



Evaluation Executive Summary



International
Labour
Organisation

Evaluation Office

Promoting respect for the labour rights of workers in the informal economy in Costa Rica, El Salvador and Honduras. 2012-2016 (PROSEI)

Quick Data

Countries: *Costa Rica, El Salvador, Honduras*

Midterm Evaluation: *Intermediate*

Date: *December- January 2015*

Type of evaluation: *Independent*

Technical field: *EMP/POLICY*

Evaluation Management: *Cybele Burga*

Evaluation Team: *Gabriela León*

Project conclusion date:

ILO Code: *RLA/12/01/USA*

Donor and budget: *State Department of the USA (USD \$ 2, 079,108.00)*

Key words: *Informal economy, decent work, workers' rights*

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

This project has the purpose of establishing and strengthening the mechanisms that the workers in the informal economy have available to access social protection and the full exercise of their rights. As part of the results, the following is expected: 1) an increase of the organisational capacity and the productivity of the workers in the informal economy; 2) an increase of the State's capacity to respond to the needs of the workers in the informal economy, including access to formalisation and social protection;

3) strengthening of the laws in force and the new policies formulated to provide social services to the workers in the informal economy; and 4) eliminate barriers to the formalisation and greater awareness of the labour rights in the informal economy.

Current situation of the project

The project is about to initiate its second intervention phase in the countries prioritised since its beginnings, although three municipalities have been added since, one in each country, that is: Costa Rica: San José, Honduras: San Pedro Sula and El Salvador: San Salvador.

Purpose, scope and clients of the evaluation

The evaluation has the purpose of establishing the relevance of the components, activities and products with regard to the needs of the main beneficiaries of the project and the strategic objectives of the ILO. At the same time, it will assess the coherence of the strategy and the methodology for the development of the logic model of the Project; it will identify the added value of the technical assistance of ILO in the development of the objectives of the Project and will measure the current progress of the Project, evaluating in what measure the products are established for each Project component that is being achieved.

In the same way, the assessment exercise will analyse the efficiency of the intervention strategies and Project management. It will identify good practices and lessons learned

from the intervention, with the purpose of maximizing the experience acquired, and will also propose recommendations for future interventions. It will also assess the feasibility of the sustainability of the results, processes and strategies worked on and will establish recommendations for Phase 2 of the project.

The scope of the evaluation comprises the PROSEI project as a whole. That is, each one of the components executed in the three countries contemplated: Costa Rica, El Salvador and Honduras. With regard to the evaluation period, this one covers two years, from the beginning of the execution of the funds (October 2012) up to the time of the evaluation (October 2014).

Evaluation Methodology

The approach used is the evaluation based on results. The methodological techniques that will be used in the evaluation are qualitative techniques, such as semi-structured interviews and documentary reviews.

With regard to the information sources used, these are described as follows: (1) Trimestral reports generated by the coordination offices in the project countries; (2) Reports generated by the Regional Coordination; (3) Labour Overview 2013. ILO; (4) National Development Plan; (5) Development Plans of each Municipality; (6) Interviews with players involved, both at the MMDT (Mesa Municipal de Diálogo Tripartito – Tripartite Dialogue Municipal Table) (employers, unions and Municipalities) as well as in focus groups; (7) Interviews with ILO specialist officials and with the national coordination offices.

Findings and main conclusions

Relevance and strategic aptitude

1 According to ILO data (2009) Honduras has approximately 70% of the people occupied in the informality sector, whilst El Salvador has 42% and Costa Rica 38%.

2. PROSEI is relevant with the strategic lines and policies of ILO, which has as its priority axis, employment. There is congruence between the project and the National Development Plans of the participating countries. In addition, the project was

adjusted and supported the implementation plans of the municipalities. The base-line product has been fundamental in the three countries to get closer to the reality that is lived in the municipalities and to adjust the communication and coordination channels between the players.

3. For the total players interviewed, PROSEI incides positively on the informal sector, in municipal planning and in promoting dialogue between different sectors.

4. There is evidence that the project has generated bonding and synergy with other ILO projects and external initiatives; various articulations were also performed with the public sector in the three countries.

Validity of the design

1. The components, results, expected products and activities have an adequate, coherent and valid intervention logic. However, an area for improvement is the relationship between the components and the planning time that was designed.

2. Component 3, about strengthening of the existing laws and the formulation of new policies, is a result which is not very feasible to achieve in the execution time of the project, including the second phase until 2016 and taking into consideration that their approval and advance depends on other players.

3. There are various perceptions according to the country with regard to the capacity of the project to be flexible and adjust to the context and emerging conditions.

4. With regard to the gender approach, indicated in the PROSEI as a mainstream axis, different actions were found which PROSEI has been implementing with disaggregate information according to gender and adjustment to the activities for inclusive schedules, as well as a higher feminine participation. However, there was no evidence of an articulated and defined strategy in the three countries to mainstream this approach in each component, where clear mechanisms and specific affirmative actions are defined for their application. Only the disaggregation of the participation in activities by gender is identified in the three countries and in general, a greater number of women participants.

5. Three aspects stand out as innovating in PROSEI: the MMDT indicated by the participants, the use of social networks to boost synergies and exchanges and the inclusion of the topic of the informal economy in the Home Surveys in the three countries.

6. There was an inadequate planning of the time of execution for the conclusion of activities and compliance with products, which have been moved to the second phase.

Management structure effectiveness

1. The players in the three countries highlight positively the communication of the coordination offices with the other players.

2. With regard to the budget, it was identified that this one is managed with a different format different from the one established in PROSEI, so it limited the establishment of the expenditure by activity and component, since it only presents general headings such as travel, seminars, consultancies, among others.

3. A monitoring and evaluation system for the project itself was not found. The Programming Office has a general follow-up, but not by project in the countries in execution. By initiative of the general coordination office, trimestral reports are submitted which allow follow-up of the activities and products of PROSEI.

Effectiveness

1. The majority of the products planned were achieved in the terms stipulated. Nevertheless, component three has significant backlogs in the three countries. On its part, component two on social dialogue and awareness has advanced more than expected.

2. With regard to component 3 on the issue of legislation, there is little progress shown, since the objectives set out for that component require much more time to evidence results, it is more complex and needs the support of other entities separate from the project on the Executive and Legislative levels.

3. 60% of the planned activities have been fulfilled and 26% are on an intermediate level. 14% do not show or report advance, such is the case of product 2.2 "Establishment of a tripartite National Observation Group"

which was assumed by the MMDT.

4. There is a mostly satisfactory perception from the players interviewed about the products that the project has achieved in these two years. However, some of them show delays in different ways in the countries. As an example, on the topic of simplifying municipal procedures, only Costa Rica was able to design the process, although it still has not been implemented.

5. Among the most important products executed in these two years of PROSEI, the base-line, the dialogue tables and the union primer can be identified, as well as the strengthening of capabilities through workshops, training and exchanges with beneficiaries from other countries.

6. With regard to the indicators, these allow the verification of follow-up and results established. However, many of them respond to an impact measurement that the project has not contemplated valuing and that escapes from its scope.

Efficiency in the use of resources

1. A limitation for the analysis of this criterion was that there was only access to financial reports of funds executed for the year 2014.

2. For this year, most of the resources were assigned to the "personal" heading, followed by travel and contracts (consultancies).

3. With regard to the general valuation of the budget execution, a relevant finding extracted from the interviews with the coordination offices, is that the project has been able to mobilise non-economic resources by other institutions or sectors, especially those represented in the MMDT, such as the case of the Municipalities and the business sector.

Orientation towards impact and sustainability

1. There is evidence to state that the project is creating conditions to generate sustainability, since the dialogue mechanisms are being strengthened and they are attempting to install practices and procedures that will allow its continuity. More work should be done in programme and budget sustainability and bonding with the public institutions.

About the second phase (2015-2016)

1. The current structure of the project is maintained for the second phase. Nevertheless, it has been planned in the design to duplicate in quantitative terms the number of municipalities that participate. The entities selected are municipalities that due to their characteristics are more complex and cover a larger territory.

2. In the second phase, continuity is offered to the objectives of the first phase, but the number of activities increases for each component.

3. According to the documentary review performed, the selection of the municipalities for the second phase seems to be accurate, since those areas present important informality percentages and represent central cantons relevant to the dynamics of the countries.

4. With regard to the second phase, the budget assigned is lower than for the first phase (1,089,108 dollars for the first phase against 990,000 for the second phase), but with a larger number of activities since three additional municipalities are incorporated, one per country.

Recommendations

It is recommended to ILO

1. To strengthen the awareness processes in the new municipalities through the exchange of national and regional experiences, that is, between the Municipalities of the first phase and the second one and the experience of the MMDT amongst the countries.

2. Disclose the project with various institutions on the national level in the three countries in order to open greater possibilities for synergies and bonds, which will at the same time endow the actions that the project has executed with sustainability.

3. Two context elements were found which should be considered more strategically in the second phase of the project. For both cases, it is recommended to develop an intervention strategy, in conjunction with the different national players: a) In El Salvador

the municipal elections will take place in March of 2015 and b) the social insecurity situation that exists in Honduras.

4. Define a strategy to incorporate the gender approach as a mainstream axis in the actions that will be developed in the second phase of the project.

It is recommended to the MMDT of the three countries.

5. It is recommended to assess the possibility of including representatives of the focus groups into the MMDT.

6. Define the profiles of the workers for training and counselling, according to the particular needs and based on that, set up different groups according to their interests.

7. Adopt for Costa Rica and El Salvador the coordination mechanism that the Honduras table currently has.

It is recommended to the coordinators of PROSEI

8. In the second phase of the project, it has been planned to duplicate the number of municipalities in each country. This not only implies an increase in the products and actions that must be executed in the next years, but also increases the complexity of the procedures of the various players, interests and demands. It is recommended to assess the current structure of the project, in order to analyse if the human resource available is sufficient for the second phase.

9. For the second phase, it is recommended to reinforce component 2 of the project, which seeks to promote the dialogue between local and national players, with the purpose of increasing the State's capacity to respond to the needs of the workers in the informal economy.

10. It is recommended to work on the issue of credit and financing strategies for the groups of workers in the informal economy, which will allow the increase of productivity and the strengthening of the organisational capacity of these.

More details are available in the full report.