW (Bangladesh, China, Myanmar, Vietnam): This may have favored those on the employers' side who believed that greater respect for FPRW would be bad for the interests of business.
- The large number of trade unions active in the country, the politicization of some, and limited cooperation within the trade union movement in Sri Lanka: This may have prevented trade unions from having a unified voice in favor of legal reforms and limited their effectiveness in gaining worker confidence in the EPZs (due to perceptions that trade unions have a political agenda).
- The 2015 elections, associated turn over in the MOLTUR leadership and related uncertainty which impeded rapid decision-making in public institutions: This may have slowed the pace of proposed labor law and institutional reforms.
- The slow pace of restructuring within the MOLTUR and the associated challenges and complexity of dealing with labor officer grievances, which led the latter group to use cooperation with the project as a point of leverage to support their larger, and to a large extent, unrelated demands: This slowed the implementation of LISA and negatively affected the formation of a mediation unit.

**Finding 12: The ILO and USDOL were selective in following up on the recommendations of the midterm evaluation. It made significant efforts to act on some it considered priority but did not act effectively on others.**

The following are examples of recommendation on which the project followed up, at least in part:

- ▶ Recommendation to revive its support for labor legislation reform initiatives: This recommendation received significant attention from the project. In Phase III, the project reinitiated labor law reform with a full review of labor laws through a tripartite committee led by a former high court judge.
- ▶ Recommendation to revisit its strategy on how the paralegal training program would be translated into legal services for workers in the EPZs: The project explored new strategies for providing legal aid services to workers during Phase III. However, they were not sufficiently well advanced by the end of Phase III to evaluate whether they would be effective in making legal aid services readily available to EPZ workers.

- ▶ Recommendation to strengthen project capacity building strategy regarding workplace cooperation for trade union partners: The Phase II evaluation specifically recommended expanding the strategy for strengthening workplace cooperation in EPZs beyond SCORE, especially for trade union partners and SMEs. This recommendation was only partially addressed in Phase III. SCORE remained the only program under the strengthening workplace cooperation component of the project with no particular role for trade unions. As the outreach and likely impact of SCORE was doubtful, the project could have made use of the resources to strengthen trade union capacity on workplace cooperation issues, mainstreaming it with the capacity building work done by trade unions on leadership and gender.
- ▶ Recommendation to consolidate and/or scale already existing initiatives, especially activities under the labor administration strengthening objective: This recommendation was followed effectively in regards to the project focus on institutionalizing LISA. However, the evaluator had cautioned against introducing many new initiatives, which was not followed (introduction of labor tribunal and faculty of law activities).

The following are examples of Phase II evaluation recommendations that were not followed by the project:

- ▶ Recommendation to facilitate bipartite awareness raising program in the EPZs to bring workers and employers together to discuss and agree on key principles to resolve disputes through conciliation and mediation: This recommendation was not followed up well. Although several joint workshops were held in Phase III, these were not focused on generating common understanding or agreements on key principles to resolve disputes through conciliation and mediation. Suggestions by members of the project advisory council to create a specific mechanism to foster bipartite dialogue in the EPZs were rejected by employers and the BOI.
- ▶ Recommendation to improve project M&E systems: This recommendation was not followed up on well by the project or the donor. As has been noted elsewhere in this report, the project did not have a clear M&E framework for Phase III. This should have been required by the donor and reflected in the project's progress reports.<sup>43</sup>

**Finding 13: The project provided effective support to trade union partners related to the development of women's leadership in their national and local level branches. Trade unions consciously identified potential women leaders in EPZ and in Northern and Eastern provinces and ensured inclusion of existing and potential women union leaders in their trainings, workshops and outreach programs.**

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<sup>43</sup> According to the USDOL M&E focal point for the project, she and the Program Manager requested approval for a specific mission to provide additional assistance to the project to strengthen its M&E framework based on the evaluation recommendation. However the request was denied by USDOL management. Alternative, virtual forms of collaboration were not used, possibly, as noted in a previous footnote, due to an informal agreement to keep the implementation framework of the project flexible.

Trade union partners used project grants to identify potential women leaders at the national as well as at the regional levels. More than half of the participants in FPRW, labor law and leadership trainings organized by trade unions were women. As the project grants were used to expand membership base through meetings and other innovative measures such as medical camps, conscious efforts were made by trade unions to identify potential leaders who in turn help organizing women workers in EPZ (and in non-EPZ areas in Northern and Eastern provinces). FTZGSEU also organized an exclusive leadership training program for existing and potential women leaders.

The FTZGSEU President noted that women membership was always high in his union as they deal with RMG sector, but that the project encouraged him to give primacy to women in leadership positions. In the last union elections, 11 out of 25 elected executive council members and one of the two elected Co-Presidents were women, while all three of his Union Vice Presidents are now women.

CIWU has traditionally worked in sectors dominated by men and as such did not have any significant base among women members, which was reflected in their leadership cadre. However, the union, through project support, reached out to women in the RMG sector and has been able to identify and train leaders/facilitators at the local level who now are involved in awareness raising for women workers in EPZ areas. The Progress Union also used the grant to identify and train women leaders who now play an important role in organizing women workers and in providing support to women workers' needs, for instance on issues of health, sexual harassment, security and rights at work issues.

**Finding 14: The project management team maintained effective communication with its major stakeholders. Project activities were regularly discussed through the Project Advisory Committee (PAC). However, the quality of dialogue in regards to progress objectives could have been improved. More efforts might also have been made by PAC members to circulate information among their constituency.**

- ▶ Project communicated with a wide variety of stakeholders: Over its five year plus period of implementation, the project was effective in communicating its objectives to a large cross section of stakeholders. In Phase III, the project engaged with additional stakeholders such as the Labor Tribunal Presidents and Industrial Relations officers of BOI, which helped to communicate project objectives further downstream.
- ▶ Project Management stayed informed on stakeholder concerns: The project team, as well as the ILO Country Director, was well informed about the perspectives, concerns and challenges of each of the stakeholder groups. Project progress reports and interaction with stakeholders indicates that the NPM and Country Director kept in close contact with project partners through meetings and project activities.
- ▶ Stakeholder participation was sometimes compartmentalized: However, stakeholders seemed mainly aware of the activities in which they were directly engaged while their awareness of the role being played by other stakeholders in the project was relatively superficial, indicating more could have been done by the ILO and national stakeholder representatives on the PAC to communicate about overall project objectives and the

synergies between its various initiatives. Interaction among the trade unions who were directly supported under the program also seems to be limited.

- ▶ Turn-over in MOLTUR leadership posed challenges: Frequent change in MOLTUR leadership was a key constraint during this phase. Since the formation of the new government in January 2015, the MOLTUR changed its Secretary five times. The project management team faced the challenge of briefing each incumbent on project objectives and activities.
- ▶ Dialogue on project impact in the PAC appears insufficient: The PAC, formed in August 2014, met regularly during this phase which was very positive. However, the role of PAC appears to be limited to progress reporting on major components rather than providing strategic direction to the project as a whole. The project's result framework was not used as the basic reference to discuss strategies and progress during PAC meetings. The midterm evaluation also noted the need to measure project progress in a more systematic way. During Phase III evaluation consultations, a trade union PAC member again noted that key indicators of the project's achievements, such as the number of collective bargaining agreements in the EPZ and/or the number of enterprises recognizing unions, were not sufficiently discussed in PAC meetings as an indicator of project progress.

### 3.3 Efficiency of Resource Use

**Finding 15: On the whole, project resource allocations for activities were strategic and timely with some exceptions.**

This project had an average budget of US\$233,750 per year over the 4+ years of implementation, including for personnel. This is quite a limited amount of funding for the large scope of the project and expected results.

The table below shows the distribution of project expenditures by major initiative during Phase III.

**Figure 1. Project Expenditures 2015-2016 and Distribution by Strategy**

Labour Law Reform	\$ 9,756	5%
Labour Tribunal & BASL	\$ 20,720	11%
Trade Unions	\$ 26,480	14%
Score/Workplace Cooperation	\$ 30,537	16%
LISA Activities	\$ 96,186	51%
MOLTUR Mediation and Conciliation	\$ 5,106	3%
	\$ 188,785	

- The largest share of project resources went towards LISA implementation, an initiative on which the project made significant progress. Buy-in from the DOL was important, as demonstrated by large allocations of its own resources to the initiative including dedicated personnel for system management, equipment purchases, and upgraded Internet connections in the labor offices and Ministry.

- Significant resources were allocated for trade union grants which, as highlighted elsewhere in this report, were strategic. The trade unions leveraged support from international trade union partners for some of their activities (example the medical clinics in the North and East) and spent the resources judiciously by using their own facilities for meetings and workshops.
- Resources allocated to SCORE and Labor Tribunal President capacity-building were high in relative terms (not necessarily in absolute terms) and did not contribute a proportional share to project outcomes. More rational view could have been taken on adopting SCORE as a workplace cooperation tool, especially when the industry response to the call for SCORE-SP was low and the project had difficulties finding eligible enterprises in EPZs.
- The ILO leveraged nearly US\$160,000 in SIDA project resources to support project objectives and used them in a complementary fashion by: co-financing some activities, funding an additional human resource, offering additional technical assistance and funding training for personnel of key counterparts in the ILO international training center in Turin.

**Finding 17: Overall, ILO and donor backstopping support for the project contributed positively to project achievements.**

The ILO provided technical backstopping through its specialists based in Geneva and through the Decent Work Team based in New Delhi. They provided support distantly as well as through highly-appreciated technical missions by the ILS and Gender specialists. The SCORE international trainer worked in consultation with the technical expert from ENTERPRISE (ILO's division dealing with enterprise development). The project also adapted and used ILO tools, training materials, manuals and a gender code of conduct developed in a previous project. This included the guide for governments on the promotion of collective bargaining, which was used in the SIDA-funded workshop on collective bargaining led by two international experts.

The ILO Country Director actively participated in the project through PAC meetings and other project events and regular supervision of the project team. He also directly intervened on critical matters such as dealing with trade unions on labor law reform and on LISA implementation.

Due to structural changes in ILO headquarters, the supervising technical unit within FUNDAMENTALS was short staffed, but this was not reported to have negatively affected the project. The unit's role in securing complementary resources for project objectives through outcome based funding from SIDA was very positive. In addition to its other contributions, SIDA funding was used to facilitate participation by five stakeholders<sup>44</sup> from Sri Lanka in training activities in the ILO training center in Turin, which gave the participants additional exposure to ILO international experts.

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<sup>44</sup> These included: two Labor Tribunal Presidents, two trade union representatives, and one MOL representative.

There was regular dialogue between the Geneva backstopping team, the project management and the donor, based on evaluation interviews and project reporting. The donor and the Geneva-based technical back-stopper conducted a mission at the beginning of Phase III, during which the donor Project Manager met with a large number of project stakeholders and contributed to setting priorities for Phase III. However, as previously noted, these should have been documented in a revised log frame and work plan; responsibility for this gap is shared between ILO project management and the donor.

**Finding 18: The project was not adequately staffed, which led to some planned initiatives being under-managed and/or dropped. This gap was at least partially compensated by identifying and hiring competent consultants to boost the capacity of the project management team.**

At the national level, the project was managed by a very small number of ILO staff. It was steered by the NPM who also took lead on gender aspects. The NPM was supported by one Program Officer (who was funded by the SIDA project) and a Finance staff person. The NPM was responsible for the implementation of a large number of activities and for coordinating and communicating with multiple stakeholders spread across a fairly wide geographical area. She also took the technical lead on gender aspects of the program. The NPM had to deal with a number of unforeseen challenges, which included frequently changing leadership within MOLTUR and unforeseen resistance by national trade unions to labor law reforms that consumed her time.

The project team was challenged to effectively monitor and follow up on all ongoing activities, which resulted in some project products from the current and past phases not being formally approved, finalized and shared. Under-staffing may also have contributed to some targets being missed and others dropped, as highlighted in the section on effectiveness. To compensate for the small team, the project was strategic in identifying and hiring competent experts<sup>45</sup> and conferring significant responsibility to some project partners (such as trade union partners) to design and manage activities.

### 3.4 Sustainability

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**Finding 19: Discussion of the project exit strategy and sustainability issues was extensive for some strategic initiatives and insufficient for others. With a three month no-cost extension accorded, there are a number of steps that the project could take to consolidate project achievements. Other actions may be considered to follow up on the project to support the sustainability of projects achievements.**

Although the timeframe of the project was clearly communicated by the ILO Country Director and the NPM to the PAC, some stakeholders were not sufficiently aware about the closure of the project. Discussions on exit strategy and sustainability had not been initiated with majority of the stakeholders, even in the last quarter of the project, except for LISA and SCORE. The

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<sup>45</sup> These included retired Supreme Court judges, a former high official in the MOL, and an international SCORE trainer.

following analysis may contribute to future discussions during the project's no cost extension period:

- ▶ Reform agendas supported by the project unlikely to be dropped but should be better documented: The sustainability of project contributions to labor law, judicial and labor administration reform hinge on the degree of ownership that has been generated for these reforms from tripartite partners and their capacity to influence political and administrative processes that are needed to affect change. The project has been effective in mobilizing and supporting a number of high profile people in Sri Lanka<sup>46</sup> in favor of some proposed reforms, which should facilitate ongoing discussion in influential circles post-project. The project has likewise done a fairly good job identifying important issues that should be addressed and documenting ILO expert and stakeholders proposals for reform. Examples include the Labor Inspectorate Assessment, the assessment for the creation of a mediation unit within the DOL, the position paper on Labor Tribunal strengthening, and the labor law reform matrix.<sup>47</sup> Finalizing these as relevant and publishing reports online would be a good way to leave a larger footprint and increase the chances that these proposals will continue to influence researchers and others who may take up these or similar issues in the future.
- ▶ FOACB rights in EPZs and post-conflict zones will remain a hotly contested issue: The project trade union partners are capable of and willing to further expand their membership base and worker education activities through facilitators and workers developed under the program. This will, however, require a more supportive environment for trade unions. Sustainability will be compromised if trade unions are not recognized by enterprises. The ILO may continue to keep this issue alive by using its forums inside and outside the country to foster tripartite dialogue on FOACB rights and by supporting trade union advocacy through timely research as well as by facilitating access to decision makers and the media. If opportunities for a future project arise, it may consider strategies which demonstrate that improving respect for FOACB in Sri Lanka is good for business, possibly through regional work related to labor rights in key international value chains that includes mobilizing international buyers and consumer movements.
- ▶ Future of project-supported work place cooperation programs is uncertain: SCORE methodology is not sustainable in current circumstances. Although MOLTUR initially committed to support this program, the discussions in this regard did not progress and at present there is no anchor for the program. EFC has expressed dissatisfaction over the suitability of SCORE-SP, citing 'rigidity' (in enterprise and trainer selection criteria) and 'excess paper work' expected from enterprises. It has now moved on to another program on workplace cooperation and productivity with NPS. Another indicator of weak sustainability prospects was that one of the SCORE trainers interviewed by the

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<sup>46</sup> These include well placed and vocal trade union leaders, Supreme Court judges and lawyers, university professors, as well as the EFC.

<sup>47</sup> At the request of the NLAC, the project has translated the labor law reform matrix into Sinhala and Tamil.

evaluation team expressed doubt that there was a market for SCORE training outside a donor-funded program. As such, there is lack of ownership and capacity among stakeholders for sustaining and/or up-scaling SCORE.

Supporting EFC's collaboration with the NPS as a sustainability measure for workplace cooperation needs a more in-depth review by the ILO project management, in particular in regards to whether or not the proposed collaboration will be effective in maintaining project objectives on FPRW given what appeared to be NPS's preference to promote employee engagement as an alternative to trade unions. The ILO should review the EFC modules on labor law, gender and social dialogue to ensure that they are relevant to foster greater respect for ILS.

- ▶ Sustainability of LISA is on good footing but is still facing challenges: Project efforts to address sustainability in Phase III made significant progress. Progress was made on many important technical issues including system design, user training, labor office bandwidth allowances and equipment needs, support services and system maintenance. There remain some technical issues that need attention. The DOL has opted to host the application server on its own network. Although the IT company that developed the system indicated that the Internet bandwidth is sufficient and that system back-ups have been automated, there are some compelling advantages to hosting the system in a professionally managed data center.<sup>48</sup> In addition, the evaluation field visits uncovered some quality of data issues that need rapid resolution.<sup>49</sup> The source code of the application has been handed over to the ILO but there is no clear plan on if/how the DOL will be able to access assistance from the IT contractors for routine maintenance and future evolutions of the application, since the contractor has no support contract with the DOL.
- ▶ There are institutional issues affecting the DOL that may hinder LISA sustainability: One of the issues, which the project and its key counterparts in the leadership of the DOL have battled from the start, is the acceptance of LISA by labor officers. According to evaluation key informants within the Ministry, acceptance is affected by issues related to capacity (computer literacy among labor officers, especially the older generation) and larger issues related to labor officer status and grievances including their wages and working conditions. The former issue will, over time, be overcome through training and the recruitment of a new contingent of labor officers. It has been addressed through project support for initial user training and the creation of training support systems within the Ministry (see above).

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<sup>48</sup> During the evaluation period, the server crashed due to a power surge and had to be replaced.

<sup>49</sup> In the Galle Labor Office, the evaluator noticed that the same enterprise had been identified in the system under more than one name because users are not required to identify the enterprise using a unique identifier such as its registration number. If left unmanaged, it will not be possible to identify the worst offenders and most compliant enterprises, which will limit the systems usefulness for planning labor inspection visits.

The latter set of issues remains unresolved and is largely beyond the capacity of the project to resolve. The result is that labor officers are still not using the tablets provided by the Ministry to input labor inspection data. An intermediary solution has been found to resolve the issue: inspection data is being entered by management assistants. This solution was working at the time of the evaluation and allowed up-to-date data on labor inspections to enter the system. However, the Commissioner General of Labor reported that some management assistants were threatening to abandon LISA data entry in support of labor officer grievances.

- Focusing on LISA optimization is an important sustainability strategy: Based on good practices elsewhere, ensuring that computer information systems benefit users, for example by saving time and improving their performance, is important for system sustainability.

At the end of Phase III, to increase LISA usefulness as well as its effectiveness in improving compliance, additional training is required for labor officials on how to optimize LISA data for decision-making. Although the system is designed to enable effective data driven decision making, more user training is needed at the management level on how to use data to drive effective decision making and policy. Evidence from field visits to labor offices in Colombo West, Jaffna, and Galle indicate that deputy commissioners are not yet using some of the basic reporting functions of the system and may need additional training on how to generate and use build-in reports. In addition, to ensure the optimization of LISA for deeper and higher level reforms in policy and practice within the DOL, additional assistance may be considered by ILO on strategies to address some of the issues that may be highlighted in LISA reports such as strategies for more effective and efficiently handling of complaints.

## IV. MAIN CONCLUSIONS

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The project contributed to promoting respect for FPRW in many relevant ways and with some success. Its capacity building for trade union partners active in the EPZs was one of its greatest achievements. Trade union partners used project grants to create awareness of domestic labor laws and FOACB rights amongst its leaders as well as among the estimated 2,000 workers, both members and non-members, who attended its meetings near the EPZs and in conflict-affected areas. The small sample of workers met during the evaluation mission showed greater understanding on laws relating to working hours, overtime, occupational safety and health, leave and sexual harassment at the workplace. Project trade union partners indicated that they are now better equipped to take up cases of violations of workers' rights, including sexual harassment, due to their work under the project. Through their meetings, trade union leaders report that they helped workers access benefits under the Sri Lankan Government's Budget Relief Act by creating awareness, and on some occasions, by directly negotiating with employers.

However, the project was not able to significantly alter employer attitudes about trade unions. Trade union partners continue to report significant obstacles to organizing in the EPZs. Several testimonies by trade unions and workers were presented during the mission, indicating that punitive action against workers involved in union activities is still common. This is backed up by BOI statistics regarding the EPZ which show only modest improvement in the number of trade unions recognized and the number of collective agreements concluded since 2010. On the positive side, the BOI, a key stakeholder and an institution considered close to employers' interests, now has a written policy which upholds FOACB rights thanks to project efforts. In Phase II, it produced a manual on Labor Standards and Employment Relations, which explicitly recognises workers' rights to unionize and gives supremacy to trade unions over employee councils (where both exist) on collective bargaining issues. Although there was not significant collaboration between the BOI and the project in Phase III, one small but positive intervention was the initiation of capacity building for BOI Industrial Relations Officers, recognizing the role they play guiding employers and mediating disputes in the EPZs and their need for greater awareness on ILS.

Project interventions were effective in highlighting gaps in the labor code and facilitating consensus among a small working group of tripartite stakeholders regarding a large number of needed reforms. Several stakeholders, including the EFC itself, asserted that the Employers' Confederation compromised on many issues related to labor law reform and that the final recommendations were balanced, very favorable to workers and women workers in particular. However, the project did not succeed in creating ownership of the working groups' labor law reform agenda by a broader group of tripartite stakeholders and fell short of achieving its higher level objective of making significant progress on actual labor law reform. Similarly, project support was sufficient to increase labor tribunal president awareness of gaps in the implementation of labor law and ILS, and raised critical issues affecting the speed of judgment and enforcement of judicial orders, which is important to the fair treatment of workers who, even more than employers, may suffer from delays in legal action on labor rights issues. However, it is far too soon to assess if/how project efforts will improve how labor courts function. Both reform objectives require support from the highest levels of government, which to date has not been forthcoming.

Overall, the project did not contribute significantly to minimizing conflict and settling disputes in the industrial environment in general and in the EPZs in particular. The SCORE pilot's contribution to the overall objective of improved workplace cooperation is negligible primarily due to low response by the industry and varied degrees of commitment at the level of top-management of participating enterprises. Moreover, SCORE did not contribute significantly to developing and promoting an innovative model of workplace cooperation that is friendly to trade unions. None of the managers or workers from the participant enterprises reported discussing any 'rights' issues or conflicts. Since SCORE did not practically engage trade unions, it is also hard to know of any conflict or dispute that might have taken place in these enterprises and the ways these might have been tackled.

The project was unable to make significant progress in building capacity within the DOL regarding mediation and dispute resolution. Based on feedback from the MOLTUR regarding its intentions to strengthen the mediation function of the DOL, the project may have contributed to creating awareness of the need for more mediation capacity. Through its assessment by a qualified international consultant, it provided actionable guidance on how the DOL might restructure itself to reach this objective.

The project supported Labor Information System, if used to its potential, may also be used by the Department to prevent and manage labor disputes. Using data produced by LISA, it is now possible to analyze complaints and devise proactive strategies to address reoccurring issues. Actual use of the data for this purpose has not yet happened as far as the evaluators are aware but it is at least being discussed by MOLTUR leaders, and one of the functions of the newly-created LISA unit is monitoring and planning. Overall, MOL effort to optimize the use of LISA is a critical element in the system's sustainability strategy since useful tools are more likely to be maintained.

Phase III implementation was largely effective in building DOL capacity to maintain LISA and, if used as intended, it should contribute to increasing the capacity of the labor inspectorate to improve compliance with national labor legislation. The sustainability of LISA is on good footing but is still facing challenges. Project efforts to address sustainability in Phase III made significant progress, especially on technical issues including system design and user training. However, there are institutional issues affecting the DOL that may hinder LISA sustainability. One of the issues, which the project and its key counterparts in the leadership of the DOL have battled from the start, is the acceptance of LISA by labor officers. Project support for labor officer computer literacy contributed to one aspect of acceptance but resolving larger issues, namely labor officer grievances, was largely beyond its control.

## V. LESSONS LEARNED AND GOOD PRACTICES

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### Good Practice 1: Educating Workers and Developing Women Leaders

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The project support to trade unions for educating workers and expanding membership in EPZ was continued in Phase III with three major trade unions: FTZGSEU, Progress Union and CIWU. Supporting trade unions was a logical step towards making workers aware of the local labor laws, FOACB rights, advantages of organizing and other issues directly related to workers such as OSH, sexual harassment at the work place and the Budget Relief Act.

Most men and women working in EPZs have only basic education levels and virtually no exposure to laws and provisions relevant to their work. Rights education is therefore necessary for workers, irrespective of their association (or non-association) with unions. Since the general environment in EPZs is very antagonistic to the unionization of workers, it is near impossible to contact workers at their workplace. In fact, one of the main reasons why Facilitation Centers established in EPZs under the project remain non-functional is that they are located in common public spaces where workers hesitate to go for the fear of being noticed by the management. Most workers had to be contacted at boarding houses and during weekends or after working hours because none of them would be able to get leave to attend any meeting or workshop organized by trade unions. Several innovative ways were used by trade union partners to reach out to workers, especially women workers in EPZs as well as in Northern and Eastern provinces. Training and workshop records show that over 65% of all participants were women.

**FTZGSEU** made special provisions, such as: organizing trainings on Sundays when women workers are more likely to participate; providing transport facilities for women participants; and arranging for bicycles that women participants could use to go back home after training. In Jaffna, FTZGSEU engaged a woman vocational trainer (tailoring) as several of her women students join the RMG sector. The trainer herself joined the union and acts as a facilitator, orienting young women on labor laws and rights and providing them support in dealing with workplace-related issues.

**Progress Union** partnered with a local NGO 'Dabindu' that works on women empowerment issues and has expertise in training and dealing with cases of violence against women. The NGO organized awareness camps for women workers on reproductive health issues and sexual harassment issues at workplace and in boarding houses. The NGO also provides self-defense training for women workers who often face eve-teasing and physical/sexual assault while returning from work. The trade union also invited labor department officials as resource persons during their training programs where real cases were presented and used to discuss legal provisions and possible solutions.

**CIWU** had initial challenges in expanding their female membership base because they have traditionally operated in sectors that are male dominated. The project helped them identify active women workers who are now helping CIWU in reaching out to women workers in RMG sector.

Trade union partners built communication and leadership issues in their training program and emphasized constructive approaches, such as sharing the problems with management in a non-confrontational manner and avoiding outright stoppages.

A key challenge faced by trade unions is increasingly high turnover of workers in EPZ areas, which results in them losing members and active local leaders or facilitators.

### **Necessary Conditions**

- Timely technical and financial support to trade union partners was an important factor in maintaining the momentum. ILO provided standard resource materials particularly on labor laws, ILS and gender which was further adapted and translated by partners.
- Sensitivity to time constraints faced by men and women workers and developing alternative ways that make it easier for workers to participate.
- Connecting training topics to real life issues faced by workers rather than imparting a theoretical training.
- Openness on the part of trade union leaders to incorporate gender equality issues in their trainings and operations.

### **Potential Outcomes**

A key outcome of this practice is that it developed a cadre of potential men and women leaders in EPZs and post conflict zones where worker unions are weak. Several active workers who were part of trainings now help trade unions in their advocacy and awareness generation programs on the ground. Advocating a positive approach during communication and leadership trainings helped workers understand that a union is not only about agitation and stoppages, which is a perspective often created by enterprises. Another important outcome is the prominence of women leaders in unions, particularly at branch and local levels and to some extent in their national level executive body, as in the case of FTZGSEU.

### **Lessons Learned**

Reaching out to workers in challenging situations requires flexibility and innovation on the part of trade unions. Educating workers on their rights, rather than emphasizing becoming a member first, is an effective way as it helps workers to make a conscious decision about being part of a collective. Trade unions need to further strengthen women's voice by ensuring gender equality in their own organizational structure, especially for those who work or wish to work in women dominated trades. Trade unions should also consider developing a joint code of practice in this regard.

### **Good Practice 2: Computerization of the Labor Administration**

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Project interventions to support the computerization of the labor administration were aimed at improving processes within the DOL as a means to improve compliance with labor laws. With support from this project, LISA computerized the DOL complaints desk, legal desk, inspection scheduling, routine inspections reporting (including OSH inspections), women and children inspections and complaints management, labor inspection statistics and management oversight.

This approach was an effective strategy to balance the project's more ambitious labor law reform objectives and may emerge as a good practice to produce tangible improvements to labor law compliance within a shorter timeline. While law labor reform and restructuring of the Inspectorate were relevant objectives, they are difficult to bring about, even in this project's

longer-than-average-implementation period, because of its complex political and administrative dimensions.

### **Necessary Conditions**

The implementation of LISA, while by no means an easy task, received broad support from project stakeholders because everyone perceived the benefits of greater efficiency and more transparency (with the notable exception of some labor officers). The objective of changing the way information is collected and processed by the DOL required a lot of change management and strong leadership. The project needed and was fortunate to have consistent support from successive Commissioners General of Labor, who were backed up by the Minister and Secretary of Labor. The project also needed and was lucky to find an IT contractor willing and able to go beyond software development to accompany the DOL through a more holistic process of system design and deployment. It was helped by the project's well-conceived decision to hire a former DOL "insider" to provide support to the IT contractor so that the application and related capacity building strategies were based on accurate information about DOL processes, needs and likely implementation challenges. It was also effective in adequately assessing and designing strategies to equip labor offices, train users, and ensure the provision of support and maintenance.

### **Potential Outcomes**

Computerization has already improved access to timely information by DOL administrators. When labor inspectors went on strike during the evaluation fieldwork, the DOL was able to produce a report on scheduled labor magistrate hearings for which alternative arrangements needed to be made at a push of a button. Before LISA, obtaining the same information in a timely fashion would have been impossible.

As previously highlighted, LISA has also contributed to making procedures more consistent across labor offices by embedding standard forms, notification letters, and work processes in the application. Some stakeholders note that some forms, such as the form used by labor inspectors during inspection visits, need revising/simplification. One of the benefits of the system is that, if this is done, the revised form can be applied island wide.

Other potential benefits of LISA (highlighted in greater detail under Finding 5) include data for better planning of labor inspection and DOL awareness raising activities as well as more accurate information on key performance indicators per region, office and labor inspector.

### **Lessons Learned**

There are numerous lessons to be learned from the computerization of the Labor Administration in Sri Lanka.

Do not to underestimate the job. Computerization is a complex task. As highlighted under 'necessary conditions' above, the total cost of ownership is much more than the cost of software and hardware and includes extensive user training and other actions to align institutional practices.

Computerization alone is insufficient to improve compliance or efficiency. Capacity building to use the data provided by the system for more effective decision making is necessary to optimize the investment in the system. Helping the labor administrators to establish and track key performance indicators<sup>50</sup> and providing them targeted assistance to improve performance is essential to optimize the system.

Change takes time. Time was an important ingredient in LISA's success to date. Five years or more is still a short period to carry out systemic changes in procedures through computerization.

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<sup>50</sup> Such as the time it takes to handle a complaint, the number of violations that are followed up, etc.

## VI. RECOMMENDATIONS

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The following are a list of recommendations by key strategy. The level of priority and resource implications are indicated in italics after each recommendation.

### Labor Law Reform

1. **For Trade Unions:** Establish trade union working group on labor law reform to build consensus on priorities and establish common positions. (*medium level priority, few resource implications*)
2. **For ILO:** Continue to exert pressure for labor law reforms related to FPRW through appropriate mechanisms such as the International Law Commission and CEACR and provide technical assistance through regional specialists when requested. (*medium level priority, resource requirements depend on level of demand*)
3. **For ILO:** New and other ongoing cooperation projects should focus on easier-to-impact procedural improvements rather than labor law reform. For example, on improving the response time and efficiency of the DOL related to addressing worker complaints, establishing a special procedure for dealing with complaints related to freedom of association, etc. (*high priority, medium level resource requirements*)

### Labor Tribunal Capacity Building

4. **For Judicial Services Committee, the Ministry of Justice and the MOL:** Take timely and positive action on recommendations contained in the Labor Tribunal Position Paper. (*high priority, limited resource implications*)
5. **For ILO:** Follow up and continue advocacy on issue of the Labor Tribunal President's powers related to enforcement of orders. If they are approved by the Judicial Service Committee, consider a follow-up study to assess the implementation and effectiveness of procedural guidelines. (*medium level priority, limited resource implications*)

### Labor Law/Rights Education

6. **For Trade Unions:** Continue membership expansion and workers' education program in EPZs and in regions affected by the past conflict. Also continue to focus on women workers and women leaders. Continue to mainstream gender equality in the world of work capacity building and awareness generation programs. Create policies on the promotion of women and young people in leadership positions. Consider using external resource persons in training programs so that workers have an opportunity to interact with subject matter specialists from other sectors (for instance, law, gender, human resource management, communication). (*medium level priority, resource implications to maintain levels of outreach*)
7. **For BOI, MOL, Trade Unions and Employers:** Create a joint forum or create more opportunities for interaction between trade unions and enterprises operating in EPZs. This is particularly required for strengthening dialogue and consensus on issues such as

the labor law reforms and workplace cooperation. *(high priority, modest resource implications)*

8. **For ILO:** Continue to provide technical support to trade unions with particular focus on EPZs and Northern and Eastern regions and women workers. *(high priority, significant resource implications to continue grant support to trade unions)*
9. **For ILO:** Support trade unions in better presenting their progress by developing key indicators such as the number of workers covered through formal capacity building programs, number of workers educated through outreach programs, number of new members, number of CBAs reached along with gender disaggregation where applicable. *(high priority, few resource implications)*

### Work Place Cooperation

10. **For ILO:** In the context of the EPZs, facilitate alternative programs to SCORE with a focus on developing bipartite/tripartite dialogues on workplace cooperation and productivity. *(high priority, significant resource implications)*
11. **For EFC:** The financial viability of SCORE or SCORE-like program should be assessed before making new commitments to such programs. *(high priority, modest resource implications)*
12. **For EFC:** Follow up on the use of the code of conduct on gender equality and sexual harassment in the work place as part of current collaboration with the NPC. *(high priority, modest resource implications)*

### Labor Administration Reform

13. **For Department of Labor:** Now that LISA is in use, conduct a data quality audit to identify system design and data entry issues to be addressed through the support/maintenance contract with LISA contractor and additional user training. *(high priority, modest resource implications)*
14. **For ILO and MOLTUR:** Provide additional user training at the management level on how to use data to drive effective decision making and policy. *(high priority, resource implications)*
15. **For ILO:** Future technical assistance to MOLTUR should focus on addressing some of the issues that may be highlighted in LISA reports, such as strategies for more effective and efficient handling of complaints, inspection planning and rationalizations, labor officer professional development and performance evaluation. Embed follow-up on LISA implementation in sustainable ILO technical assistance structures and ensure that challenges, opportunities, technical and change management requirements are understood. *(high priority, medium to high resource implications depending on levels of assistance needed/requested)*

## Other Recommendations

16. **For ILO and USDOL:** The ILO and USDOL should strengthen their internal monitoring procedures and requirements, which should include approval of a log frame and work plan whenever a new phase is granted. This should be done as a standard practice, irrespective of the donor requirements. Not having a relevant or updated log frame reduces the “evaluability” of a project and leaves the projects too open-ended. *(high priority, low levels of resource requirements)*
17. **For ILO and USDOL:** To improve return on investment, ensure that the numerous assessments, manuals and guidebooks supported by the project in all three phases are finalized and distributed to relevant stakeholders and are posted online. *(high priority, low levels of resource requirements)*

## ANNEX 1: Overview of Project Progress

IO	Output	Activity	Status (Sept 2016)
<b>Component 1: Upholding FPRW in Legal Framework of Sri Lanka</b>			
<b><u>Immediate Objective 1:</u></b>  <b>Legal framework more in conformity with international Labor standards</b>	1.1 Additional legal provisions drafted to bring selected labor laws and circulars in line with international labor standards (ILS)	1.1.1. Continue to provide technical advice to the legal task teams to review pending labor laws or circulars not fully in conformity with ILS	<p>Eight committees from the Department of Labor were formed to review the existing labor laws and its compliance with ILS in 2011/12 (Phase I). In Phase II, the project reported that the recommendations of the committee went to the National Labor Advisory Council and then were sent back to the legal department to be refined and eventually formulated as proposed amendments.</p> <p>In phase III, the project supported the Ministry of Labor to form a tripartite committee to revive work on Labor Law Reform, which was facilitated by a technical advisor commissioned by the project, a former High Court Justice. The committee met 5 times between March and November 2015. The review resulted in report that identified gaps and recommended changes in the following acts:</p> <ol style="list-style-type: none"> <li>1. Industrial Disputes Act</li> <li>2. Trade Unions Ordinance</li> <li>3. Employees' Councils Act</li> <li>4. Termination of Employment of Workmen Act</li> <li>5. Shop and Office Act</li> <li>6. Wages Boards Ordinance</li> <li>7. Workmen's Compensation Ordinance</li> <li>8. Maternity Benefits Ordinance</li> <li>9. Employment of Women, Young Persons and Children Act</li> <li>10. Employees' Provident Fund Act</li> <li>11. Payment of Gratuity Act</li> </ol> <p>Review also covered the proposed Workplace Relations Act drafted by the EFC, made recommendations to strengthen the Labor Tribunals, and suggested additions in various acts to strengthen provisions to prevent and redress sexual harassment in the work place.</p> <p>This work was co-funded by the Swedish financed outcome-based project hereafter referred to</p>

IO	Output	Activity	Status (Sept 2016)
			as the SIDA project.
		1.1.2 Continue to conduct technical advisory sessions to support the legal task teams to amend or draft labor law provisions in conformity with ILS	<p>At the end of phase II, the Ministry of Labor indicated that recommendations of labor law reform from 2012 were with the legal department of the Ministry of Labor for revision before being resubmitted to NLAC.</p> <p>The activities described above were the project's effort to reignite the process which was not making any progress within the legal department.</p> <p>The project reported that the matrix of recommendations for labor law reform produced with its support was reviewed by a ILO specialist in Geneva who provided input.</p>
		1.1.3 Continue to conduct advisory sessions to facilitate the tripartite discussion and endorsement of new legal provisions by the National Labor Advisory Council.	<p>In November 2015, the project supported the Ministry of Labor to organize a broader stakeholder workshop to provide additional input on the recommendations made by the committee (see above). According to project reports, the workshop was attended by 42 participants (37 men, 5 women; 6 employer, 19 TU and 17 government representatives). The work of the tripartite committee became a subject of protest among some trade unions because only one senior trade union representative had been invited to be part of the committee. Other TUs felt that they were not sufficiently consulted during the initial review stage.</p> <p>The ILO Country Director and project manager met with TU leaders (19, all male) following the November workshop and asked them to submit their suggestions for how to make the matrix produced by the tripartite committee more relevant to their needs, giving them a December 2015 deadline. No responses were received. The matrix was submitted to the NLAC for consideration. Later, the project provided support to produce Sinhala and Tamil translations of the matrix, which are in progress.</p> <p>Taking into account the protests and request for additional consultations, the NLAC referred the matter to MOLTUR. The Department of Labor formed a new tripartite committee headed by the Secretary and engaged senior legal advisers from the department to discuss the proposed reforms with stakeholders. The Maternity Benefit Ordinance, OSH, IR Act and EPF Act have been taken up so far and the final recommendations on the former two were reported by the</p>

IO	Output	Activity	Status (Sept 2016)
			Commissioner of Labor to have been submitted to NLAC by the department. No other information on their status is available at this time.
	1.2 The training capacity of national constituents strengthened	1.2.1. Produce a guide on labor laws for labor officials and workers	The project supported the development of a product called “Advanced Certificate Course in Employment Law, Labour Standards and Rights at Work.” The course material is dated December 2012. According to the project manager, the consultant wants to update the material without additional fees before its circulation but to date the additional work is incomplete so the product has not been finalized and circulated by the ILO.
		1.2.2 Using the guide, train at least 100 trainers from national institutions and trade unions on labor laws and ILS.	In the initial project strategy, the training of trainers was to be delivered by NILS but due to a change in leadership, the project dropped this strategy. In Phase II, Trade Union partners agreed to run the training themselves for their members. In Phase III, three TUs: the CIWU, Progress Union and FTZGSEU undertook leadership trainings, involving both women and men members who in turn spread the knowledge to other workers through workshops, meetings and other innovative measures such as medical clinics (see activity 1.3.2 below).
		1.2.3 Continue to support employers’ organizations to conduct training on labor laws for their constituents	Phase II of the project featured a number of training activities for HR managers of EPZ enterprises. No new activities of this type were organized during Phase III. With funding from the SIDA project, the ILO organized complementary in which a small number of EPZ enterprise representatives participated:  Training workshop for ILO Constituents on Mediation and Conciliation in September 2015.  Workshop for Human Resources Managers and Compliance Managers in the Ready Made Garment Sector in Sri Lanka on Workplace Cooperation in August 2015 (52 participants, 17 women)
		1.2.4 With the trade unions trained on labor laws, support the establishment of legal clinics in trade unions	Facilitation centers were established in phase II but are not being optimally used. The reasons reported by trade unions include difficulty for some to get permission to use the center (CIWU) and that the location of the facilitation center is such that workers feel uncomfortable because they do not want to be seen by their employers as pro-TUs. The facilitation centers are thus not

IO	Output	Activity	Status (Sept 2016)
		facilitation centers and offices. These legal clinics will provide training and advice on labor laws to workers	<p>being used to provide legal aid.</p> <p>In phase III, a new partnership with the Bar Association of Sri Lanka and University of Colombo was initiated. It is still at nascent stages. It is proposed that students and/or new graduates having interest and aptitude in labor laws will provide legal aid, potentially in collaboration with existing services associated with the Bar Association of Sri Lanka.</p>
	1.3 More labor officials, workers and employers gained a better understanding on labor laws and ILS	1.3.1 Continue partnerships with national training institutions to train at least 500 labor officials and social partners on labor laws and ILS. Training will be provided with the support of the trainers trained by the project and using the above mentioned guide on labor laws	<p>At the end of phase II, the option of having a formal course on labor laws and International Labor Standards to be offered by the Faculty of Graduate Studies of the University of Colombo was taken up by the new project manager but this initiative did not progress beyond the negotiation stage.</p> <p>Later in phase III, a new proposal from National Institute for Labor Studies (NILS) (under new leadership) to host the training was received and funded by the project. Twenty TU representatives (11 women) took part in a 9-day course on Employment Law, Labor standards &amp; Rights at work in September 2015.</p> <p>The institutionalization of the course may be compromised by new changes in leadership within NILS, according to the project manager.</p>
		1.3.2 Support trade unions legal clinics to train and advice at least 5000 workers on labor laws	<p>As noted in 1.2.4 legal advice function through facilitation centers could not take place. Workers have been educated on labor laws through trainings, workshops and meetings organized by TUs with project grant support.</p> <p>The project reports that over 2,500 TU leaders and workers were reached through the training programs conducted by TUs in 2015 and 2016 (although some overlaps -i.e. participants attending more than one training program - cannot be ruled out). TUs also used this opportunity to expand their membership in EPZ and in RMG sector where women workers predominate. FTZGSEU was able to recruit 4484 new members between 2014 and 2016, of which 62% were</p>

IO	Output	Activity	Status (Sept 2016)
			female, while Progress Union enrolled 1103 new members, of which 54% were female.
		1.3.3. Carry out training for at least 50 trade unionists on evidentiary rules and procedures in national tribunals and conciliation and mediation mechanisms	<p>This training was not conducted.</p> <p>At the time of the evaluation, the project no cost extension request proposed that the partnership with the Faculty of Law would include a Diploma on “Workers’ Rights” that would allow trade union representatives to obtain a professional qualification on labor law. The said course would not have normal academic requisites and so would be accessible.</p> <p>At the end of phase III, the project initiated an alternative strategy to provide legal aid to workers in collaboration with the University of Colombo Law Department (see note under 1.2.4)</p>
<p><b>In addition to the above, in Phase III, the project initiated a new set of activities that are not reflected in the project log frame provided in the evaluation terms of reference:</b></p> <p><b>Labour Tribunal Capacity Building</b></p> <ul style="list-style-type: none"> <li>• Organization of National Symposium for Labor Tribunal Presidents on International Labour Standards;</li> <li>• Procedural guidelines drafted for Labor Tribunal Presidents to improve consistency of procedures and related judgments;</li> <li>• Seminars held with Labor Tribunal Presidents regarding guidelines;</li> <li>• Guidelines produced for High Court Judges regarding Labour Tribunal Appeals</li> <li>• Position Paper developed on legal reform related to strengthening the powers accorded to Labor Tribunal Presidents to enforce compensation and reinstatement orders and widen scope of the tribunals to cover labor disputes in addition to termination.</li> </ul> <p>The guidelines have been submitted to the Judicial Service Committee for approval. If approved, additional steps would be needed to make the procedures official; formal amendments to current laws would be required to fully implement.</p>			
<b>Component 2: Workplace Cooperation</b>			
<b><u>Objective 2: Institutions and Processes for</u></b>	2.1 Workplace cooperation is used by trade	2.1.1 Based on ILO’s manuals on workplace cooperation, train at least 30 trainers from	This activity was cancelled and replaced by direct grants to TUs.

IO	Output	Activity	Status (Sept 2016)
<b><u>Labour Management Relations, including those at enterprise level strengthened</u></b>	unions to advance the implementation of workers' fundamental rights	workers' organizations on workplace cooperation and its linkages with fundamental rights at work	
		2.1.2 With the trainers trained, design and implement a strategy to reach out and train at least 2000 workers on workplace cooperation and its linkages with workers' fundamental rights.	Although the Trade Unions did not use any specific training or training module on workplace cooperation, discussions with the Trade Unions supported under the program suggests that the leadership trainings (as described under 1.2.2 and 1.3.2) touched on topics relevant to workplace cooperation. Training participants specifically, mentioned that they learned to maintain a constructive approach when communicating their issues, use negotiation skills and present problems collectively to the management and avoid direct confrontation/stoppages.
	2.2 Workplace cooperation is used by employers' organizations to promote human resources management in line with Labor rights and better prepared to	2.2.1 Based on ILO's manuals on workplace cooperation, train at least 100 trainers from employer's organizations on workplace cooperation and its linkages with human resources management	This activity was cancelled.
		2.2.2 With the trainers trained, design and implement activities to	This activity was cancelled. In phase III, the SIDA project supported the following complementary activity:  Workshop for Human Resources Managers and Compliance Managers in the Ready Made Garment

IO	Output	Activity	Status (Sept 2016)
	introduce changes at the workplace	reach out and train at least 250 human resources managers on workplace cooperation. For these activities, at least one third of the members of the Human Resources' Managers Network created by the project will be trained.	Sector in Sri Lanka on Workplace Cooperation organized with the Joint Apparel Association of Sri Lanka which was attended by 52 participants (of whom 17 were women) in August 2015.
	2.3 Services and tools developed to enhance the capacity of the Collective bargaining and social dialogue unit (CBS unit) to promote sound Labor management relations, workplace cooperation and collective bargaining.	2.3.1 Based on ILO's tools on collective bargaining, train at least 100 labor officials on how governments can promote sound industrial relations and collective bargaining	Not done. The SIDA project supported the following complementary activity:  Training workshop for ILO Constituents on the facilitation of Collective Bargaining led by international experts organized in September 2015. It was attended by 16 representatives from the Ministry of Labor, 13 Employer's Organization and 12 TU representatives (41 participants, 4 women).

IO	Output	Activity	Status (Sept 2016)
		<p>2.3.2 Following the above mentioned training, conduct a participatory analysis with labor officials on the capacity of the CBS unit to promote collective bargaining and promote sound industrial relations. The analysis will conclude with recommendations to develop the capacity of the said unit.</p>	<p>The SIDA project supported the following complementary activity:</p> <p>Two international experts conducted a rapid assessment produced a report entitled Promoting Collective Bargaining in Sri Lanka Mission Report. The report examined three principal components of a collective bargaining system:</p> <ol style="list-style-type: none"> <li>1) The recognition of trade unions as bargaining agents, including the 40% representativeness threshold currently in place;</li> <li>2) Some key concepts and components of a collective bargaining framework, namely those such as good faith bargaining, sharing of information and capacity building of negotiators;</li> <li>3) The prevention and resolution of labor disputes, including a necessary distinction between “interest” and “rights” disputes and a set of principles guiding the modernization of the labor disputes system.</li> </ol> <p>The authors shared a number of recommendations to strengthen the legal and institutional framework for collective bargaining in Sri Lanka.</p> <p>The SIDA project likewise commissioned research on: “Challenges and Opportunities to Promote Freedom of Association and Collective Bargaining in the Ready Made Garment Sector in Sri Lanka.” The study report was followed by tripartite workshop to discuss its main findings which was held in August 2015 and attended by 24 participants (10 from MOLTUR, 10 from Employers’ Organizations and 4 from TUs). The ILO agreed not to publish the report because it was considered sensitive and could potentially have negative consequences on the RMG sector.</p>
		<p>2.3.3. Support the implementation of some of these recommendations</p>	<p>Some of the recommendations to improve the legal framework that were proposed in the above referenced report were likewise included with the recommendations of the tripartite committee on labor law reform that was supported by the project.</p>

IO	Output	Activity	Status (Sept 2016)
		2.3.4 Based on ILO tools on workplace cooperation, train at least 200 labor officials on sound industrial relations and workplace cooperation in line with fundamental rights	<p>No workplace cooperation training was provided to inspectors by the project in phase III. The following complementary activity was organized with funding from the SIDA project:</p> <p>Training workshop for Industrial Relations Officers of the BOI on the implementation of FPRW in June 2015, 22 participants (11 women). Industrial Relations Officers are employed by the BOI. They are responsible for managing disputes within BOI enterprises. There is at least one Industrial Relations officer per EPZ.</p>
		2.3.5 Following the above mentioned training, develop a specialized program on workplace cooperation with the tools and the necessary expertise to train and advice enterprises on the implementation of workplace cooperation in line with fundamental rights.	This activity was cancelled and SCORE (see below) took its place.
	2.4 An increased number of enterprises adopt, with the support of the project and its	2.4.1 Selected at least 15-20 enterprises to participate in the workplace cooperation program developed by the CBS unit. Done with EFC and CIMA.	<p>Activity not done by Collective Bargaining Unit/Department of Labor. As mentioned above, SCORE-SP was implemented by EFC, CIMA with support from the project funded SCORE International Trainer. Four enterprises participated in the program.</p> <p>SCORE SP (Short program) pilot was implemented in 2015 although the initial industry response was very low. An international SCORE trainer was engaged along with CIMA for selection of enterprises and trainers. Altogether 3 national SCORE trainers are now available and three enterprises completed the program.</p>

IO	Output	Activity	Status (Sept 2016)
	partners at the level of the MoJLR, measures to improve or introduce workplace cooperation		<p>Taking cue from SCORE-SP, the EFC has initiated another training program in collaboration with the National Productivity Secretariat (NPS). The revised model is different from SCORE and is delivered by NPS and EFC staff members. Important to note that NPS is a productivity-focused institution and does not engage with FOACB issues.</p> <p>At some point, MOLTUR also expressed willingness to host SCORE through NILS (TPR Jan 2016) for the roll out of SCORE amongst 10-12 companies that had subscribed to the workplace cooperation program run by the Social Dialogue Unit of the DOL/MOLTUR but no follow up.</p>
		2.4.2 Train the managers, workers, and genuine workers representatives of these enterprises on workplace cooperation. The number of people trained will depend on the size of the enterprises	Four enterprises participated in the SCORE program. Within these enterprises, management, workers and worker representatives received training on workplace cooperation.
		2.4.3 Facilitate, in each enterprise, the adoption of a set of measures to improve or introduce workplace cooperation	<p>The final report on SCORE implementation indicates that three enterprises completed the training and developed and implemented enterprise based improvement initiatives (projects) as part of the SCORE training and reported greater interaction between management and workers to develop and implement projects. These projects primarily addressed improvements in workplace conditions (improving waste management, increasing time efficiency by organizing the workplace and improving facilities such as parking space, cloak rooms, changing rooms, placing suggestion box and notice boards etc.).</p> <p>Two of the three enterprises visited during the evaluation mission confirmed what was reported above. However, both enterprises had not undertaken any significant workplace improvement measure in the past 4 months and there was none in pipeline either. The monitoring indicator matrix was not updated. Worker-management interaction on issues such as wages, working</p>

IO	Output	Activity	Status (Sept 2016)
			hours etc. was not reported by either of the two enterprises visited by the evaluators. The third enterprise had shown a decline in interest and enterprise based projects during the SCORE implementation phase itself.
		2.4.4 Support the CBS unit to provide regular advice and support on workplace cooperation to the enterprises trained.	The Department of Labor was not integrated in the SCORE program. Follow-up support to enterprises was provided by SCORE trainers during the pilot implementation period.
		2.4.5 Produce a short report with the results and challenges of the workplace cooperation program.	The Senior SCORE trainer that was commissioned by the project to implement the pilot produced a report on the results and challenges of the pilot SCORE program.
<b>Component 3: Strengthening the Labor Administration</b>			
<b><u>Immediate objective 3:</u></b>  <b>Strengthen Labor administration for its effective intervention to promote sound Labor-management</b>	3.1 The capacity of the Labor inspectorate to improve compliance with national Labor legislation strengthened.	3.1.1 Carry out a labor inspection assessment with a particular emphasis on training and policy issues	The Sri Lanka labor administration and inspection needs assessment was carried out in Feb/March 2012 by an ILO expert and consultant. The expert also trained a group of 28 Labor Inspectors during his mission (Phase I)
		3.1.2. Based on the audit's recommendations, develop a sustainable training strategy for labor inspectors	Other than LISA implementation, there was no work on developing a strategy for labor inspector training in phase III.

IO	Output	Activity	Status (Sept 2016)
<b>relations, prevent and solve disputes and ensure compliance with Labor regulations</b>		3.1.3 Using the training strategy, train at least 200 labor inspectors on topics identified by the training strategy.	There was no labor inspector training carried out by the MOLTUR in collaboration with the project other than LISA user training in Phase III. During the Phase III evaluation fieldwork, the Secretary of the MOLTUR reported that the Department of Labor plans to recruit 200 new labor inspectors. The recruitment process is long (the recruitment plan was cited during the Phase II evaluation) and may partially explain why planned training was dropped.
		3.1.4 Based on the audit's recommendations, develop a policy on labor inspection.	<p>There was no project supported work on labor inspection policy in Phase III. In Phase II, the project reported that the MOLTUR was working on a policy to update Labor Inspection but that it was not advancing due to leadership changes within the Ministry as well as issues with the Labor Officer Trade Union.</p> <p>In September 2016, the Secretary of the MOLTUR and Commissioner General of the Department of Labor both reported that restructuring of the Department of Labor was currently being discussed within the Ministry.</p>
		3.1.5 Support the implementation of additional recommendations made by the assessment.	<p>The assessment recommended separation of the dispute settlement function from labor inspection function within the Department of Labour. In Phase II, an international expert engaged by the project assessed the feasibility of creating a separate unit in charge of mediation and provided a set of recommendations to the Department of Labour on how to proceed. (see 3.2.2 and 3.2.3).</p> <p>The assessment also recommended improved reporting and data collection analysis, which calls for quantified annual plans, improvement of targets and indicators, evaluation of outcomes of the inspections carried out. ILO support for the Labor Inspection System Application (LISA) responded to this recommendation (see 3.1.6), in particular the Department of Labor created a special unit within the Planning division for monitoring and evaluation. However, there is currently only one labor officer assigned to the unit and she is mostly mobilized by issues related to the deployment of the system rather than the analysis of data.</p>
		3.1.6 Install a computerized labor inspection system in 20	In phase III, the project moved ahead on supporting the Island-wide deployment of LISA. System coverage is reported to include 40 district labor offices, 17 sub offices, 10 district factory

IO	Output	Activity	Status (Sept 2016)
		selected field enterprises.	<p>inspecting offices, 11 provincial level zonal offices.</p> <p>The software functions related to inspection activities are complete. The following modules are operational: complaints desk, legal desk, inspection scheduling, routine inspections reporting (includes OSH inspections), women and children inspections &amp; complaints management, the statistical module and the management oversight module.</p> <p>Approximately 600 DoL personnel have been trained over the last 3 years of the project (Phase II + Phase III). The training included Training of Trainer programs for selected personnel in each region so that each province now as 2-3 trainers/support providers.</p> <p>Some District Labor Offices have stopped keeping manual records (in the Western, Central, and Southern region). All 57 offices are expected to stop the manual processes in 2017 – the Commissioner General’s office sent out the required circulars and directives to this effect.</p> <p>A Colombo based, five-member team has been allocated for the management and day to day operations of LISA. It comprises one labor officer and 4 IT graduates. The IT graduates received specialized training on system maintenance in August 2016. Since April 2016, all training programs, support and troubleshooting of LISA were performed by this team.</p>
	3.2 The CBS unit is in a better position to resolve Labor disputes through conciliation and mediation.	3.2.1 Based on ILO tools, conduct a diagnostic on the institutional capacity of the labor administration to use mediation and conciliation to resolve labor disputes. The diagnostic will have recommendations for the establishment of specialized mediation	<p>An International expert commissioned by the project assessed the feasibility of creating a specialist unit for mediation within the Department of Labour at the end of Phase II/beginning of Phase III. The report, “Establishing A Specialist Mediation Unit Within The Ministry Of Labour And Labour Relations Of Sri Lanka” was issued in Q1 FY 14/15.</p> <p>Later in Phase III, the project also developed a short training module on mediation “Module For Mediators Resolving Employment Issues.” It has not yet been published and circulated. The project reports that it was used to train labor officers in the context of the project.</p> <p>The project also co-funded research on Alternative Dispute Resolution for an ILO global research project that provides an overview of industrial dispute resolution processes covering both the</p>

IO	Output	Activity	Status (Sept 2016)
		and conciliation services	public and private sector in Sri Lanka.
		3.2.2 Based on the above recommendations, support the establishment of specialized conciliation and mediation services.	In addition to the diagnostic report on the creation of a Mediation Unit, donor-funded trainers from the US Federal Mediation and Conciliation Services went to Sri Lanka to share good practices on mediation at the end of Phase II.
		3.2.3 Train selected labor officials on key concepts, skills and techniques on conciliation and mediation using practical cases. Technical advice might also be provided to accompany labor officials to resolve some labor disputes through mediation or conciliation.	<p>This project and the SIDA project co-funded a workshop on Mediation and Conciliation on 17th and 18th September 2015. It was attended 40 ILO constituents (Ministry of Labor, Trade Unions, Sri Lanka Apparel Exporters Association and BOI Industrial Relations Officers). The workshop comprised formal presentations and group work and featured the following sessions:</p> <ul style="list-style-type: none"> <li>• Importance of Mediation and Conciliation in the Sri Lankan Context and the Legal Basis for Mediation</li> <li>• Advanced Communication and Negotiation Skills for Productive Employee Relations</li> <li>• Mediation and Conciliation</li> <li>• Difference Between Conciliation and Mediation</li> <li>• Gender Sensitizing the Mediation Process</li> </ul>

## ANNEX 2: Evaluation Terms of Reference

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### TERMS OF REFERENCE

for the

**External Independent Final Evaluation**

**(Joint Collaborative Evaluation)**

Of the

**Promoting Fundamental Principles and Rights at Work Project**

**(Phase III)**

In

**SRI LANKA**

(ILO TC project code: SRL/09/05/USA)

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Joint Evaluation Team:	Ms. Sandy Wark (lead evaluator) and Ms. Mini Thakur
Preparation Date of TOR:	July 2016
Total Project Funds from USDOL Based on Cooperative Agreement:	US \$1,402,500

Vendor for the Evaluation Contract:



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## ACRONYMS

ADCOR	Association for Dialogue and Conflict Resolution
BOI	Board of Investments in Sri Lanka
CBS	Collective Bargaining and Social Dialogue
CEACR	ILO Committee of Experts on the Application of Conventions and Recommendations
CFA	Committee on Freedom of Association
CIMA	Chartered Institute of Management Accountants
COR	Contracting Officer's Representative
CV	Curriculum Vitae
EFC	Employers Federation of Ceylon
EPF	Employment Provident Fund
EPZ	Export Processing Zone
FOA	Freedom of Association
FPRW	Fundamental Principles and Rights at Work
FTZGESU	Free Trade Zones & General Services Employees Union
FTZMA	Free Trade Zone Manufacturers' Association
GSP	Generalized System of Preferences
ILAB	USDOL International Labor Affairs Bureau
ILO	International Labor Organization
ILS	International Labor Standards
LISA	Labor Inspection System Application
MoJLR	Ministry of Justice and Labor Relations
NATURE	National Association for Trade Unions Research and Trade Education
NILS	National Institute for Labour Studies
NLAC	National Labour Advisory Council
OTLA	Office of Trade and Labor Affairs
PMP	Performance Monitoring Plan
SFS	Sistemas, Familias y Sociedad
TAC	Division of Technical Assistance and Cooperation
TOR	Terms of Reference
TPM	Team Planning Meeting
TPR	Technical Progress Report
TUA	Trade Union Act
USDOL	U.S. Department of Labor

## BACKGROUND AND JUSTIFICATION

### USDOL – OTLA

The Office of Trade and Labor Affairs (OTLA) is an office within the Bureau of International Labor Affairs (ILAB), an agency of the U.S. Department of Labor (USDOL). OTLA's mission is to implement trade-related labor policy and coordinate international technical cooperation in support of the labor provisions in free trade agreements; to develop and coordinate Department of Labor positions regarding international economic policy issues and to participate in the formulation and implementation of U.S. policy on such issues; and to provide services, information, expertise, and technical cooperation programs that effectively support the international responsibilities of the U.S. Department of Labor and U.S. foreign labor policy objectives.

Within OTLA, the Division of Technical Assistance and Cooperation (TAC) provides technical assistance to improve labor conditions and respect for workers' rights internationally. TAC works with other governments and international organizations to identify assistance that countries may require to improve the labor conditions of their workers. TAC currently funds over 20 active technical cooperation projects across the globe that provide technical assistance to improve worker rights, livelihoods and labor law compliance. Since 1995, TAC has funded programs in more than 72 countries addressing a wide range of labor issues.

### ILO and ILO work in Sri Lanka

The International Labour Organization (ILO) is the United Nations specialized agency that promotes a job-centered and rights-based approach to development through social justice and the Decent Work Agenda. To this end, the ILO advocates for full and productive employment coupled with rights, representation and protection in the world of work as a means to reduce poverty. The only tripartite U.N. agency, since 1919 the ILO brings together government, workers and employers' representatives of 187 member States to set labor standards, develop policies and devise programs promoting decent work for all women and men.

ILO provides technical assistance to Sri Lanka through Decent Work Country Program (2013-2017). In Sri Lanka, ILO works with its tripartite constituents and partners in 3 priority areas:-

- Promotion of full, decent and productive employment and enabling environment for competitive, sustainable enterprise development
- Strengthened democratic governance of the labor market – this area of work includes
  - Improved labor administration and strengthened social dialogue mechanisms
  - Strengthened institutional capacity of employers' organizations
  - Strengthened institutional capacity of workers' organizations
  - Strengthened capacity of member States to ratify and apply international labor standards and to fulfill their reporting obligations.

- Social inclusion and the establishment of a social protection floor

For the above areas of work, ILO provides policy and technical advice, research, tools, and capacity development to governments, workers and employers' organizations. ILO also helps mobilize funds from donors to support the implementation of technical cooperation projects and programs.

## Project Context<sup>51</sup>

Sri Lanka is a democratic country with a market-based economy that over the past few years has overcome the shocks of a civil war and moved from a low to middle income country. The sectoral composition of the economy relies mainly on agriculture, the service sector and manufacturing. For many years, the United States has been Sri Lanka's biggest market for garments, taking almost 50% of total garment exports. Despite the steady level of economic growth in Sri Lanka, high levels of poverty and unemployment remain.

The FPRW project emerged in the context of concerns raised regarding the application of fundamental principles and rights at work (FPRW) in Sri Lanka's Export Processing Zones (EPZs). The EPZs, which currently number 13, were created in the late 1970s when Sri Lanka introduced liberalized economic policies with the goal of accelerating economic development and the creation of employment through foreign investment. The concerns included comments received by the government from the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) and the Committee on Freedom of Association (CFA) on the country's application of the principles of freedom of association (FOA) and the right to collective bargaining and social dialogue (CBS). Many of these comments were focused on anti-union practices in the EPZs such as restrictions on the right to organize, limitations on the right to strike, and restrained government action against anti-union discrimination and unjust dismissals.

Under national legislation there are protections for trade unions both within and outside the export processing zones. Sri Lanka has ratified the eight core ILO conventions on the Fundamental Principles and Rights at Work (FPRW) and thus appears to be committed to respecting those commitments in national law and practice. Under national legislation there are protections for trade unions both within and outside the EPZs. The Constitution of Sri Lanka recognizes the fundamental right of workers to organize and join trade unions, but there are relatively few trade unions actively engaged in the EPZs.

The EPZs currently host approximately 265 enterprises of various sizes and types, both national and internationally-owned and managed, with garment and textile factories being the dominant sector. The Free Trade Zone Manufacturers' Association (FTZMA) is one of the oldest and largest organizations representing the interests of EPZ enterprises. The Employer's Federation of Ceylon

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<sup>51</sup> Adapted from ILO *FPRW in Sri Lanka Final Project Document*, ILAB *Technical Cooperation Project Summary* and ILO/USDOL *FPRW Phase II External Independent Final Evaluation*

(EFC) is the only employers' organization that is recognized by the ILO in the International Labour Conference and has been an active partner of the FPRW project for employer capacity building programs. EFC and FTZMA emphasize that with Sri Lanka's declining share of world exports, both employers and workers should be concerned with maintaining industrial peace as well as improving productivity in the EPZs so that Sri Lanka remains a competitive destination for international buyers and investors.

In Sri Lanka the central authority with regard to labor law is the Department of Labor within the Ministry of Justice and Labor Relations (MoJLR). The Department is responsible for a number of divisions, each with responsibility for enforcement and compliance in different areas. The inspection of working conditions, work safety and occupational hygiene is undertaken by different inspectors. Sri Lanka has some 400 labor inspectors responsible for general inspection relating to working conditions under various legislations, and another 25 inspectors responsible for inspections. In addition, the Employee Provident Fund (EPF) has 200 field officers responsible solely for ensuring compliance under the EPF legislation.

Overall, the workforce is highly skilled and literacy is widespread in Sri Lanka. Yet, when the project was initially funded in 2009, labor relations in Sri Lanka were especially contentious and Sri Lankan workers faced many challenges in exercising basic workplace rights. During the three phases of project implementation, labor relations improved significantly as a result of extensive trainings on national labor laws and workplace cooperation.

### **The FPRW Project in Sri Lanka**

In September 2009, the International Labor Organization (ILO) signed an initial Cooperative Agreement with OTLA worth US \$402,500 to implement the Fundamental Principles and Rights at Work (FPRW) project in Sri Lanka. Since then, it has continued to operate for two more phases: the second phase spanned from 2012 to 2014 and the third from 2014 to 2016. Since the beginning of the project, funds received from USDOL have totaled US \$1,402,500, inclusive of phase three. The third project phase is due to close on 30 September, 2016.

During its third phase, the FPRW project sought to build on the successes of the first two phases by improving sustainability and building labor management relations in the export processing zones. The project is working to raise the awareness and capacity of workers and employers to understand and exercise their rights and obligations in the workplace, increase the effectiveness of the labor administration/inspection systems, promote tripartite dialogue at different levels, and improve the capacity of the judiciary to process claims related to labor relations.

Specifically, three immediate objectives were identified for the second phase and have continued for the third phase of implementation:

**Immediate Objective 1:** Legal framework more in conformity with international labor standards;

**Immediate Objective 2:** Institutions and processes for labor-management relations, including those at the enterprise level, strengthened; and

**Immediate Objective 3:** Strengthen labor administration for its effective intervention to promote sound labor-management relations, prevent and solve disputes and ensure compliance with labor regulations.

The direct target groups for the project are: workers and their organizations (including Free Trade Zones & General Services Employees Union [FTZGESU]), employers and their organizations (including Employers Federation of Ceylon [EFC] and Board of Investments in Sri Lanka [BOI]), labor ministry officials in charge of labor inspections, worker and employer organizations, Sri Lankan Board of Investment representatives, judges and the labor tribunals.

An external independent evaluation was conducted in March 2015, which served as a final evaluation for Phase II and an interim evaluation for Phase III. The evaluation found that the project coherently addressed a large number of the major issues affecting the exercise of FPRW in Sri Lanka's EPZs. The project regularly consulted key stakeholders and had a clear strategy to form institutional partnerships to sustain its capacity building services; however, after a strong start in Phase I, the work to fill gaps in Sri Lanka's legal framework and update the labor inspection circulars stalled within the Department of Labor. The computerization of labor inspection processes, called "LISA," assumed a central position in the project implementation strategy and made progress despite many challenges. Project resources were allocated strategically and effectively to achieve outcomes for the most part, but the project's Performance Monitoring Plan (PMP) indicators did not appear to have been systematically tracked in Phase II. Planned activities for building the capacity of ILO tripartite constituents to promote workplace cooperation did not go beyond the planning stage in Phase II due to delays in developing acceptable training materials and challenges in identifying appropriate government personnel to lead the program.

The evaluation's key recommendations were as follows:

1. The project should resume and track progress on labor legislation reform initiatives and clearly identify and track priority CEACR and CFA recommendations.
2. Project management and its trade union partners should revisit its strategy on how the paralegal training program will translate into better legal services for workers in the EPZs.
3. The project should attempt to organize a bipartite awareness raising program in the EPZs to bring workers and employers together to discuss and agree on key principles and messages.
4. In addition to the SCORE implementation, the project should strengthen its capacity building strategy regarding workplace cooperation for trade union partners and small and medium enterprises.

The following logical framework highlights the project's main expected outputs and activities:

## **FPRW Project in Sri Lanka: Logical Framework**

<b>Development Objective:</b> The project will improve labour relations in Sri Lanka and enhance the potential of enterprises to innovate and compete globally through workplace partnerships, respect for fundamental workers' rights, fostering industrial democracy and make optimal use of human resources.		
<b>Intermediate objectives</b>	<b>Outputs</b>	<b>Activities</b>
<b><u>Immediate Objective 1:</u></b> <b>Legal framework more in conformity with international labour standards</b>	1.1 Additional legal provisions drafted to bring selected labour laws and circulars in line with international labor standards (ILS)	1.1.1. Continue to provide technical advice to the legal task teams to review pending labour laws or circulars not fully in conformity with international labor standards (ILS). 1.1.2 Continue to conduct technical advisory sessions to support the legal task teams to amend or draft labour law provisions in conformity with ILS. 1.1.3 Continue to conduct advisory sessions to facilitate the tripartite discussion and endorsement of new legal provisions by the National Labour Advisory Council.
	1.2. The training capacity of national constituents strengthened  1.3 More labour officials, workers and employers gained a better understanding on labour laws and ILS	1.2.1. Produce a guide on labour laws for labour officials and workers 1.2.2 Using the guide, train at least 100 trainers from national institutions and trade unions on labour laws and ILS. 1.2.3 Continue to support employers' organizations to conduct training on labour laws for their constituents 1.2.4 With the trade unions trained on labour laws, support the establishment of legal clinics in trade unions facilitation centers and offices. These legal clinics will provide training and advice on labour laws to workers.  1.3.1 Continue partnerships with national training institutions to train at least 500 labour officials and social partners on labour laws and ILS. Training will be provided with the support of the trainers trained by the project and using the above mentioned guide on labour laws. 1.3.2 Support trade unions legal clinics to train and advice at least 5000 workers on labour laws 1.3.3. Carry out training for at least 50 trade unionists on evidentiary rules and procedures in national tribunals and conciliation and mediation mechanisms
<b><u>Immediate objective 2:</u></b> <b>Institutions and processes for labour-management relations, including those at the enterprise level, strengthened.</b>	2.1. Workplace cooperation is used by trade unions to advance the implementation of workers' fundamental rights  2.2 Workplace cooperation is used by employers' organizations to promote human resources management in line with	2.1.1 Based on ILO's manuals on workplace cooperation, train at least 30 trainers from workers' organizations on workplace cooperation and its linkages with fundamental rights at work 2.1.2 With the trainers trained, design and implement a strategy to reach out and train at least 2000 workers on workplace cooperation and its linkages with workers' fundamental rights.  2.2.1 Based on ILO's manuals on workplace cooperation, train at least 100 trainers from employer's organizations on workplace cooperation and its linkages with human resources management. 2.2.2 With the trainers trained, design and implement activities to reach out and train at least 250 human resources managers on workplace cooperation. For these activities, at least one third of the members of the Human Resources' Managers Network created by the project will be trained.

	<p>labour rights and better prepared to introduce changes at the workplace</p> <p>2.3 Services and tools developed to enhance the capacity of the Collective bargaining and social dialogue unit (CBS unit) to promote sound labour management relations, workplace cooperation and collective bargaining.</p> <p>2.4. An increased number of enterprises adopt, with the support of the project and its partners at the level of the MoJLR, measures to improve or introduce workplace cooperation</p>	<p>2.3.1 Based on ILO's tools on collective bargaining, train at least 100 labour officials on how governments can promote sound industrial relations and collective bargaining.</p> <p>2.3.2 Following the above mentioned training, conduct a participatory analysis with labour officials on the capacity of the CBS unit to promote collective bargaining and promote sound industrial relations. The analysis will conclude with recommendations to develop the capacity of the said unit.</p> <p>2.3.3. Support the implementation of some of these recommendations</p> <p>2.3.3 Based on ILO tools on workplace cooperation, train at least 200 labour officials on sound industrial relations and workplace cooperation in line with fundamental rights.</p> <p>2.3.4 Following the above mentioned training, develop a specialized programme on workplace cooperation with the tools and the necessary expertise to train and advice enterprises on the implementation of workplace cooperation in line with fundamental rights.</p> <p>2.4.1 Selected at least 15-20 enterprises to participate in the workplace cooperation programme developed by the CBS unit. Done with EFC and Chartered Institute of Management Accountants (CIMA).</p> <p>2.4.2 Train the managers, workers, and genuine workers representatives of these enterprises on workplace cooperation. The number of people trained will depend on the size of the enterprises.</p> <p>2.4.3 Facilitate, in each enterprise, the adoption of a set of measures to improve or introduce workplace cooperation.</p> <p>2.4.4 Support the CBS unit to provide regular advice and support on workplace cooperation to the enterprises trained.</p> <p>2.4.5 Produce a short report with the results and challenges of the workplace cooperation programme.</p>
<p><b><u>Immediate objective 3:</u></b></p> <p><b>Strengthen labour administration for its effective intervention to promote sound labour-management relations, prevent and solve disputes and ensure compliance with labour regulations</b></p>	<p>3.1. The capacity of the labour inspectorate to improve compliance with national labour legislation strengthened.</p> <p>3.2 The CBS unit is in a better position to resolve labour disputes through conciliation and mediation.</p>	<p>3.1.1 Carry out a labour inspection assessment with a particular emphasis on training and policy issues.</p> <p>3.1.2. Based on the audit's recommendations, develop a sustainable training strategy for labour inspectors.</p> <p>3.1.3 Using the training strategy, train at least 200 labour inspectors on topics identified by the training strategy.</p> <p>3.1.4 Based on the audit's recommendations, develop a policy on labour inspection.</p> <p>3.1.5 Support the implementation of additional recommendations made by the assessment.</p> <p>3.1.6 Install a computerized labour inspection system in 20 selected field enterprises.</p> <p>3.2.1 Based on ILO tools, conduct a diagnostic on the institutional capacity of the labour administration to use mediation and conciliation to resolve labour disputes. The diagnostic will have recommendations for the establishment of specialized mediation and conciliation services</p> <p>3.2.3 Based on the above recommendations, support the establishment of specialized conciliation and mediation services.</p> <p>3.2.4 Train selected labour officials on key concepts, skills and techniques on conciliation and mediation using practical cases. Technical advice might also be provided to accompany labour officials to resolve some labour disputes through mediation or conciliation.</p>

## PURPOSE AND SCOPE OF EVALUATION

As per ILO evaluation policy, ILO projects including OTLA-funded projects are subject to independent evaluations. As per USDOL Management Procedure Guidelines all ILAB-funded projects are subject to independent interim and final evaluations. An independent interim evaluation of the FPRW in Sri Lanka project was conducted in October 2011. A second external independent evaluation was conducted in March 2015, which covered the period of January 2012 to December 2014, and served as both a final evaluation for Phase II and an interim evaluation for Phase III. An external independent final evaluation of Phase III is scheduled for September 2016 USDOL and ILO has agreed to manage this evaluation jointly. USDOL has contracted Sistemas, Familias y Sociedad to undertake this evaluation. ILO will recruit an evaluation team member in line with ILO independent evaluation management process to join the SFS consultant in conducting this evaluation as a joint evaluation team

### Final Evaluation Purpose and Scope

The overall purpose of this final evaluation is to ascertain what the project has or has not achieved; how it has been implemented; how it is perceived and valued by target groups and stakeholders; whether expected results are occurring (or have occurred) based on performance data; the appropriateness of the project design; and the effectiveness of the project's management structure. However, one of the most important purposes of this evaluation is to assess the potential for the sustainability of the interventions and results undertaken during the project and identify concrete steps the project might take to help ensure sustainability. Finally, the evaluation will investigate how well the project team managed project activities and whether it had in place the tools necessary to ensure achievement of the outputs and objectives.

The scope of the evaluation includes a review and assessment of all outcomes and activities carried out under the USDOL Cooperative Agreement with the ILO. The evaluation will focus data collection primarily on selected project documents and reports and interviews with key project personnel, partners, and stakeholders in Sri Lanka. The project will be evaluated through the lens of a diverse range of international and national stakeholders that participate in and are intended to benefit from the project's interventions.

The evaluation will focus on the areas of project relevance, effectiveness, efficiency, impact and sustainability. Specifically, the joint evaluation team should examine:

- The validity of project design, objectives, strategy, and assumptions;
- Progress made in achieving project immediate objectives;
- Stakeholder buy-in, support, and participation in the project;
- Barriers and opportunities to successful implementation;
- Where activities have been particularly successful, the reasons for successful implementation;

- Intended and unintended effects accrued to the target groups;
- Potential sustainability of project activities;
- Incorporation and use of the interim evaluation feedback and recommendations into project strategy; and
- Risk analysis in project design and implementation, and the extent to which the project responded effectively to emerging risks and challenges.

The evaluation will assess the positive and negative changes produced by the project – intended and unintended, direct and indirect – as reported by respondents. The final report should provide recommendations for possible changes that could be made to the implementation arrangements of the project during its third phase or to be included in the design of a similar project that may be implemented in the future. The evaluation should also identify effective models of intervention that will serve to inform future projects and policies in Sri Lanka and similar environments elsewhere, as appropriate.

The gender dimension will be considered as a cross-cutting concern throughout the methodology, deliverables and final report of the evaluation. In terms of this evaluation, this implies involving both men and women in the consultation, evaluation analysis and evaluation team. The joint evaluation team will review data and information that is disaggregated by sex and gender and assess the relevance and effectiveness of gender-related strategies and outcomes to improve lives of women and men. All this information should be accurately included in the inception report and final evaluation<sup>52</sup> report. .

## Intended Users

The primary stakeholders of the evaluation are USDOL, ILO, the Government of Sri Lanka and the constituents in Sri Lanka. The ILO, the tripartite constituents and other parties involved in the execution of the project would use, as appropriate, the evaluation findings and lessons learned. The evaluation findings, conclusions and recommendations will also serve to inform stakeholders in the design and implementation of subsequent projects in the country and elsewhere as appropriate.

The final evaluation serves as an important accountability and organizational learning function for USDOL and ILO. It should be written as a stand-alone document, providing the necessary background information for readers who are unfamiliar with the details of the project, as the evaluation report will be published on the USDOL website and included in the ILO evaluation database, with summary on the ILO web-site.

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<sup>52</sup> Ref: ILO Guidance note , *Considering gender in the monitoring and evaluation of projects*

## Evaluation Questions

In general, the opinion of the joint evaluation team on the following two questions should be woven throughout the observations, conclusions and recommendations:

- What good practices and lessons can be learned from the project that can be applied to the FPRW Sri Lanka project and in similar future projects?
- What could have been different, and should have been avoided?

This final evaluation will focus on the validity of the project's design, the relevance of the project's services to the target groups' needs, the project's efficiency and effectiveness (which is broken out into several sub-themes), the impact of the results, and the potential for sustainability. These criteria are explained in detail below by addressing their associated questions.

Additional questions may also be analyzed as determined by the stakeholders and joint evaluation team before the fieldwork begins. The joint evaluation team may also identify further points of importance during the mission that may be included in the analysis as appropriate.

### Relevance and Validity of Project Design

1. Were the project objectives consistent with the needs and requirements of beneficiaries, partners, key stakeholders (including workers and workers organizations (including Free Trade Zones & General Services Employers unions - FTZGESU); employers' organization (Employers Federation of Ceylon, EFC); labor ministry officials in charge of labor inspections; Sri Lankan Board of Investment representatives, judges and the labor tribunals) and global priorities?
2. How did the needs of these stakeholders change since the beginning of the project? In what ways / to what extent did these changes affect the relevance of the program? If so what are they and how effectively did the project adapt to those changes?
3. Were the activities and outputs of the project consistent with the overall goal and the attainment of its objectives and outcomes?
4. What project elements /activities would be most relevant to recommend for institutionalization beyond the end of the project?
5. To what extent has the project been relevant and contributed to Sri Lanka Decent Work Country Programme? What synergy does the project have with other ILO projects and/or with other agencies' projects/programmes?
6. Considering the results that were achieved so far, were the objectives, targets, and timing realistically set?

7. To what extent has the project has addressed specific issues related to women workers as part of the design?

### **Project Effectiveness**

8. To what extent did the project achieve its objectives? Were outputs produced and delivered as per the work plan? Has the quantity and quality of these outputs been satisfactory? How do the stakeholders perceive them?
9. In which area (objective/component, issue) does the project have the greatest achievements? Why and what have been the supporting factors? Are there any additional achievements of the project over and above what was foreseen in the project document? Were any unintended results of the project observed?
10. What were the major factors influencing the achievement or non-achievement of the objectives? Has the project addressed challenges and/or seized unforeseen opportunities effectively?
11. What improvements has the project made towards minimizing conflict and settling disputes in the industrial environment in general, and in the EPZs in particular? How effective were the following strategies:
  - a. SCORE pilot
  - b. Labor Tribunal Capacity Building
  - c. Capacity building of the Ministry of Labor regarding mediation and dispute resolution
  - d. BOI Capacity building
12. How have labor rights in the EPZ's been addressed or improved through the project's interventions? Did project capacity building for trade unions enable them to be more effective in defending workers' rights in the EPZs? Did project capacity building for HR managers of EPZ enterprises contribute to greater respect for workers' rights?
13. To what extent the project has acted upon the recommendations of the midterm evaluation:
  - a. To what extent the project has tracked the progress of labor legislation reform initiatives
  - b. Whether the project has revisited its strategy on how the paralegal training programme be translated into legal services for workers in the EPZs
  - c. To what extent the project has organized a bipartite awareness raising programme in the EPZs to bring workers and employers together to discuss and agree on key principles to resolve disputes through conciliation and mediation

- d. To what extent the project has strengthened its capacity building strategy regarding to workplace cooperation for TU partners and SMEs
  - e. To what extent has the project strengthened its M & E framework and associated data collection and reporting
14. Has the project support women's leadership in the unions or in the unionizing process?
  15. Has the project communicated effectively with national stakeholders? Do the stakeholders feel that their concerns have been sufficiently addressed? Were project governance committees effective in engaging stakeholders in project oversight and planning?
  16. To what extent and how the computerized labor inspection system increase the capacity of the labor inspectorate to improve compliance with national labor legislation?

### **Efficiency of Resource Use**

17. Have resources (funds, human resources, time, expertise, etc.) been allocated strategically, efficiently, and timely to achieve outcomes?
18. How effective was the backstopping support provided by ILO to throughout the project implementation?
19. Have project funds and activities been delivered in a timely manner?
20. Was the project adequately staffed? To what extent did management capacities and arrangements put in place support the achievement of results?

### **Impact Orientation and Sustainability**

21. What are the key elements that the project developed that could be sustained beyond the life of the project (e.g. capacity transferable to the MoLMP, trade unions or other target groups and partners)? In particular how sustainable are the following:
  - a. SCORE
  - b. LISA

## **EVALUATION METHODOLOGY AND TIMEFRAME**

### **A. Approach**

The evaluation fieldwork will be qualitative and participatory in nature. Qualitative information will be obtained through field visits, interviews and focus groups as appropriate. Opinions coming from stakeholders will improve and clarify the use of quantitative analysis. The participatory nature of the evaluation will contribute to the sense of ownership among stakeholders.

Quantitative data will be drawn from project documents including the Technical Progress Reports (TPRs) and other reports to the extent that it is available. For those indicators where the project is experiencing challenges, a brief analysis will be included in the results.

The following principles will be applied during the evaluation process:

1. Methods of data collection and stakeholder perspectives will be triangulated to the greatest extent possible.
2. Gender and cultural sensitivity will be integrated in the evaluation approach.
3. Although a consistent approach will be followed in each project site to ensure grounds for a good qualitative analysis, the evaluation will incorporate a degree of flexibility to maintain a sense of ownership of the stakeholders. Additional questions may be posed that are not included in the TOR, while ensuring that key information requirements are met.

The evaluation should be carried out in context of criteria and approaches for international development assistance as established by OECD/DAC Evaluation Quality Standard and abide by the Code of Conduct for Evaluation of the UN System.<sup>53</sup>

## **B. Joint Evaluation Management Team**

The Joint Evaluation Management Team will be providing the management and technical oversight necessary to ensure consistency of methods and technical standards.

USDOL has appointed as evaluation manager for this evaluation the firm Sistemas Familia y Sociedad – Consultores Asociados (SFS), who will be represented by Dwight Ordóñez and Azure Maset. The ILO has appointed as evaluation manager for this evaluation Ms. Pamornrat Pringsulaka, Regional Evaluation Officer, who is based at ILO Regional Office for Asia and the Pacific, Bangkok.

The evaluation team will report to the evaluation managers above and should discuss and resolve any technical and methodological matters with the evaluation managers. The evaluation will be carried out with full logistical support and services of the project, with the administrative support of the ILO Office in Colombo.

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<sup>53</sup> The ILO policy guidelines for results-based evaluation and technical and ethical standards are established within these criteria and the evaluation should therefore adhere to these to ensure an internationally credible evaluation. Ref: ILO EVAL Policy Guidelines Checklists 5 and 6: “Preparing the evaluation report” and “Rating the quality of evaluation reports”.

### C. Final Joint Evaluation Team

The evaluation team will consist of two evaluation consultants.

Ms. Sandra J. Wark, the evaluator contracted by USDOL through its contract for evaluation services with Sistemas Familia y Sociedad, shall serve as the Evaluation Team Leader. She will work jointly with the independent Co-Evaluator, Ms. Mini Thakur, contracted by the ILO.

The two consultants will work together to collect the data and draft the initial report. The team leader will be responsible for resolving any outstanding disagreements that may arise between the two evaluators as well as working closely with the ILO and USDOL evaluation managers as needed to produce and submit one evaluation report in accordance with the deliverable schedule and contract specifications. The evaluation team, in consultation with the ILO and USDOL evaluation managers as needed, will agree on the distribution of work and schedule for the evaluation and stakeholders to consult.

Interpreters fluent in necessary languages will travel with the joint evaluation team and will assist its members during their work in different regions.

One member of the project staff may accompany the joint evaluation team to make introductions. This person will not be involved in the evaluation process and will not attend the meetings or interviews with key informants that the joint evaluation team will hold.

The joint evaluation team will be responsible for developing the methodology in consultation with the joint evaluation management team, USDOL, ILO and the project staff; assigning the tasks of the interpreter during the field work; directly conducting interviews and facilitating other data collection processes; analyzing the evaluation material gathered; presenting feedback on the initial findings of the evaluation during the national stakeholder meeting; and preparing the evaluation report.

A work plan for the joint evaluation team will be prepared to identify any specific responsibilities and focus of the members of the joint evaluation team.

The responsibility of the interpreter in each provincial locality is to ensure that the joint evaluation team is understood by the stakeholders as far as possible, and that the information gathered is relayed accurately to the joint evaluation team.

### D. Evaluation Methodology

The evaluation will be carried out through a desk review and visits to Sri Lanka for consultations with relevant officials of the ILO Colombo Office, the project team, constituents, the US Embassy as well as other key stakeholders.

The evaluation shall draw on six methods: 1) review of documents, 2) review of operating and financial data, 3) interviews with key informants, 4) field visits, including focus group discussions

and observations, 5) meetings with stakeholders, and 6) post-fieldwork conference calls. Assessing the effectiveness, sustainability and usage of the LISA database may require additional considerations and a review of the system.

### 1. Document Review

The joint evaluation team will review at least the following documents before conducting mission to the field.

- Project Document
- Progress reports to USDOL
- Interim Evaluation Report
- Reports from activities
- Logical Frameworks and Performance Monitoring Plan (PMP)

### 2. Question Matrix

Before beginning fieldwork, the joint evaluation team will create a question matrix, which outlines the source of data from where the joint evaluation team plans to collect information for each Terms of Reference (TOR) question. This will help the joint evaluation team make decisions the allocation of the time in the field. It will also help the joint evaluation team to ensure that all possible avenues for data triangulation are explored and to clearly note where the evaluation findings are coming from. The question matrix shall be forwarded by the joint evaluation team to joint evaluation management team before start of field work. This question matrix and the work plan for the joint evaluation will serve as the inception report required by ILO.

### 3. Team Planning Meeting

The joint evaluation team will conduct by one an internal planning meeting of the joint evaluation team. The joint evaluation team will then conduct by phone a team planning meeting (TPM) with the joint evaluation management team, USDOL and ILO/FPRW. The objective of the TPM is to reach a common understanding among the joint evaluation team, the USDOL and ILO regarding the status of the project, the available data sources and data collection instruments and the program of meetings.

### 4. Interviews with Stakeholders

Interviews will be held with as many project stakeholders as possible. Technically, stakeholders are all those who have an interest in a project, for example, as implementers, direct and indirect beneficiaries, employers' and workers' organization representatives, community leaders, donors, and government officials. For the Sri Lanka project, this includes but is not limited to the following groups:

- USDOL Project Manager in Washington, DC (by phone)
- ILO/FPRW staff and other relevant HQ staff

- ILO Project Staff based in Sri Lanka
- Director and relevant officials of the ILO Colombo Office
- Selected individuals from the following project's beneficiaries or partners group in Sri Lanka:
  - Relevant staff from the Government
  - Relevant representatives from employers and workers' organizations
  - Employers and workers trained or assisted by the project.
  - US Embassy

Depending on the circumstances, these meetings will be one-on-one or group interviews. The exact itinerary will be determined based on scheduling and availability of interviewees. Meetings will be scheduled in advance of the field visit by the project staff, coordinated by the designated project staff, in accordance with requests of the joint evaluation team and consistent with these terms of reference. The joint evaluation team should conduct interviews with beneficiaries and stakeholders without the participation of any project staff.

#### 5. Field Visits

The joint evaluation team will visit a selection of project sites. The final selection of field sites to be visited will be made by the joint evaluation team. Every effort should be made to include some sites where the project experienced successes and others that encountered challenges. During the visits, the joint evaluation team will observe the activities and outputs developed by the project. Meetings will be scheduled in advance of the field visits by the ILO project staff, in accordance with the requests of the joint evaluation team and consistent with these terms of reference.

#### 6. Post-Field Meeting

Upon completion of the mission, the joint evaluation team will provide a debriefing by phone to USDOL and to ILO on the preliminary findings, as well as the evaluation process.

### D. Sampling and Site Selection and Data Collection Methodology

#### **Criteria for selecting project intervention zones**

The members of the joint evaluation team will visit two or three Export Processing Zones (EPZ) from among the EPZ where the project intervenes. The selection of the EPZ should satisfy the following proposed criteria:

1. Should enable the members of the joint evaluation team to interview relevant field level stakeholders (managers of trade union facilitation centers, representatives of workers' councils, EPZ employers' association, labor officials).
2. Should enable the members of the joint evaluation team to conduct focus group discussions

with participants in all of the main project interventions in EPZ including project supported Trade Union (TU) training of trainers and TU awareness raising/training activities for workers on their fundamental rights and workplace cooperation, project capacity building for employers' organizations targeting EPZ enterprise human resource managers and enterprises that piloted score, participants in labor official training at the EPZ level and users of Labor Inspection Systems Application (LISA).

3. Inclusion of a cross-section of EPZ level partners considered by the project to be doing well and not so well in terms of capacity building efforts and engagement in the project. In regards to field visits to assess LISA effectiveness and sustainability, should include labor offices that are well advanced in integrating LISA in office operations and others that have made less progress (to allow the members of the joint evaluation team to understand factors contributing to or hindering the LISA roll out and use.)
4. If feasible from a logistics perspective, field visits should include an EPZ in former conflict zones, where there has been investment in EPZs to capitalize on new economic opportunities. The purpose is to see if any project lessons learned have been applied by key stakeholders to promote improved workplace cooperation and respect for workers' fundamental rights in these regions.

#### **Criteria for sampling interviewees/beneficiaries:**

##### **Workers and Employers:**

1. In each EPZ site visited, the members of the joint evaluation team will meet with workers who have directly or indirectly participated in the project. The sample will include workers with and without trade union affiliation (to reflect the various approaches in place to promote workplace cooperation i.e. workers councils and trade union activities).
2. A cross-section of enterprise managers will be met in each EPZ, including those who have taken up project services and those who have not.

##### **Local government, implementing partners and other stakeholders:**

1. Key staff of ILO and its implementing partners who have key implementation responsibilities under the project.
2. Representatives of social partners to be interviewed will be those with whom the project directly interacts at both the National and EPZ level.
3. Project consultants and other key informants

The table below shows key stakeholders by project main activity:

Key Strategies	Legal Reforms	Capacity Building Labor Tribunals	Computerization of inspection and labor complaints (LISA)	Worker and Employer Education Programs	Workplace Cooperation (SCORE)
Main Counterparts	<ul style="list-style-type: none"> <li>- Ministry of Labor &amp; TU Relations</li> <li>- National Labor Advisory Council (NLAC)</li> </ul>	<ul style="list-style-type: none"> <li>- Ministry of Justice</li> <li>- Sri Lanka Judges Institute</li> <li>- Labor Tribunal Presidents</li> </ul>	<ul style="list-style-type: none"> <li>- Department of Labor</li> <li>- System Developer</li> <li>- System Users in Labor Offices (inspectors, others)</li> </ul>	<ul style="list-style-type: none"> <li>- Trade Unions</li> <li>- Bureau of Investment</li> <li>- Selected EPZ enterprises</li> </ul>	<ul style="list-style-type: none"> <li>- Employers' Federation of Ceylon (EFC)</li> <li>- CIMA</li> <li>- National Productivity Secretariat (NPS)</li> </ul>

### Data collection methods:

The data collection methods will comprise a combination of individual interviews and focus group discussions with representatives of all key stakeholders, including direct and indirect beneficiaries and implementing partners. The evaluation instruments will comprise a set of question guides for individual interviews and focus group discussions per stakeholder group that will be developed by the members of the joint evaluation team prior to the field visit to address the evaluation questions. These guides will allow a degree of flexibility to respond to issues that arise during the field work.

In interviews and conversations with EPZ workers and enterprise representatives, small group methods will be used, using interactive methods that enable participants to share their perspectives. Appropriate efforts will be made to ensure that the confidentiality of participants is protected so that they can be encouraged to freely share their impressions of the project and project outcomes in the workplace. Meetings with workers in particular will need to be scheduled ahead of time (including identifying the participating workers) to secure permission from their employer if they need time off from regular work and to arrange an appropriate location for the discussion.

A national level stakeholder workshop will be held with a wide range of stakeholder representatives as described further below. The agenda of the meeting will be developed in consultation with ILO and confirmed during the first week of the evaluation. Group discussion guides will be developed by the members of the joint evaluation team and appropriate stakeholder groupings will be determined in consultation with ILO.

Data will also be collected from the TPRs and other project documents including any internal review reports made available to the members of the joint evaluation team as part of the document review to address the evaluation questions.

### E. Ethical Considerations and Confidentiality

The evaluation mission will observe utmost confidentiality related to sensitive information and feedback elicited during the individual and group interviews. To mitigate bias during the data collection process and ensure a maximum freedom of expression of the implementing partners,

stakeholders, communities, and implementing partner staff will generally not be present during interviews. However, implementing partner staff may accompany the joint evaluation team to make introductions whenever necessary, to facilitate the evaluation process, make respondents feel comfortable, and to allow the joint evaluation team to observe the interaction between the implementing partner staff and the interviewees.

#### **F. Stakeholders Meeting**

The stakeholder workshop will take place on Wednesday, September 21. This meeting will be conducted by the joint evaluation team to provide feedback on and validate initial evaluation results. It will bring together a wide range of stakeholders, including the implementing partners and other interested parties. The agenda of the meeting will be determined by the joint evaluation team in consultation with project staff. The list of participants to be invited will be drafted prior to the visit of the joint evaluation team and confirmed in consultation with project staff during fieldwork. The exact program for the workshop will be decided jointly with the senior project staff during the first week of the evaluation.

The stakeholder workshop will be used to present the major preliminary findings and emerging issues, solicit recommendations, and obtain clarification or additional information from stakeholders, including those not interviewed earlier. The presentation will concentrate on good practices identified at the time of the evaluation, lessons learned and remaining gaps as identified by all the stakeholders. The role of the joint evaluation team is to analyze and represent the viewpoints of the various individuals and documents consulted. The team will also vet and validate findings and tentative recommendations with key stakeholders to further enrich the understanding and ensure perspectives are reflected and captured accurately and fairly, in order to improve the usefulness and practicality of the recommendations and cultivate ownership among the partners and stakeholders in acting upon the recommendations.

#### **G. Limitations**

The joint evaluation team may not have enough time to visit all project sites. As a result, the joint evaluation team will not be able to take all sites into consideration when formulating the findings. All efforts will be made to ensure that the joint evaluation team is visiting a representative sample, including some that have performed well and some that have experienced challenges.

This is not a formal impact assessment, therefore (lacking rigorous impact evaluation methods such as for instance experimental methods) the joint evaluation team should take care when describing links between the project's interventions and observed results to avoid attribution without supporting evidence. Findings for the evaluation will be based on information collected from background documents and in interviews with stakeholders, project staff, and beneficiaries. The accuracy of the evaluation findings will be determined by the integrity of information provided to the joint evaluation team from these sources and the ability of the latter to triangulate this information.

Furthermore, the ability of the joint evaluation team to determine efficiency will be limited by the amount of financial data available. A cost-efficiency analysis is not included because it would require performance data which is not available.

## H. Timetable

The tentative timetable is as follows. Actual dates may be adjusted as needs arise.

The total duration of the evaluation process is estimated to be 25 working days between August 12 and November 18, 2016. The independent consultants will spend at least 13 work days in Sri Lanka.

Most of the tasks listed below will involve the evaluators (Ms. Sandy Wark and Ms. Mini Thakur) the evaluation managers (SFS and Pamornrat Pringsulaka), and the ILO and USDOL evaluation coordinators (Lili Bacon at USDOL and ILO Evaluation Office in Geneva). The designated Responsible Person(s) are those persons responsible for ensuring its completion. The dates listed in the 2016 Dates(s) column are the expected deadlines for each task, and the latter should begin earlier than the listed dates in order to ensure the timely completion of each task.

Phase	Tasks	Responsible Person(s)	2016 Date(s)
I	Identification of independent international evaluators	Evaluation Managers	Fri, Aug 12
	Preparation of contracts and budgets		Mon, Aug 22
II	Draft List of Stakeholders/Interviewees submitted for ILO/USDOL feedback	Evaluators	Thurs, July 7
	Draft TOR submitted to USDOL and ILO	Evaluation Managers	Wed, July 13
	Input received from USDOL and ILO on Draft TOR	ILO and USDOL Evaluation Coordinators	Wed, July 20
	Methodology and Sampling Plan developed for TOR	Evaluators	Tues, July 26
	TOR Finalized	Evaluation Managers	Thurs, Aug 11
III	Data Collection Matrix submitted	Evaluators	Fri, Aug 12
	Draft Itinerary submitted		
	Logistics Call	Evaluation Managers	Wed, Aug 17
	Finalize Field Itinerary and Stakeholder List for Workshop	Evaluation Managers	Fri, Aug 19
	Cable Clearance Request sent to USDOL	SFS Evaluation	Mon, Aug 22

Phase	Tasks	Responsible Person(s)	2016 Date(s)
		Manager	
	Joint Evaluation Team briefed by Joint Evaluation Management Team	Evaluation Managers	Week of 15-19 August
	Internal planning meeting of Joint Evaluation Team (via Skype)	Evaluators	Week of 15-19 August
	Joint Evaluation Team interviews USDOL	Evaluation Managers	Wed, Aug 24
	Joint Evaluation Team interviews ILO		TBD
IV	Fieldwork <ul style="list-style-type: none"> <li>Interviews and focus groups with key staff, stakeholders and beneficiaries (as relevant)</li> <li>Site visits for observation of project activities</li> </ul>	Evaluators	September 7-20
	Stakeholders Meeting		Wed, Sept 21
V	Post-fieldwork Debrief Call with USDOL	Evaluation Managers and Evaluators	Fri, Sept 30
	Post-fieldwork Debrief Call with ILO		TBD
	Draft Report sent to Evaluation Management Team for quality review	Lead Evaluator	Mon, Oct 10
	Draft Report sent to USDOL and ILO for 48 hour review	Evaluation Managers	Thurs, Oct 13
	Feedback received from 48 hour review	USDOL and ILO Evaluation Coordinators	Mon, Oct 17
	Revised Draft Report sent back to Evaluation Management Team	Lead Evaluator (with input from evaluation team member)	Tues, Oct 18
VI	Draft Report sent to USDOL, ILO and stakeholders for full comments	Evaluation Managers	Wed, Oct 19
	Comments due to Evaluation Management Team	USDOL and ILO Evaluation Coordinators	Wed, Nov 2
VII	Revised Report sent by Evaluation Team Leader to Evaluation Management Team for quality review	Lead Evaluator	Tues, Nov 8
	Revised Report sent to USDOL and ILO	Evaluation Managers	Thurs, Nov 10
	Submission of report for approval by ILO on compliance with TOR and quality assurance as per ILO Evaluation Policy	ILO Evaluation Office	As per ILO internal requirements

Phase	Tasks	Responsible Person(s)	2016 Date(s)
	Approval from USDOL to Finalize (Copy Edit/Format) Report	USDOL Evaluation Coordinator	Fri, Nov 18
VIII	Copy editing/formatting of report	SFS	Fri, Dec 2
	Final (508-compliant) Report sent to USDOL and ILO		

## EXPECTED OUTPUTS AND DELIVERABLES

Ten working days following the return of the joint evaluation team from fieldwork, a first draft evaluation report will be submitted to Joint Evaluation Management Team. The report should have the following structure and content:

- I. Table of Contents
- II. List of Acronyms
- III. Executive Summary - providing a brief overview of the evaluation including sections IV-IX and key recommendations (5 pages)
- IV. Background and Project Description, including Context (1-2 pages)
- V. Evaluation Objectives and Methodology- including the list of Evaluation Questions and Intended Audience (3-4 pages)
- VI. Evaluation Findings, including: (15 pages)
  - Findings – Answers to each of the evaluation questions, organized around the TOR key areas, with supporting evidence included
  - Conclusions – interpretation of the facts, including criteria for judgments
- VII. Main Conclusions - a summary of the evaluation's overall conclusions (1-2 pages)
- VIII. Lessons Learned and Good Practices (1-2 pages)
- IX. Recommendations - identifying in parentheses the stakeholder to which the recommendation is directed (1-2 pages)
  - Key Recommendations – critical for successfully meeting project objectives and judgments on what changes need to be made for future programming
  - Other Recommendations – as needed
- X. Annexes, including but not limited to:
  - An overview of project progress (see template in Annex 1 below)
  - TOR

- Question Matrix
- List of documents reviewed
- List of interviews, meetings and site visits
- Stakeholder workshop agenda and participants

The total length of the report should be approximately 30 pages for the main report, excluding the executive summary and annexes. All reports, including drafts, will be written in English.

The management of the report review process will proceed according to the procedures described below in Section V, including the initial quality review, the 48 hour review, and the full review. All components of the evaluation should be completed in a timely fashion, according to the timelines agreed upon by ILAB, SFS, and ILO-EVAL in the TOR. As noted below, if a component cannot be completed according to the schedule outlined in the TOR, the Evaluation Team Leader must inform the Evaluation Managers as soon as possible and propose an alternative timeline, which the Evaluation Managers will submit to the ILO and USDOL Evaluation Coordinators for their respective approval.

While the substantive content of the findings, conclusions, and recommendations of the report shall be determined by the joint evaluation team, the report is subject to final approval by ILO for compliance with ILO Evaluation Policy and guidelines, and ILAB/OTLA in terms of whether or not the report meets the terms and conditions stipulated in the vendor's contract, respectively.

## EVALUATION MANAGEMENT AND SUPPORT

### Composition of the Joint Evaluation Team

This is an independent external joint evaluation, in which both the donor and grantee will appoint evaluation managers and one member of the evaluation team each.

The joint evaluation team will consist of two international evaluation consultants. Ms. Sandy Wark, the evaluator appointed by USDOL through its contract for evaluation services with Sistemas, Familias y Sociedad (SFS), shall serve as the Evaluation Team Leader. She will work jointly with the independent Co-Evaluator contracted by the ILO: Ms. Mini Thakur.

The two international consultants will work together to collect the data and draft the initial report. The Team Leader will be responsible for resolving any outstanding disagreements that may arise between the two evaluators, as well as working closely with the ILO and USDOL Evaluation Managers as needed to produce and submit one evaluation report in accordance with the deliverable schedule and contract specifications. The joint evaluation team, in consultation with the ILO and USDOL Evaluation Managers as needed, will agree on the distribution of work and schedule for the evaluation and stakeholders to consult.

## **Evaluation Management Team**

USDOL has appointed SFS as Evaluation Manager for this evaluation, who will be represented by Dwight Ordonez and Azure Maset. The ILO has appointed Pamornrat Pringsulaka as Evaluation Manager for this evaluation.

The joint evaluation team will report to the Evaluation Management Team from SFS and ILO and should discuss and resolve any technical and methodological matters with the management team, as well as the Evaluation Coordinators at ILO-EVAL in Geneva and USDOL (Ms. Lili Bacon) as appropriate, should issues arise. The evaluation will be carried out with full logistical support and services from the project, with administrative support from the ILO Office for Sri Lanka and Maldives.

## **Evaluation Management Procedures**

For this independent evaluation, the following procedures will be followed with regard to the evaluation report development and review:

- The Evaluation Team Leader is solely responsible for preparing the evaluation report and for its contents, conclusions and recommendations. In case the Co-Evaluator has a dissenting opinion, USDOL and ILO's strong preference is that the team members come to an agreement on the key findings of the evaluation. The report must be drafted in accordance with international evaluation standards and norms reflected in the TOR, including with respect to the content, format and schedule for review and submission.
- The Evaluation Team Leader will send all drafts of the evaluation report in English to the Evaluation Managers from both ILO and SFS. At this point, the Evaluation Management Team will conduct an initial quality review to ensure that the report is written clearly and well organized, and to ensure that all TOR questions have been answered fully in the text. The Joint Evaluation Team will address any quality issues or requests for additional information that may be requested from the Evaluation Managers.
- Once the report has completed the initial quality review, the Evaluation Management Team will send it to ILO and USDOL Evaluation Coordinators and USDOL Project Manager (Keith Goddard) for a 48 Hour Review. This initial review is not for substantive comments on the report, but to ensure that it does not contain any politically sensitive or grossly inaccurate information that may cause unwanted issues during the full review. The Joint Evaluation Team will correct any issues that may arise at this stage.
- For the full two-week review, the draft report will be circulated to USDOL, ILO, project partners, and stakeholders for comment. The ILO Evaluation Manager will consolidate ILO comments at this stage. All parties will be requested to provide comments and questions on the draft report to the Evaluation Management Team, who will consolidate the comments and create a Comment Matrix Template to send to the Joint Evaluation Team.
- The Evaluation Team Leader will finalize the report, incorporating any comments deemed appropriate, and provide a Comment Matrix explaining how the comments were addressed and why any comments might not have been incorporated. Within the remit of the TOR, the

Evaluation Team Leader will have full discretion as to whether or not (and in what manner) to revise the report on the basis of comments received.

- The Evaluation Team Leader will submit the final report and comment matrix to the Evaluation Managers.
- The Evaluation Managers will review the Evaluation Team Leaders' submission to check whether all comments have been addressed, whether in the final report or in the comment matrix. If there is any comment that has not been addressed, they will request the Evaluation Team Leader to complete this omission. If the report is deemed complete and compliant with the TOR, the Evaluation Managers will submit to USDOL for final approval.
- The Evaluation Managers will submit the report for approval by ILO Evaluation Office on compliance with TOR and quality assurance as per ILO Evaluation Policy. The ILO Evaluation Manager will officially forward the evaluation report to EVAL, PARDEV and other stakeholders as appropriate.
- Once USDOL approves the evaluation report, SFS will prepare and package the final report in accordance with formatting and other terms as outlined in the contract and forward the report to the USDOL Evaluation Coordinator (for official approval and acceptance of the contract deliverable) as well as the ILO Evaluation Manager and the ILO Evaluation Office, concurrently.

## ANNEX 3: Evaluation Question Matrix

FINAL EVALUATION FOR PHASE III FPRW IN SRI LANKA			
Evaluation Question	Methodology	Documents to Review	Stakeholder to Consult
<b>Relevance and Validity of Project Design</b>			
<p>1. Were the project objectives consistent with the needs and requirements of beneficiaries, partners, key stakeholders and global priorities?</p> <p>2. How did the needs of these stakeholders change since the beginning of the project? In what ways / to what extent did these changes affect the relevance of the program? If so what are they and how effectively did the project adapt to those changes?</p>	<ul style="list-style-type: none"> <li>To understand needs, requirements, priorities: Interviews with main social partners, project management, project experts. Triangulate views.</li> <li>Focus on specific needs, requirements, priorities relative to specific project interventions (ie LISA, SCORE, Trade Union Capacity Building, etc.)</li> <li>To understand project objectives, review key project documentation, interview people involved in setting strategy.</li> <li>To understand evolution needs and project response, focus on phase 3 strategy in interviews and phase 1 and 2 evaluations.</li> </ul> <p><u>Sample questions:</u></p> <p>What have been the major challenges and opportunities facing your organization in relation to promoting good labor- management relations, facilitating social dialogue among social partners, improving working conditions</p>	<p>Document review of:</p> <ul style="list-style-type: none"> <li>Project Document</li> <li>Project PMP</li> <li>Project work plan</li> <li>Project TPRs</li> <li>Various assessment reports</li> </ul>	<ul style="list-style-type: none"> <li>Main Trade Unions: FTZGESU, Commercial and Industrial Workers Union (CIWU) Progress Union, Sri Lanka Nidahas Sevaka</li> <li>Sangamaya (SLNSS), National Trade Union Federation(NTUF)</li> <li>Others?</li> <li>Employers Federation of Ceylon</li> <li>Labor ministry officials in charge of labor inspections;</li> <li>Sri Lankan Board of Investment representatives,</li> <li>Judges and the labor</li> </ul>

	<p>and enhancing productivity?</p> <p>Did (and if so how) the project provide assistance to address these? What project activity was the most relevant to your needs? Which was the least relevant?</p> <p>How well adapted was the SCORE methodology to the needs of the target group (EPZ enterprises)?</p> <p>How relevant has been computerizing inspection data collection to improving the effectiveness and efficient of labor inspection?</p> <p>In light of the failure of the Trade Union Facilitation Centers to gain the acceptance of workers and trade unions (evidence, they are not used), did the project identify other ways to support improved access by trade unions to EPZ that were more relevant?</p> <p>What more could the project have done to help you?</p>		<p>tribunals presidents</p> <ul style="list-style-type: none"> <li>• Workers &amp; Employers in EPZ (Focus groups)</li> <li>• Project Management</li> <li>• ILO Country Program Director</li> <li>• Consultants</li> </ul>
3. Were the activities and outputs of the project consistent with the overall goal and the attainment of its objectives and outcomes?	<p>To identify objectives, outcomes, activities and outputs, review project strategy based on project documentation and interviews with project management and experts.</p> <p>Was there anything missing from the strategy?</p>	<p>Document review of:</p> <ul style="list-style-type: none"> <li>• Project Document</li> <li>• Project PMP</li> <li>• Project work plan</li> </ul>	<ul style="list-style-type: none"> <li>• Project management</li> <li>• Project consultants in key areas</li> </ul>

		<ul style="list-style-type: none"> <li>• Project TPRs</li> <li>• Various assessment reports</li> </ul>	
4. What project elements /activities would be most relevant to recommend for institutionalization beyond the end of the project?	<p>To determine relevancy for institutionalization, assess institutional partners' views on needs (q.1), project achievement (q 9, 10) and capacity of institutional partners to institutionalize (what resources are needed, what resources are currently available, what is the likelihood that additional resources could be made available)</p> <p>Interviews with main social partners and project management. Triangulate views.</p> <p><u>Sample questions:</u></p> <p>Which project achievements (example, dialogue mechanisms, training programs, SCORE, LISA) merit your organization's efforts to sustain after the project? Why?</p> <p>What are the opportunities to replicate field level (ie EPZ based) training/capacity building programs? What is required to continue training/capacity building activities for employers/workers? Who needs to be involved and committed for this to be feasible?</p>	<ul style="list-style-type: none"> <li>• Various assessment reports</li> </ul>	<ul style="list-style-type: none"> <li>• Main Trade Unions: FTZGESU, Commercial and Industrial Workers Union (CIWU) Progress Union, Sri Lanka Nidahas Sevaka Sangamaya (SLNSS), National Trade Union Federation(NTUF)</li> <li>Others?</li> <li>• Employers Federation of Ceylon</li> <li>• Labor ministry officials in charge of labor inspections;</li> <li>• Sri Lankan Board of Investment representatives,</li> <li>• Judges and the labor tribunals presidents</li> <li>• Workers &amp; Employers in EPZ (Focus groups)</li> </ul>

			<ul style="list-style-type: none"> <li>• Project Management</li> </ul>
5. To what extent has the project been relevant and contributed to Sri Lanka Decent Work Country Programme? What synergy does the project have with other ILO projects and/or with other agencies' projects/program?	<p>Review Decent Work Country Program and current portfolio of project in Sri Lanka. Analyze synergies. Synergies may be found in meeting capacity building needs of key stakeholders, complementary funding for research and other activities, geographic targeting</p> <p><u>Sample Questions:</u></p> <p>What other on-going ILO programs were there in the last phase of this project. Were any of these particularly complementary? If so, how?</p>	Decent Work Country Program	<ul style="list-style-type: none"> <li>• ILO Country Program Director</li> <li>• Social partners</li> </ul>
6. Considering the results that were achieved so far, were the objectives, targets, and timing realistically set?	<p>For how to assess results achieved so far and their timeliness, see Qs. 8, 10, 19 under effectiveness and efficiency. To assess "realistic" consider if project design adequately assessed contextual, human resource, material resources constraints when setting objectives, targets and timing.</p> <p><u>Sample questions</u></p> <p>Do you think any of the issues and challenges that the project has experienced reaching its objectives should have/could have been anticipated better in the project design? Among the "unattained" projects objectives are there any that you would say were unrealistic from the outset?</p>	<p>Document review of:</p> <ul style="list-style-type: none"> <li>• Project Document</li> <li>• Project PMP</li> <li>• Project initial work plan and annual work plans</li> <li>• Project TPRs</li> </ul>	<ul style="list-style-type: none"> <li>• Project Management</li> <li>• Donor</li> <li>• Key stakeholders</li> </ul>
7. To what extent has the project has addressed specific issues	Assess what are possible "specific issues related to women workers" by exploring topic	Document review of:	<ul style="list-style-type: none"> <li>• Main Trade Unions: FTZGESU, Commercial</li> </ul>

related to women workers as part of the design?	<p>with main partners, in particular workers and employers in EPZ. Project addressed issue of sexual harassment. What other issues? Maternity Leave? Women's health? Equal pay for equal work? Women's access to leadership positions within specific organizations?</p> <p>For the above, address specific questions during focus groups with workers and employers in EPZ.</p> <p>Ask project manager (who has gender expertise) her views on how future projects should be designed to be more effective contributing to the specific needs of women workers.</p> <p>Assess if/how such issues were considered in project strategy in review of main project documentation.</p>	<ul style="list-style-type: none"> <li>• Project Document</li> <li>• Project PMP</li> <li>• Project initial work plan and annual work plans</li> <li>• Project TPRs</li> </ul>	<p>and Industrial Workers Union (CIWU) Progress Union, Sri Lanka Nidahas Sevaka Sangamaya (SLNSS), National Trade Union Federation(NTUF) Others?</p> <ul style="list-style-type: none"> <li>• Workers &amp; Employers in EPZ (Focus groups)</li> <li>• Project Management</li> </ul>
<b>Project Effectiveness</b>			
22. To what extent did the project achieve its objectives? Were outputs produced and delivered as per the work plan? Has the quantity and quality of these outputs been satisfactory? How do the stakeholders perceive them?	<p>Use the project M&amp;E framework as presented in evaluation TOR. Some targets are included in the output descriptions. See if other targets were set in phase III work plan on which project manager based her work. Use TPRs and other activities reports to compare planned outputs with actual progress made. See if indicators have been established to measure progress against planned outcomes. Use these and look for evidence according to indicators. If the indicators have not been developed, propose indicator and look for evidence. Document in table with the</p>	<p>Document review of:</p> <ul style="list-style-type: none"> <li>• Project Document</li> <li>• Project PMP</li> <li>• Project initial work plan and annual work plans</li> </ul>	<ul style="list-style-type: none"> <li>• Main Trade Unions: FTZGESU, Commercial and Industrial Workers Union (CIWU) Progress Union, Sri Lanka Nidahas Sevak</li> <li>Sangamaya (SLNSS), National Trade Union Federation(NTUF) Others?</li> </ul>

	<p>following headings: IO, Output, Activity, Status.</p> <p>To determine quality, review deliverables</p> <p>To assess stakeholder perceptions of quality, ask questions during interviews and focus groups with beneficiaries:</p> <p><u>Sample questions</u></p> <p>How to you assess the quality of the technical assistance you received for .....(reviewing labor code, designing and implementing an information system, providing guidelines to labor tribunal presidents, etc.)</p> <p>How do you perceive the quality and usefulness of ...(SCORE, trade union worker, human resource officer) training?</p>	<ul style="list-style-type: none"> <li>• Project TPRs</li> </ul>	<ul style="list-style-type: none"> <li>• Employers Federation of Ceylon</li> <li>• Labor ministry officials in charge of labor inspections;</li> <li>• Sri Lankan Board of Investment representatives.</li> </ul>
<p>23. In which area (objective/component, issue) does the project have the greatest achievements? Why and what have been the supporting factors? Are there any additional achievements of the project over and above what was foreseen in the project document? Were any unintended results of the project observed?</p>	<p>To assess which were the project greatest achievements, the evaluators will look at relevance factors (see q. 1-5), actual progress made and stakeholder perceptions (q.8). A great achievement should contribute to attaining the project's main objectives in ways that are considered highly relevant to stakeholder. Key stakeholder views will also be sought during interviews.</p> <p><u>Sample Questions</u></p> <p>What do you consider to be the project's greatest achievement and why?</p>	<p>Document review of:</p> <ul style="list-style-type: none"> <li>• Project Document</li> <li>• Project TPRs</li> </ul>	<ul style="list-style-type: none"> <li>• Main Trade Unions: FTZGESU, Commercial and Industrial Workers Union (CIWU) Progress Union, Sri Lanka Nidahas Sevak</li> <li>Sangamaya (SLNSS), National Trade Union Federation(NTUF) Others?</li> <li>• Employers Federation</li> </ul>

	Which among the project supported initiatives do you think has contributed to improved social dialogue? Greater legal protection of EPZ workers' fundamental labor rights? Strengthening the capacity of the Ministry of Labor to uphold workers' fundamental labor rights?		<p>of Ceylon</p> <ul style="list-style-type: none"> <li>• Labor ministry officials in charge of labor inspections;</li> <li>• Sri Lankan Board of Investment representatives.</li> </ul>
24. What were the major factors influencing the achievement or non-achievement of the objectives? Has the project addressed challenges and/or seized unforeseen opportunities effectively?	<p>To assess contextual factors influencing project performance, review documents:</p> <p>Project TPRs</p> <p>Background material on major social, economic, and political events in Sri Lanka. How did these affect stakeholder commitment to project implementation. How did events external to the project affect labor relations in Sri Lanka (elections)</p> <p>Conduct interviews with main partners and key informants</p> <p><u>Sample questions:</u></p> <p>Please provide an overview of challenges in the country operating environment during project implementation period. Has there been political and economic stability? Effect of elections and political change over?</p> <p>What were the main variables influencing labor relations in Sri Lanka in the last two</p>	<p>Document review of:</p> <ul style="list-style-type: none"> <li>• Project Document</li> <li>• Project PMP</li> <li>• Project initial work plan and annual work plans</li> <li>• Project TPRs</li> </ul>	<ul style="list-style-type: none"> <li>• Main Trade Unions: FTZGESU, Commercial and Industrial Workers Union (CIWU) Progress Union, Sri Lanka Nidahas Sevak</li> <li>Sangamaya (SLNSS), National Trade Union Federation (NTUF) Others?</li> <li>• Employers Federation of Ceylon</li> <li>• Labor ministry officials in charge of labor inspections;</li> <li>• Sri Lankan Board of Investment representatives.</li> </ul>

	<p>years?</p> <p>What are the challenges with proposed reforms to the Sri Lankan system for labor inspection?</p>		
<p>25. What improvements has the project made towards minimizing conflict and settling disputes in the industrial environment in general, and in the EPZs in particular? How effective were the following strategies:</p> <p>a. SCORE pilot</p> <p>b. Labor Tribunal Capacity Building</p> <p>c. Capacity building of the Ministry of Labor regarding mediation and dispute resolution</p> <p>d. BOI Capacity building</p>	<p>Determine the factors that generated conflict and prevented disputes from being settled in Sri Lanka's industrial environment and in the EPZs in particular. Answers may be found in the project document problem analysis, in assessment reports, other material written by experts, and by asking stakeholders.</p> <p>Assess the ways the project was able to influence those factors by initiative (a-d)</p> <p><u>Sample questions</u></p> <p>a. Was SCORE successful in promoting workplace cooperation in the companies in which it was piloted? Which aspects of the approach worked well in the EPZ setting? Do workers and employers perceive the outcomes of SCORE differently? How/in what ways?</p> <p>b. Did the assistance provided by the project help to make the labor tribunals more effective and efficient in dealing with labor disputes? Did it help reduce the backlog of cases? Did it affect decision making?</p> <p>c. Has LISA influenced labor relations? If so how? Did the project succeed in creating capacity within the Ministry of Labor to</p>	<ul style="list-style-type: none"> <li>• Project TPRs</li> <li>• Project assessments</li> <li>• Project Document</li> <li>• Other recent analytical reports on labor relations in Sri Lanka EPZ</li> </ul>	<ul style="list-style-type: none"> <li>• Main Trade Unions: FTZGESU, Commercial and Industrial Workers Union (CIWU) Progress Union, Sri Lanka Nidahas Sevak</li> <li>Sangamaya (SLNSS), National Trade Union Federation(NTUF) Others?</li> <li>• Employers Federation of Ceylon</li> <li>• Labor ministry officials in charge of labor inspections;</li> <li>• Sri Lankan Board of Investment representatives.</li> <li>• Focus group of BOI labor officers</li> <li>• Focus group of SCORE beneficiaries</li> </ul>

	<p>solve more disputes through mediation versus through court system?</p> <p>d. Has the project influenced the role played by BOI labor officers in EPZ? If so how? Have union perceptions of resistance from the BOI towards unionization changed in any way?</p>		
<p>26. How has labor rights in the EPZ's been addressed or improved through the project's interventions? Did project capacity building for trade unions enable them to be more effective in defending workers' rights in the EPZs? Did project capacity building for HR managers of EPZ enterprises contribute to greater respect for workers' rights?</p>	<p>To answer the question, identify what is understood by "labor rights" – this would include right to freedom of association and collective bargaining, right to participate in social dialogue to improve working conditions, right of defense against unfair labor practices, right to defend against sexual harassment on the job. Something else?</p> <p>Assess project strategies to improve workers' rights (as defined above), in particular project support for trade union and EPZ HR manager awareness raising programs and training programs.</p> <p><u>Sample questions</u></p> <p>To trade union leaders: Have worker education programs been successful in increasing unionization in EPZ? How? What are other factors that affect unionization?</p> <p>To workers: do think workers' rights are respected in your workplace. If not, what are some examples? Have worker education programs helped you to defend your rights</p>	<ul style="list-style-type: none"> <li>• Project TPRs</li> <li>• Project assessments</li> <li>• Project Document</li> <li>• Other recent analytical reports on labor relations in Sri Lanka EPZ</li> </ul>	<p>Trade Union leaders</p> <p>EFC</p> <p>HR manager focus group</p> <p>Worker focus group (workers who are members of trade unions and those that are not)</p>

	<p>with more success? How?</p> <p>What has been the impact of project supported awareness raising on sexual harassment in the workplace?</p> <p>Did project training affect HR manager practices? How?</p>		
<p>27. To what extent the project has acted upon the recommendations of the midterm evaluation:</p> <p>a. To what extent the project has tracked the progress of labor legislation reform initiatives</p> <p>b. Whether the project has revisited its strategy on how the paralegal training programme be translated into legal services for workers in the EPZs</p> <p>c. To what extent the project has organized a bipartite awareness raising programme in the EPZs to bring workers and</p>	<p>Assess project follow-up on phase II final evaluation:</p> <p>a. Was there tripartite agreement on the changes needed to bring labor law into full compliance with ILO principles of freedom of association and the right to collective bargaining? Was a roadmap for changes developed? How collaborative or inclusive was the process? Is the project tracking the changes that have been identified as priority?</p> <p>b. (to be addressed to project and trade unions) Was the project able to make any progress in phase III in increasing union member capacity to provide legal support to workers? Was the paralegal training delivered? If not, why not?</p> <p>c. In the previous phase, with the exception of stakeholder workshops, workers and employers mainly received training and other assistance from the project separately. In some other countries, the ILO has conducted joint training on topics such as social dialogue. Was that tried in Sri</p>	<ul style="list-style-type: none"> <li>• Project TPRs</li> </ul>	<ul style="list-style-type: none"> <li>• Project Management</li> <li>• Trade Union leaders</li> <li>• EFC</li> </ul>

<p>employers together to discuss and agree on key principles to resolve disputes through conciliation and mediation</p> <p>d. To what extent the project has strengthened its capacity building strategy regarding to workplace cooperation for TU partners and SMEs</p> <p>e. To what extent has the project strengthened its M &amp; E framework and associated data collection and reporting</p>	<p>Lanka?</p> <p>d. Will pose question as stated in ToR.</p> <p>e. Interview with project management:</p> <p>Describe changes made in M &amp; E system since phase 2 evaluation. Describe phase 3 project monitoring plan and implementation? How was it established? How was it used? What tools did the project use to collect information on its performance and outcomes? What constraints did the project experience in tracking its performance (example, how did it track and verify how many/who was trained in various training programs?)</p> <p>What constraints did the project experience in tracking/verifying its outcomes?</p>		
<p>28. Has the project supported women's leadership in the unions or in the unionizing process?</p>	<p>Identify possible avenues that the project might strengthen women's leadership in unions or unionizing progress – specific training for women union leaders? Specific strategies for recruiting women in trade union movements? By addressing issues of particular importance to women? By working in sectors that employ women in large numbers?</p> <p>Assess if the project used any of these strategies to make itself relevant to women</p>	<p>Relevant project activity reports and project TPR</p>	<ul style="list-style-type: none"> <li>• Worker focus groups</li> <li>• Trade union leaders</li> </ul>

	<p>workers and to strengthen their voice in decision making.</p> <p>Sample questions:</p> <p>Do you perceive there are barriers to a greater role in trade union leadership by women? What are they? What did the project do to support the trade unions to address these barriers?</p> <p>Do you perceive there are barriers to greater participation in trade unions by women? What are they? What did the project do to support the trade unions and or women workers to address these barriers?</p>		
<p>29. Has the project communicated effectively with national stakeholders? Do the stakeholders feel that their concerns have been sufficiently addressed? Were project governance committees effective in engaging stakeholders in project oversight and planning?</p>	<p>Through Interviews with main partners, assess partner perceptions of their needs for communication and consultation and their degree of satisfaction with project management response.</p> <p><u>Sample questions</u></p> <p>What was your role in the project governance? What were the mechanisms used by the project to elicit your participation in project planning and implementation? How effective were these? How could project management have done better?</p> <p>How often did the project steering committee meet? Which organizations were invited to participate?</p>		<ul style="list-style-type: none"> <li>• Main Trade Unions: FTZGESU, Commercial and Industrial Workers Union (CIWU) Progress Union, Sri Lanka Nidahas Sevak</li> <li>Sangamaya (SLNSS), National Trade Union Federation(NTUF) Others?</li> <li>• Employers Federation of Ceylon</li> <li>• Labor ministry officials in charge of</li> </ul>

	How often did the project organize stakeholder workshops to consult with its main stakeholders? What were the issues that were addressed? Are there examples that you can provide of ways that the project was responsive to your requests? Examples when it was not responsive?		labor inspections;  • Sri Lankan Board of Investment representatives.
30. To what extent and how the computerized labor inspection system increase the capacity of the labor inspectorate to improve compliance with national labor legislation?	<p>Assess the design of LISA (ease of use, forms, reports, choice of technology and hardware), its relevance to Ministry of Labor data needs and capacity to use data effectively for decision making, and ultimately to be more effective and efficient enforcing labor laws and protect workers from unfair or unsafe labor practices.</p> <p>Assess deployment strategy to date (extent to which the Ministry has been able to equip and train labor inspectors so that they use the system correctly to conduct inspections). Effectiveness of support systems for dealing with user problems. Effectiveness of strategies to overcome resistance from labor inspectors to adopt system.</p> <p>Assess the flexibility of the system to adapt to future needs.</p> <p>Interview SG of Ministry of Labor, Head of Inspection in Colombo.</p> <p>Visit at least two different labor offices – one that is deemed “exemplary” and one that is not, and interview office director and</p>	Project TPR  Developer reports	<p>Ministry Of Labor, Inspection department.</p> <p>Focus group of inspectors at national level</p> <p>Labor officers from two field offices</p> <p>Software developer</p>

	<p>personnel.</p> <p><u>Sample questions</u></p> <p>To manager/administrators: What percentage of labor inspections are now conducted using LISA? As a manager, are you/how are you using LISA reports/data to improve inspection? Have you been able to develop strategies to focus more inspection efforts on enterprises and areas where there are greater problems? Has the Ministry allocated an adequate budget for Internet and equipment maintenance at the office level? Where are the bottlenecks in resolving issues raised through inspection visits? What can be done to address these?</p> <p>To inspectors: do you think your capacity to carry out inspections efficiently has improved with the adoption of LISA. If so, how? Has anything gotten worse? What? Could the system be improved? How?</p>		
<b>Efficiency of Resource Use</b>			
31. Have resources (funds, human resources, time, expertise, etc.) been allocated strategically, efficiently, and timely to achieve outcomes?	<p>Interview with project management on staffing, use of national consultants, use of international consultants, contributions from other sources, leveraging collaboration with other projects with similar goals</p> <p>Analysis of expenditures – % of budget by major output to see where biggest investments were and compare with</p>	<p>Project budget</p> <p>Project financial reports</p> <p>Major Activity or Sub grant datasheets/budgets</p>	Project Management

	other analysis about project achievements and potential for sustainability		
32. How effective was the backstopping support provided by ILO to throughout the project implementation?	<p>To determine back stopping effectiveness, will assess project management perceived needs and level of satisfaction with support received, and persons in charge of backstopping perceptions of the ways that they were able to support project, especially at critical junctions (such as when one project phase ended and another started)</p> <p><u>Sample questions:</u></p> <p>Were management roles clearly defined? Were technical and administrative support services to project manager adequate?</p> <p>Was communication/coordination within the ILO adequate?</p> <p>When was backstopping critical to project performance? Was it provided at these times?</p>	<ul style="list-style-type: none"> <li>• Project TPRs</li> </ul>	<ul style="list-style-type: none"> <li>• Project Management in Sri Lanka</li> <li>• Geneva based person in charge of “backstopping”</li> <li>• Donor/Manager</li> </ul>
33. Have project funds and activities been delivered in a timely manner?	Assess whether the project experienced activity implementation delays. What were the reasons? Were there delays that affected the project adversely? How? What are the reasons for the no cost extension?	Project TPRs	<ul style="list-style-type: none"> <li>• Main Trade Unions: FTZGESU, Commercial and Industrial Workers Union (CIWU) Progress Union, Sri Lanka</li> </ul>

	<p><u>Sample questions to recipients of grants:</u></p> <p>How efficient was the project in the approval and disbursement of grant funds? If there were delays, what were the reasons?</p>		<p>Nidahas Sevak</p> <p>Sangamaya (SLNSS), National Trade Union Federation(NTUF) Others?</p> <ul style="list-style-type: none"> <li>• Employers Federation of Ceylon</li> <li>• Labor ministry officials in charge of labor inspections;</li> <li>• Sri Lankan Board of Investment representatives.</li> <li>• Project Management</li> </ul>
<p>34. Was the project adequately staffed? To what extent did management capacities and arrangements put in place support the achievement of results?</p>	<p>Assess project human resource strategy. How did it deploy human resources to meet its objectives? What was the role of the project manager? Who else within the ILO assisted with implementation? How?</p> <p>How did ILO international experts contribute to project results? Did the project fully leverage national institutions and experts? What could other projects learn from this one in terms of management practices?</p> <p><u>Sample questions:</u></p>	<p>Project TPR</p> <p>Project Assessments</p>	<ul style="list-style-type: none"> <li>• Project Management in Sri Lanka</li> <li>• Geneva based person in charge of “backstopping”</li> </ul>

	<p>Explain the project management plan. Were human resources sufficient? How did you manage with limited resources? Did you have the right expertise for the work you were responsible to carry out? How did you compensate? Which consultants do you feel were particularly well suited to the needs of project stakeholders? Why Were there any gaps in available expertise?</p>		
<p>35. What are the key elements that the project developed that could be sustained beyond the life of the project (e.g. capacity transferable to the MoLMP, trade unions or other target groups and partners)? In particular how sustainable are the following:</p> <p>a. SCORE</p> <p>b. LISA</p>	<p>To assess service sustainability (LISA, Score training), look at a.) Institutional capacity and commitment issues (has a viable institution taken ownership of the service, do they have the needed skills, do they have the necessary financial resources) b) Does the institution have a vision for how the service will evolve when needs change? c) Are there any other “enabling” factors for service sustainability such as formal institutional or budget decisions (allocating human resources to take over from project supported personnel)</p> <p><u>Sample questions</u></p> <p><i>Score sustainability</i></p> <p>How many SCORE facilitators were trained? What is there level of expertise?</p> <p>What is the business model for sustaining SCORE (who will pay for the</p>	<p>Project TPR</p> <p>Activity reports</p>	<p>LISA Consultant</p> <p>Ministry of Labor – national level</p> <p>Ministry of Labor –Labor Office Level</p> <p>EFC</p> <p>National Productivity Institute</p> <p>Score consultant</p>

	<p>service?)</p> <p>What Institution will host the service? How committed are they to marketing the service?</p> <p><i>LISA sustainability:</i></p> <p>Is there a support contract with the software developer?</p> <p>Where is the system hosted?</p> <p>Is there a system in place to archive data?</p> <p>Is there a budget allocated for equipment replacement?</p> <p>Is there a system in place for user support in the labor offices?</p>		
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## ANNEX 4: List of Documents Reviewed

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1. Alternate Dispute Resolution Mechanisms In Sri Lanka Relating To Employment, no date.
2. Challenges and Opportunities to Promote Freedom of Association and Collective Bargaining in the Ready Made Garment Sector in Sri Lanka, Priyanthi Fernando and Shyamain Wickramasinghe, International Labour Organisation Colombo, October 2015.
3. Decent Work Country Program Sri Lanka 2013-2017 International Labour Organization
4. Emerging Trends in Employee Participation in Sri Lanka, ILO Working Paper No. 46, Shyamali Ranaraja, January 2013
5. Establishing a Specialist Mediation Unit within the Ministry of Labour and Labour Relations of Sri Lanka, Clive Thompson, 24 December, 2014.
6. Field Guide for Labour Inspectors, Department of Labour Sarath Ranaweera, Daya Senarathne, Norton Fernando, Edited by Upali Athukorala. International Labour Organization, 2011.
7. Final Progress Report, Outcome Based Partnership Outcome 14: The Right To Freedom Of Association And Collective Bargaining Is Widely Known And Exercised Promoting The Right To Freedom Of Association And The Right To Collective Bargaining Sri Lanka January 2015-December 2015
8. Guidelines for High Court Judges Regarding Labour Tribunal Appeals,
9. ILO/SCORE Short Programme Sri Lanka, Project Implementation Report, Pr/Ilo/Score-Sp/Srl/03, December 2015
10. ILO Training Programme on Mediation and Conciliation, 17 -18 September 2015, Waters Edge, Battaramulla, Sri Lanka
11. "Labour Inspection Policy 2013: Effective Labour Inspection for Achieving Equity and Economic Growth in Sri Lanka" (Draft 12 October 2012)
12. Labour Standards & Employment Relation Manual, Board of Investment of Sri Lanka, July 2010.
13. LISA Progress Report, Shiham Thabreez, Lisa Project Consultant, May, 2016.
14. Module For Mediators Resolving Employment Issues, no date.
15. Position Paper Regarding Labour Tribunals, no date.
16. Post-Training Report of Seminar on International Labour Standards For Judges, Lawyers and Legal Educators held in Turin Italy from 22<sup>nd</sup> June – 3<sup>rd</sup> July 2015
17. Promoting Collective Bargaining in Sri Lanka Mission Report, Roger Lecourt and Claude Rioux, 19 November 2015.
18. "Promoting Fundamental Principles and Rights at Work in Sri Lanka," Break down of Programme Expenditure from 2013 to 2016.

19. "Promoting Fundamental Principles and Rights at Work in Sri Lanka" Final Project Document
20. "Promoting Fundamental Principles and Rights at Work in Sri Lanka" Phase II Log Frame.
21. "Promoting Fundamental Principles and Rights at Work in Sri Lanka" Phase II Final Evaluation, June 2015.
22. "Promoting Fundamental Principles and Rights at Work in Sri Lanka," Draft Work plan and Monitoring and Evaluation plan, updated September 2015.
23. Proposed Regulations/Code For Labour Tribunal Proceedings , no date.
24. Report by Free Trade Zones and General Services Employees on Work Education Programs in Northern Sri Lanka, July 2016.
25. Sri Lanka FPRW Project Advisory Council Minutes 15 August, 2014, 7 November 2014, March 2015, August 2015.
26. Technical Progress Reports, "Promoting Fundamental Principles and Rights at Work in Sri Lanka" ILO, all reporting periods from September-December 2014 to April - June 2016.

## **ANNEX 5: List of Interviews, Meetings and Site Visits**

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## **ANNEX 6: Stakeholder Workshop Agenda**

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### **Agenda**

#### **Final Evaluation Workshop for USDOL Funded ILO FPRW Project**

**21 September 2016**

**Venue: Renuka City Hotel, Colombo**

09.00 – 09.30 am – Registration

09.30 – 09.40 am – Welcome address by Country Director, ILO Office for Sri Lanka and the Maldives

9.40 -10.40 am – Presentation by Sandy Wark and Mini Thakur, (independent evaluators for USDOL and the ILO) on the preliminary findings of final evaluation

10.40 – 11 am – Tea Break

11 – 12 noon – Open floor discussion:

- Ministry of Labour and TU Relations
- Employers' Federation of Ceylon
- Trade Union representatives
- Other stakeholders

12 to 12.10 pm – Presentation on work plans for the next three months by NPC.

12.10 – 12.20 pm – Remarks (if any) by Constituents and other stakeholders

12.20 – 12.30 pm – Wrap up by NPC

12.30 pm – Lunch