



International Labour Organization

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Evaluation

ILO EVALUATION

- Evaluation Title: **Improving the garment sector in Lao PDR: Compliance through Inspection and Dialogue**
- ILO TC/SYMBOL: **LAO/13/01/IDA**
- Type of Evaluation : **Internal Midterm Evaluation**
- Country(ies) : **Lao PDR**
- Date of the evaluation: **13 May 2016**
- Name of consultant(s): **David Tajgman**
- ILO Administrative Office: **ILO Regional Office for Asia and the Pacific (ILO ROAP)**
- ILO Technical Backstopping Office: **DWT for East and South-East Asia and the Pacific**
- Other agencies involved in joint evaluation: **None**
- Date project ends: **March 2017**
- Donor: country and budget US\$ **1,350,000**
- Evaluation Manager: **René Robert**
- Key Words: **labour inspection, corporate social responsibility, garment sector**

This evaluation has been conducted according to ILO's evaluation policies and procedures. It has not been professionally edited, but has undergone quality control by the ILO Evaluation Office.

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International Labour Office

**Improving the garment sector in Lao PDR: Compliance through Inspection and
Dialogue
Project Code LAO/13/01/IDA**

**Report of the Internal
Project Mid-Term Evaluation**

Submitted 13 May 2016

**For the International Labour Office
By David Tajgman**

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Acronyms

Acronyms are used in this paper from the outset, for the sake of brevity.

ALGI	Association of Lao Garment Industry
BFC	Better Factories Cambodia
BWG	Better Work Global
BWV	Better Work Vietnam
CBED	Community Based Enterprise Development
DO	Development Objective
DWCP	Decent Work Country Programme
DWT	Decent Work Team
EA	Enterprise assessor/adviser (Better Work)
GoL	Government of Lao PDR
GSDC	Garment Skills Development Centre
HR	Human resources
IDA	International Development Association
IO	Immediate Objective
IPM	International Project Manager
ITC-ILO	International Training Centre of the ILO (Turin Centre)
LAA	Labour Administration Authority (of the GoL)
LFTU	Lao Federation of Trade Unions
LI	labour inspectorate or labour inspection, depending on context
LMD	Labour Management Department (of MoLSW)
LNCCI	Lao National Chamber of Commerce and Industry
M&E	Monitoring and evaluation
MIC	Ministry of Industry and Commerce
MoLSW	Ministry of Labour and Social Welfare
NAA	National Administrative Assistant
NIU	National Implementation Unit (of Ministry of Industry and Commerce)
NPC	National Project Coordinators
PAC	Project Advisory Committee
PAD	Project Appraisal Document (World Bank)
prodoc	Project Document
TCPR	Technical Cooperation Progress Report
TDF	Trade Development Facility
TDF-2	Second Trade Development Facility
ToC	Theory of Change
WB	World Bank
WIC	Workplace Improvement Committees
WIP	Workplace Improvement Plans

Acknowledgments

The evaluator would like to sincerely thank the current project personnel – Ms. Kristina Kurths, Ms. Sommany Sihathep, and Ms. Phonemany Phommachak – backstopping ILO Officials Mr. René Robert and Ms. Pamornrat Pringsulaka, and interpreter Mr. Kolokot, for their support during evaluation mission, as well as all those interviewed for sharing their perspectives about this project.

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1 Project background

1. This part of the report briefly describes the context and intervention logic of the project, including a summary of project objectives. It includes information on intended contributions from ILO departments and stakeholders, funding and organizational arrangements, and a brief review of the project's implementation.
2. This is an internal mid-term evaluation of the project entitled Improving the Garment Sector in Lao PDR: Compliance through Dialogue and Inspection (LAO/13/01/IDA).

1.1 Context of the Project

3. Employment in Lao PDR is mostly in the agricultural sector; outside of the public sector, most formal employment is found in garment production. With a view to promoting employment growth and diversification, consideration has been given to promoting trade for the garment sector. A perceived key hurdle has been the absence of information on working conditions. A pre-project World Bank/Better Work study based on primary research published in August 2012 indicated that they were poor and that improvement of the situation could improve the likelihood of orders from reputation-sensitive international buyers.¹
4. The garment sector is Lao PDR's largest manufacturing employer and makes a significant contribution to annual national exports. In 2013, about 30,000 workers were estimated employed by about 60 exporting factories and 45 subcontracting firms with production mainly in and around the capital, Vientiane. Today, 28,000 workers are estimated working in the sector. There continue to be about 100 garment factories in Vientiane. Only about 40 produce for international buyers, and a smaller number for reputation sensitive buyers who insist on compliance audits and/or factory compliance certifications. The research from 2012 indicated that two-thirds of all (9) large firms participated in an international social compliance certification scheme, while no small firms and only one medium-sized firm did.² This is the result of the market orientation of the firms, reflecting divergent interests in respect of private compliance assurance processes and factory's acceptability to buyers, only some of which are reputation sensitive.
5. Garment workers are mostly women under 25 from outside Vientiane. They tend to see the work as temporary, generating extra income for their families and improving their own prospects. The 2012 study found that most have a limited understanding of their contractual rights and obligations, and working and living conditions in the sector are often difficult, with long hours and compulsory overtime.³
6. Garment sector employers identify labour supply as their most significant operational constraint. For example, some report that only half their workers stay beyond three years.

¹ Record, R., Kuttner, S. & Phouxay, K. 2012. *Labour practices and productivity in the Lao garments sector: Perspectives from managers and workers*, Better Work Discussion Paper Series, Available at: <http://betterwork.org/global/wp-content/uploads/2012/08/DP-8.pdf>.

² Ibid., unnumbered p. 15 (text accompanying footnote 22). Large firms (+500 employees) = 9, medium firms (100-499 employees) = 22, small firms (<100 employees) = 47.

³ Ibid.

Firms find it hard to improve productivity while regularly losing experienced workers; and the sector remains stuck in a cycle of low productivity and high staff turnover.

7. The ALGI strongly promoted the project and its premise. It has 49 factories as members, of which 37 are fully foreign owned and 12 are Lao owned. Of the some 100 garment factories in the country, 60 are licensed to export.

1.2 Intervention logic and project objectives

8. The DO of the project is:

- "To improve compliance and working conditions and to increase competitiveness of the Lao garment industry."

9. The project has three IOs:

- IO 1: The capacity of the labour inspection system in Lao PDR is improved so that it can effectively undertake labour inspection functions for the benefit of workers and employers in the garment sector. (Henceforth, "LI IO")
- IO 2: Workers and employers in the garment sector are aware of their rights and obligations and understand how to achieve compliance. (Henceforth, "Rights IO")
- IO 3: The Project's assessment, advisory and training services allow factories participating in the Project to adhere to national labour law and international labour standards and improve competitiveness through workplace cooperation. (Henceforth, "Improvement IO")

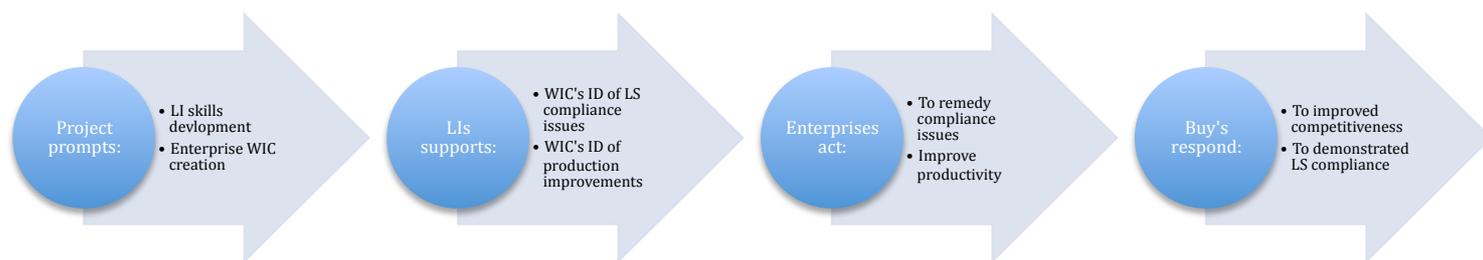
10. The project's publicized factsheet – inserting information ***about the role of labour inspection*** that is not mentioned in the DO – says that:

*"The projects **aims** to improve working conditions, productivity and competitiveness in the Lao garment manufacturing sector **by strengthening the national labour inspection system to ensure compliance with national labour laws in line with international labour standards**. The project will **also** improve workers' and employers' understanding of labour law and their role in ensuring good working conditions, while empowering factory managers and employees to design and implement workplace improvement plans."*

11. The fact sheet fairly summarizes the ToC reflected in the prodoc: "To achieve these objectives the project will work at three levels: (1) Improve the capacity of the labour inspection system to achieve compliance, using up-to-date ILO tools and methodologies and incorporating lessons learned from other labour inspectorates in the region. (2) Develop and implement an awareness-raising strategy for workers and employers so that they are aware of their rights and obligations under the labour law. (3) Implement a targeted compliance strategy for the garment sector." The prodoc refers to level 3 *sequentially*, saying that "thirdly" the project will "build on these first two elements" to implement the targeted compliance strategy for the garment industry.

12. The project's ToC sees improvement in garment enterprise productivity and labour standards' compliance through the action of WICs prompted by the government labour inspectors working with skills and approaches strengthened through project activities. The market for Lao garments improves in response to these improvements. See Figure 1 below.

Figure 1: Project ToC



1.3 Funding arrangements

13. The project is funded by a multi donor trust fund with contributions from Australia, the European Union, Germany, Ireland, USA and the World Bank. The grant, TDF-2, is administered by the IDA, and was made over to the government by the IDA of the WB on 28 March 2013. The Government of Lao PDR thereafter contracted with the ILO on 23 July 2014 to provide the services envisaged in the project document. Donor oversight is managed by the NIU based in the MIC and responsible for the implementation of projects under TDF-II. The project also has a PAC that meets on a quarterly basis. The project is set to end in about March 2017.

1.4 Organizational arrangements

14. The project has a staff of three persons: an IPM, a NPC, and a NAA. The MoLSW was designated as the implementing partner for the project. The prodoc specifically envisaged that the "international manager should serve for at least 24 months, working closely with a national project coordinator, *mentoring the national coordinator to take over the project*" (emphasis added).

15. The project keeps its office in the central MoLSW building in Vientiane; this is also where the national authority responsible for labour inspection is housed. During the first year of project activity, project staff shared the office with the designated government counterpart. At the start of the second year, coincident with the change of IPM, the project moved to another office space in a building abutting the original office location.

16. In addition to technical backstopping, the ILO Country Office for Thailand, Cambodia and Lao PDR provides financial and administrative backstopping support to the project, facilitating all financial transactions, contracts, and procurement of equipment.

1.5 Contributions of ILO departments and stakeholders

17. On labour inspection policy, methodologies and regulatory frameworks, two ILO labour inspection & administration specialists based in Geneva were named in the prodoc to provide support. In the event, one has moved to the ILO DWT in Bangkok and provides primary support.

18. BWG (based in Geneva), BWV and BFC were named and tasked to "share experiences, lessons learned, checklists, guides, methodologies and other tools and resources that have been developed." In the event, the BW Operations in Bangkok has provided direct support.

19. The ILO's OSH and IR specialists in the Bangkok DWT were also identified to provide guidance and technical backstopping on multiple aspects of project implementation.

20. The prodoc foresaw project implementation in three phases, reflected by the LI IO, Rights IO, and Improvement IO. As for the first, it was foreseen that:

"The majority of the training for labour inspectors will be delivered by the international project manager and a senior international consultant on labour inspection. Specialists from Better Work and ILO Safety and Health shall also contribute to the training of labour inspectors. Ongoing mentoring to labour inspectors will be provided by the international project manager."

21. As for the Rights IO, the prodoc, generally indicated that "the Project will make every effort to use national training institutions, consultants and individuals to conduct its activities," and foresaw:

"The general training and awareness-raising on rights and obligations under the law (Immediate Objective 2) will be carried out by national consultants. These shall be identified in consultation with the principle stakeholders: MoLSW, AGLI/LNCCI, and LFTU."

22. As for the Improvement IO, "with the assistance of the labour inspectorate,":

"The Project will assist the workers and the employer of selected target factories to work together to design and implement a workplace improvement plan, with the aim of achieving improvements in working conditions and productivity. This will be done through workplace cooperation, building on existing bipartite structures at the workplace where they already exist."

23. The further role of stakeholders in project implementation is explored below at paragraphs 88, *et seq.*

1.6 Brief review of project implementation

24. The project start was delayed. The prodoc's work plan indicated a project start date of 1 June 2014. In the event, the prodoc was signed in July 2014, with benchmarks for the selection and placement in post of all staff in Q3 2014. The IPM took up post in Q1 2015 (January), the administrative assistant in Q2 2015 (April), and the NPC in Q2 2015 (May). Once staff was in place, however, project activities have rolled out steadily. This can be clearly seen in Annex III: Project timeline starting at page 37. Progress reports to the ILO and the NIU were timely prepared and delivered. As can be seen from them, the roll out of activities compares favourable with that foreseen in the prodoc logframe.

25. Despite having shown effectiveness in delivering on project activities, the IPM first employed in the project decided not to continue for a second year and left post mid-January 2016. A second IPM was quickly identified and took up post mid-March 2016.

2 Evaluation background

26. Drawing on its ToR, this part of the report indicates the purpose and scope of the evaluation, its clients and special focus areas, the operational sequence of the evaluation, name of the evaluator and evaluation manager.

2.1 Purpose of the evaluation

27. The prodoc foresaw an independent mid-term evaluation to be carried out in 2014.⁴ In the event, an internal mid-term evaluation was commissioned for April 2016. The identified purpose of the evaluation is 3-fold:

- a) to review *progress against the expected project deliverables and outcomes* and to propose any course correction for the project's final year;⁵
- b) to assess the *continued feasibility of the project design*, particularly for the garment factory phase of the project, especially given the expected increase in factories covered; and
- c) to *consider options for sustainability* of compliance action in the country beyond the end of the project (both within and beyond the garment sector).

28. It is foreseen that "knowledge and information obtained from the evaluation will be used as a basis for better design and management of current and future ILO activities in Lao PDR. The evaluation also supports public accountability of the Government of Lao PDR and the ILO."⁶

2.2 Scope of the evaluation

29. The ToR specify that the evaluation covers "all project activities undertaken up to 29 February 2016. The evaluation will verify good practices and lessons learned from the implementation of the project. A set of practical recommendations will be included in the evaluation report aimed at improving project management, constituent coordination and overall implementation."⁷

2.3 Clients of the evaluation

30. Clients and users of the evaluation are:

- a) the Project team;
- b) the ILO Country Office for Thailand, Cambodia and Lao PDR;
- c) ILO HQ and RO/DWT-Bangkok;
- d) the Government of Lao PDR [MoLSW, MoIC (NIU)];
- e) LFTU, LNCCI, ALGI; and
- f) the donor (World Bank and respective countries under the TDF-II).

31. It is foreseen that the findings and recommendations of the evaluation will be shared and discussed with members of the PAC and the NIU.

2.4 Special focus areas

32. The evaluation has been asked in particular to focus on:

- a) the progress of the project against output and outcome targets;

⁴ At section 7, Monitoring, Evaluation Plan and Reporting, p. 21.

⁵ In so doing the evaluation is will identify the achievements, good practices and lessons learned from the project. Good practices could not be identified.

⁶ ToR, Objectives of the evaluation, para. 2.

⁷ ToR, Scope of the evaluation, para. 1.

- b) the extent to which management arrangements are appropriate to achieve desired results and outcomes within a timely, effective and efficient manner;
- c) the level of engagement with and satisfaction of project constituents and direct beneficiaries;
- d) the quality of operational work planning, budgeting and risk management;
- e) lessons learned and good practices;
- f) prospects for the model to improve workplace compliance in the garment sector with the labour inspectorate beyond the expected end of the project.

2.5 Operational sequence of the evaluation

33. The evaluation began with a very brief document review, followed by the preparation of an Inception Report that was agreed by the Office. A 4-days mission to Vientiane and 1-the day mission to ILO Office in Bangkok were taken; interviews and site visits were conducted during these days. Days of document review and reporting writing followed, punctuated by Skype interviews as listed in Annex II at page 35.

2.6 Evaluator

34. David Tajgman, Consultant and Evaluator, was assigned the task of preparing this evaluation. The evaluation manager is René Robert, ILO DWT Bangkok.

3 Methodology

35. The main evaluation criteria, the evaluation questions and a description of the evaluation methods and data collection instruments used are set out in this part of the report.

3.1 Evaluation criteria

36. Overall, this evaluation follows ILO guidance for internal evaluations.⁸ Following that guidance, the evaluation questions reflect core OECD/DAC evaluation criteria of relevance, effectiveness, efficiency, impact, and sustainability.

- The *relevance* criteria uses questions to determine the extent to which the objectives of the project are consistent with beneficiary requirements, and relevant to country needs, global priorities and partners' and donors' policies.
- The criteria of *effectiveness* look to evidence to determine the extent to which the project's IOs are expected to be achieved. Effectiveness questions also look to measure the extent to which management capacities and arrangements supported the achievement of results.
- The *efficiency* criteria looks to measures of how well resources and input (funds, expertise, time, etc.) are economically converted to results.

⁸ International Labour Organisation – Evaluation Unit 2013b. *Internal Evaluation for Projects*, Available at: http://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_167056.pdf, International Labour Organisation – Evaluation Unit 2013a. *Guidance Note 9: Internal Evaluation for Projects*, Available at: http://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_167056.pdf.

- The *impact* criteria questions the result of project activities to determine whether they are having the desired consequences.
- *Sustainability* is related to an analysis of the project's contribution to broader, long-term, and sustainable development changes.

3.2 Evaluation questions

37. The following evaluation questions were proposed in the evaluation's Inception Report and accepted.

- a) To what extent is the project design relevant to the intended immediate and development objectives? (see 4.1 Relevance and strategic fit starting at page 8)
- b) To what extent has the project been effective in delivering planned activities? (see 4.2 Project progress and effectiveness starting at page 11)
- c) To what extent has the project used resources efficiently in delivering its activities? (see 4.3 Project management and resource use starting at page 14)
- d) To what extent has project activities had the impact intended by project design?
 - To what extent has the capacity of the labour inspection system in Lao PDR improved so that it can effectively undertake labour inspection functions for the benefit of workers and employers in the garment sector? (see 4.4.1 Progress toward improving capacity of the labour inspection starting at 16)
 - To what extent have workers and employers in garment industry better understand certain key aspects of labour legislation, calculation of minimum wage and overtime rates, social security payment, and maternity benefits? (see 4.4.2 Progress toward improving employer and workers' awareness of rights and obligations starting at page 17)
 - To what extent have factories improved working conditions and productivity through workplace cooperation using the project advisory and training services? (see 4.4.3 Progress toward competitiveness of garment factories starting at page 18)
- e) To what extent are project results likely sustainable? (see 4.5 Sustainability of results thus far starting at page 19)
- f) How has the level of engagement with and satisfaction of project constituents and direct beneficiaries affected, if at all, responses to the questions above? (see para. 106 at page 24)
- g) What are the prospects for the model to improve workplace compliance in the garment sector with the labour inspectorate beyond the expected end of the project? (see para. 107 at page 24)

3.3 Evaluation methods and instruments

38. The methods used in the evaluation were set out in the Inception Report. They included document review, interviewing against evaluation questions, and overall ratings by key stakeholders.

39. The following stakeholders were indicated in the project document and determined to be relevant to the evaluation.

- Labour inspectors
- Employers in the garment sector
- Export promotion personnel

- Workers' organization

3.3.1 Relevance of methods and instruments

40. The methods and instruments were found relevant in implementation.

3.3.2 Sources of information

41. Data used for the evaluation was collected from the following sources:

- documents, including the prodoc with its log frame, progress reports, financial records, minutes from PAC meetings, relevant correspondence, press coverage, event participation lists, baseline and subsequent surveys (if any), etc.;
- semi-structured interviews with key stakeholders, including the 9 core labour inspectors, constituents and technical partners;
- semi-structured interviews with project personnel and project-supporting ILO officials; and
- field visit to beneficiary factory(ies).

42. The collection methods, as appropriate to the data sources, included a review of documents, interviews (face to face and telephonic),⁹ and on-site observations.

3.4 Limitations

43. Time available to the evaluation placed a limit on the data sample: Representatives from 4 participating enterprises were interviewed and 1 non-participating enterprise; 2 of 10 WICs were visited. No contact was made with provincial or district level government officials with labour inspector authority who were not identified as the 9 core labour inspectors for project focus. Interpretation was used for much of the interviewing. The evaluator judges that these limitations do not significantly affect the conclusions and recommendations made here, since multiple data sources have been relied upon for them.¹⁰

4 Main findings

44. The main findings are structured in this part in line with the evaluation questions.

4.1 Relevance and strategic fit

45. This section looks at the relevance of the project to strategic and operational priorities.

⁹ See Annex II at page 35.

¹⁰ The evaluator has received data and opinion proffered as relevant to aspects of project underperformance. There may thus be an expectation among the evaluation clients that they be treated here. They relate, for example, to the use of the project vehicle and the implications of donor rules applied in respect of recruitment of project staff. In the evaluators view, the incidents are symptomatic of attitudes that likewise contribute to project underperformance relative to the ToC and logframe, and not the cause of it. It is sufficient therefore for this report to adhere to an analysis linked to performance against the ToC and logframe.

4.1.1 National development priorities and DWCP

46. The project is consistent with development priorities.

47. Promotion of the garment industry, employment created by it, and markets for its products figure in the Lao PDR's Seventh Five-year National Socio-Economic Development Plan (2011-2015).

48. Further consistency is found in terms of Public Sector Development. The Seventh Five-year Plan specifically directs the Public Administration Organization to "improve the quality of work of administrative organizations by simplifying public administration rules and regulation, shortening administrative procedures of both central and local level administration in order to ensure effective implementation, improving a human resource management system and making it universal system for all government offices across the country, especially upgrading political credentials, technical skill, virtue and merit; ensure justice and solid enforcement of law to protect right and benefit of people."¹¹ Targets and Priority programmes and projects include, respectively, "[i]mprove organisational structure of the government and local authority for it to become more simple and rational; use modern technology and innovative approaches in the administration work" and "[p]roject on inspection and improvement of determination of job titles/job descriptions at central and local level."

49. In respect of the DWCP, the prodoc links the project to Priority 2, which targets improvement of labour market governance, contributing in particular to 3 of its 4 outcomes.¹² No reference is made to Outcome 3.1 - Improved institutional and legal provisions for the promotion of Occupational Safety and Health (OSH) in the workplace. Working conditions in the garment sector are not specifically targeted for action in the DWCP, although a sectoral focus for promoting social dialogue as part of governance activities is mentioned.

4.1.2 Alignment with ILO's mainstreaming strategy on gender equality and evidence of gender dimension in interventions

50. Women comprise the vast majority of the garment sector workforce in Lao PDR. Any improvement in working conditions in this sector of economic activity thus would directly benefit women at work there.

51. The DO and IOs do not have explicit gender elements.

52. The prodoc says that the project would incorporate a gender dimension in all aspects of its work including staff recruitment, training, reporting, development of materials, and monitoring and evaluation. The Project would also develop specific strategies and activities in order to make sure that the project promotes gender equality. In particular:

¹¹ Part 5. Public Sector Development, 5.2 Legislation Organization, [1] Directions [2] Targets and [3] Priority programmes and projects

¹² Outcome 2.1 - *Labour law is more effective at facilitating social dialogue, resolving disputes, setting wages and preventing misuse of employment contracts*, Outcome 2.2 - *Ratification and effective application of fundamental and governance conventions*, and Outcome 2.3 - *Effective application of laws against gender discrimination*.

- a) Gender will be mainstreamed in the assessment of the labour inspectorate; issues such as the gender composition of labour inspectors at the various levels of responsibility will be analysed;
- b) Participation in training will reflect the gender composition of the workforce;
- c) Issues such as sexual harassment or discrimination will be part of the training curricula for workers, supervisors and managers;
- d) The Project will assist factories in developing gender inclusive policies and address discrimination issues, in particular sexual harassment;
- e) The composition of WICs will reflect the composition of the workforce;
- f) The initial assessment as part of the workplace improvement plans will analyse compliance gaps and workers' concerns from a gender perspective; and
- g) All activities organised by the project will promote women's participation, but also male participation that reflects the gender composition of the management structure.

53. The prodoc called for "progress reports produced by the project will include a specific gender section, with information on (i) how gender has been mainstreamed in Project activities and (ii) an analysis of the impact of the Project' activities on promoting gender equality." In the event, the six monthly ILO Technical Cooperation Progress Report form was used twice. The form does not require this gender mainstreaming information and it was not included.

54. To date, the project has had only limited success in incorporating a gender dimension in aspects of its work. Of items (a)-(g) specified in the prodoc above in paragraph 52:

- a) The project's labour inspectorate needs assessment identified "50 female labour inspectors", about 15%, and observed that cultural considerations prevented their travel for inspection.
- b) With the exception of inception orientation to WICs in the pilot factories, workers have to date not been immediate beneficiaries of project training. Attempts have been made to insure that WIC membership reflects the gender composition of the workforce.
- c) Training curricula for workers, supervisors and managers does include issues such as sexual harassment and discrimination, but have not been used.
- d) Issues of sexual harassment do not appear to yet figure in the limited support given thus far in factories, that is, to WICs, or in the matters considered by them for improvement.
- e) The composition of observed WICs included women, but appeared to have men in over-represented quantity.
- f) LIs were trained for gender perspective in assessments. References are found to toilet facility issues in documentation of first visits; other references to specific gender-sensitive observations or analysis are not present. The labour inspection checklist developed by the project includes several sex-disaggregated questions.
- g) Project personnel indicate that women's participation in project activities has been promoted, but has met with limited success either because men to date dominate training target groups or because once present attending an activity, women enlisted to participate undertook administrative support roles rather than substantive participation.

55. In addition, in terms of LI beneficiaries, and besides the IPM and the NPC, facilitators in capacity building activities were all men.

4.1.3 Project design

56. An outline of the project was developed in the PAD for the TDF-2. The ILO negotiated the ultimate project document during the period January 2013 to July 2014, when the service contract between the ILO and the GoL was signed. The evaluator deems documentation of this project design phase useful for the lessons learned thereby.

57. Services secured with IDA funds are normally provided through open international procurement. Where this is done, potential suppliers bid in response to terms of references set out in the client's tender. In order to win the contract, service providers normally conform to the intervention design set out in the PAD, moving relatively quickly to a procurement decision and service provision. In these cases, project assessors (those preparing the ToR for an intervention to be put out on tender) maintain an arms-length relationship with any potential service providers. In the case of this project, unique abilities resident in the ILO justified its selection by the national (IDA-funded) client through a "single source selection" process that does not involve open competition with other potential service providers. In fact, other UN agencies were engaged for TDF-2 implementation using the same procedures. In each of these cases a kind of "project design negotiation" ensued on account of unique financial oversight and mandate related characteristics involved in using UN organizations for TDF-2 funded project implementation. The process for the ILO took time, delaying the start of activities relative to the availability of funds ready for use. In sum, this process is quite different from that which occurs usually for the ILO, where it is either able to secure donor funds for implementation of a project it has designed with constituents, or where particular donor interests are expressed in advance of project design, permitting them to be incorporated in that design.

4.1.4 Relevance to other ILO projects

58. This project is relevant to the ILO/IFC Better Work programme insofar as that programme's *raison d'être* are the challenges faced by public labour inspectorates to assure compliance with national labour standards. Some of the project's interventions (guidelines, WIC and WIP, other documentation) are modelled after BW approaches, and BW has provided support to the project. This project will potentially have relevance to other labour inspection improvement projects, wherever implemented.

4.2 Project progress and effectiveness

59. The project logframe identifies 3 immediate objectives, 17 outputs, and 45 activities.

4.2.1 Delivery and quality of outputs

60. Well developed project progress reports, confirmed by the evaluator, show that project has broadly delivered on its planned activities to date.¹³ Available activity evaluations show general overall satisfaction with their quality.¹⁴

¹³ The logframe including activities is set out in Annex VI at page 42. A shortage of time for the evaluation has precluded the evaluator's reflection there of activity completion, however review of the Progress Reports confirms this is the case.

¹⁴ See results of questions 4, 5, and 6 in the event evaluations Annex VII at page 45.

61. In terms of outputs, the project has delivered a programme of basic training for labour inspectors concentrated over a nine-month period, from end March to end November 2015. See project time line in Annex III starting at page 37. It included:

- A project inception workshop was held for stakeholders in late March 2015;
- An assessment of the LI system in Lao PDR was prepared in Spring 2015 and vetted at an event in late May 2015;
- A week-long training course on labour inspection fundamentals was held at the start of the 3rd quarter of 2015, where a labour inspection training materials and checklists was first vetted;
- A validation workshop on a labour inspection manual and checklists was held about 7 weeks after first training on the basics of labour inspection at the start of September;
- Guidance notes on key areas of Lao labour law and international standards were prepared in early 2015 and offered in a training of trainers event in the end of November 2015;
- Training on workplace improvement committee facilitation and problem identification was held in November 2015.

62. In terms of quality, the project has drawn to a significant degree on existing ILO products. The 5 day training in basic labour inspection worked from the newest ILO course materials "Building modern and effective labour inspection systems"; the guideline notes and approaches taken to problem solving and WIC facilitation drew from BW approaches and materials.

63. The result of event questionnaires shows that awareness of the objectives of events was the weakest among the 10 surveyed criteria, across all events,¹⁵ followed next by whether the objective of the event had been achieved and whether the event would have the result of strengthening the Lao LI system. This is in contrast to trainer skill being the most highly scored criteria, followed by organization and satisfaction with overall quality of the event.

64. The event evaluation results may be seen in light of the quality of substantive inputs. Triangulated interview content indicate a clear "arms length" relationship between technical input providers and the project, and between each other. This would be consistent with the use by the project of *tested* ILO and BW products; unless urged to do so, adaptation of materials and approaches might be limited and indications from interview suggested that this was the case. Indeed, inputs were provided on an "asked for" basis, with only some – perhaps minor – context processing in their application. This included the absence of direct contact or coordination between providers of classic labour inspection training and "softer", more productivity oriented BW approaches. There is substantive overlap between these branches of compliance-supporting action, but efforts to blend them together in this unique project are not strongly evident.

65. The development of materials "from scratch" for the Lao project would not have been cost effective; there is also no need to reinvent the wheel to address capacity building faced by Lao labour inspectorate. Improved adaptation, based on more intimate technical support may, however, be indicated.¹⁶

¹⁵ Reinforcing and supporting conclusions about ownership.

¹⁶ Information received through interviews of training service providers paints a picture of work assignments taken up and completed, to an acceptable degree of quality, by internal

4.2.2 Women and men as beneficiaries

66. Some 50 of the 341 officials with at least partial responsibility for labour inspection within the LAA, are women. Four women were originally identified in the group of core LIs; all have since been reassigned to other work.

67. In terms of direct beneficiaries in capacity building and other project activities, Table 1 provides the results of Sex-disaggregated activity attendee lists.

Table 1: Sex-disaggregated activity attendee lists¹⁷

Date	Activities	Females No.	%	Males No.	%	Total no. of participants
26 March 2015	Project's Inception workshop	17	48.57	18	51.43	35
9 April 2015	ALGI member participation advocacy meeting	20	38.46	32	61.54	52
26-27 May 2015	Needs assessment analysis and review MD 5523 on Labour Inspection Workshop	13	18.06	59	81.94	72
14 September 2015	Validation workshop on Gap Analysis report	7	23.33	23	76.67	30
31-Aug - 4 September 2015	Training core labour inspector groups and manual for labour inspectors in Lao PDR were developed	9	39.13	14	60.87	23
26 October 2015	Validation workshop of the manual for labour inspectors in Lao PDR	8	24.24	25	75.76	33
2-6 November 2015	Training on problem solving and WIC facilitation	22	38.60	35	61.40	57
23-24 November 2015	Training on labour law	6	21.43	22	78.57	28
26-27 November 2015	Training on guidance notes on key issues in labour law	16	35.56	29	64.44	45
8-12 February 2016	Community Based Enterprises Development Workshop	12	42.86	16	57.14	28
4 March 2016	Consultation meeting on revised Ministerial Decision 5523 on Labour Inspection	4	25.00	12	75.00	16
Total/Average		134	32.29%	285	67.71%	

4.2.3 Challenges to progress in achieving immediate and development objectives

68. It was determined early in the project that labour inspection has a weak operational presence in Lao PDR. Relative to this and seen from the project's vantage point, two institutional factors of the labour inspection system have limited project progress toward achieving immediate and development objectives from the outset. First, district authorities, not a central authority, supervise and control government officials who could – and marginally do – conduct inspections. Second, these officials – 341 in total – are not employed as full time labour inspectors. They have professional responsibilities other than

staff occupied with other matters closer to their core function, and external collaborators engaged for specific, punctually inputs. Information collected on training results suggests that whatever impacts have occurred have been notable only as compared with a very low baseline situation. Since information further suggests that other factors may be influencing capacity building results, the evaluator wishes only to suggest that perhaps deeper, more time involved, capacity building inputs undertaken in a more on going manner, or in a manner that more closely engages target groups and institutions, may help give better results.

¹⁷ The data in this table is derived from signed attendee lists for each event. They include all persons present, wherever an attendee signed in. This may include ILO, WB, EU or other persons not intended as project beneficiaries.

those of inspector, and they occupy themselves with those responsibilities in fact. Thus, the government's counter-part to the project is the central authority (MoLSW), which does not have day-to-day supervision and control over the labour officials managed by district authorities. This gap in management authority has apparently made it very challenging for the central authority to instruct the district authority to assign inspectors to the project for capacity building and garment sector pilot work under Improvement IO.

69. The fact of part time, indeed infrequent, labour inspection responsibility, has compounded the problem since any identified officials simply do not work full time as labour inspectors. Thus the project has experienced some shifting in training beneficiaries and facilitators of the enterprise-level compliance strategy. The designation of 9 core labour inspectors for project capacity building focus in the 3rd quarter of 2015 might have helped resolve the problem, but even when this was done, 4 of the designated 9 core labour officials were reassigned away from capacity building and inspection practice with the project.

70. Furthermore, the 10 factories currently participating in the project are located in 8 different districts, all situated in Vientiane Capital Province.¹⁸ Thus, the project is working more or less with 1 government official from each of the districts with a volunteering factory in it.

71. Related to the issue outlined above, the project has kept its focus on the garment sector, which is located around Vientiane, and even been limited in practice to enterprises producing for foreign, reputation-sensitive, buyers. With a total of 341 government officials potentially doing labour inspection, the project has not attempted to directly train this group. Several of its strategic outputs are suitable for scaling up. In particular, the labour inspection guidebook, guidance notes, labour inspection checklist, trained trainers in problem-solving and guidance. Some limited up scaling is foreseen, but the project itself has its focus on the garment industry, and likely more so in the remainder of the project's term. See further at para. 80.

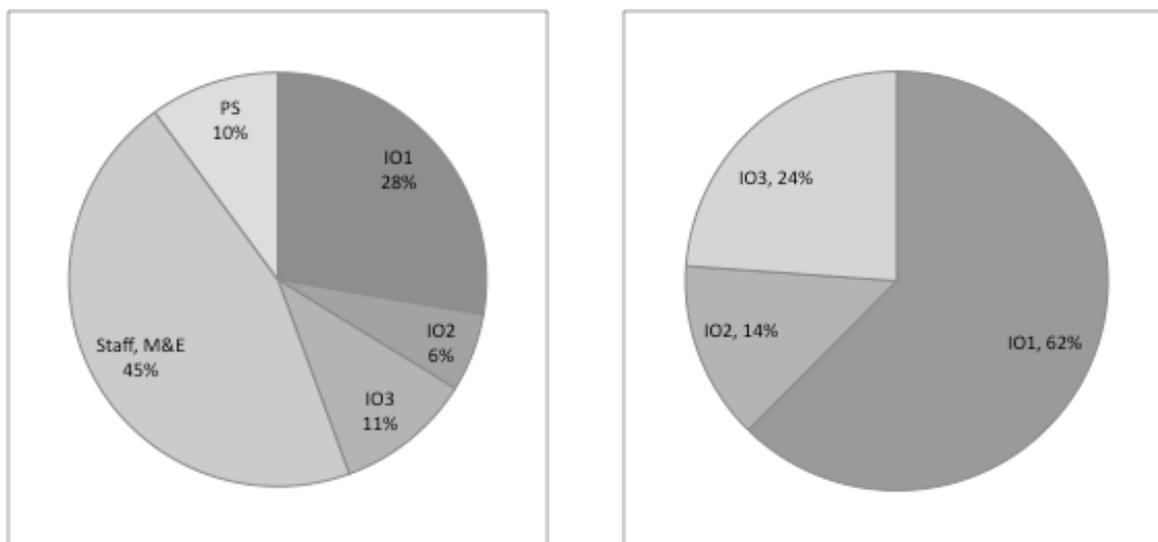
4.3 Project management and resource use

4.3.1 Adequacy of technical and financial resources

72. An examination of the financial resources available to the project shows that 44.4% are allocated to staff, M&E, and project support costs. Of the remaining 55.6% (USD755,288), LI IO was budgeted 62%, Rights IO 14%, and Improvement IO 24%. These relations are shown in Figure 2 below. This appears broadly reasonable considering that the project relies on its strengthening of labour inspection institutional and human resource capacity in order to achieve its enterprise focused activities (Improvement IO).

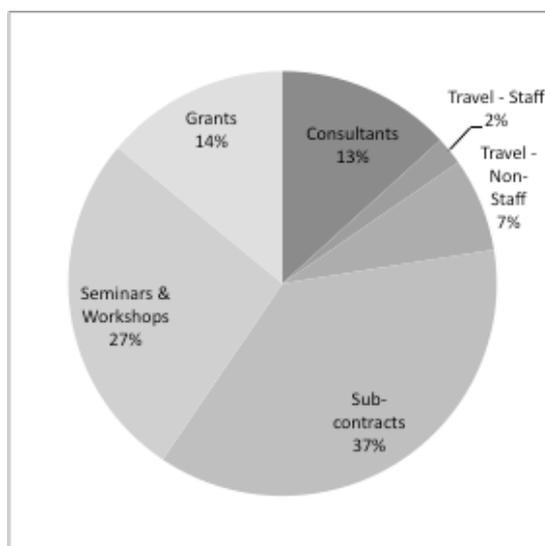
¹⁸ Nasaithong – Ban Sikeuth, Chanthabouly, Hatsaifong, Naxaithong, Sikotabong, Sisattanak, Xaisetha, and Xaithani.

Figure 2: Budget allocation



73. In terms of pace of spending, examination shows that 43% of funds earmarked for LI IO remain, 38% for Rights IO, and 63% for Improvement IO. A good deal of spending from these allocations has been to establish documentary project deliverables, such the labour inspection manual, needs assessment, Conventions 81/129 gaps analysis, and guideline documents. The other large portion has gone to using/delivering these materials. See Figure 3 below.

Figure 3: Expenditures within IO budgets



74. In getting things done, the project has drawn on technical and HR from the within the ILO, BBW, and experienced consultants known to both. The use of national consultants has been limited; persons employed by the Ministry have contributed substantively to workshops.

75. The project has made reasonable use of out of country capacity building opportunities. The project supported the attendance of three MoLSW officials and the NPC at a minimum wage workshop in Bangkok. It supported the NPC, a LFTU and a LNCCI official's attendance at training on labour inspection at the ITC-ILO. Consideration began to be given in June 2015 to an eventual study tour to Vietnam for learning from BWV; this was reasonably postponed – and will likely occur later in the project's life – in favour of moving forward on technical outputs of the project.

4.3.2 Effectiveness of monitoring performance and results

76. The project took up the issue of M&E at several points in the project. The question of event evaluations was resolved early, to do so systematically in light with the prodoc;¹⁹ the results are seen in Annex VII starting at page 45. Monitoring the use of learning derived from training – as distinct from evaluation of the events involved – was taken up with the technical back stopper in mid-June 2015, according to IPM notes. It was determined that activity-based assessment would continue and that learning impact would be gauged through the mid-term and final project evaluations. The issue of factory baselines and monitoring was discussed when WIC activities came on line in November 2015. Consideration was given to adopting assessment methodology used by BW, but it was judged to be too detailed and complicated for the level of inspectors and adaptation would have involved significant cost and time. It was decided that WIC records would be used for anecdotal monitoring of developments, as both baseline and planning tools.²⁰

4.4 Impact of project interventions

4.4.1 Progress toward improving capacity of the labour inspection system (LI IO)

77. Project strategy for direct impact on broad LI capacity is limited to the development and operational dissemination – in the hands of the MoLSW – of strategic tools, i.e. a labour inspection guidebook, labour law guidance notes, an inspection checklist. Direct training beneficiaries has been limited largely to the 9 core labour inspectors, and if more, certainly not the full complement of 341 government officers who may on occasion do labour inspection.²¹

78. There is only some evidence that LIs who have attended training have taken learning and applied it in practice. Evidence that does exist comes from observation within project factory visits. There is no feedback from government counterparts that reports in a systematic manner where or how labour inspectors have made use of their training in, for example, problem solving in enterprises other than the pilot 10. There is no evidence that inspection checklists have been used; the inspection manual continues to await government approval of the translation provided by the project in mid-2015. ALGI representatives indicate that LI

¹⁹ "Women's participation in training and other project activities will be closely alighted to the gender breakdown in the factory. Data on participation and evaluation, including data disaggregated by sex, shall be kept for all training activities." p. 15.

²⁰ These need to be improved and standardized; a recommendation follows below.

²¹ The evaluator has actual attendance lists and the possibility to analyse in more detail attendance patterns (using telephone numbers as identifiers because of language limitations). In the end, this analysis was judged unwarranted relative to resources needed for it.

practice outside the 10 pilot factories remains the same, that is that there is no to marginal inspection, and insists that all factories should be subject to real inspections.

79. Government counterparts have indicated repeatedly since mid-2015 that a draft Ministerial Decision on Labour Inspection has been prepared and that it provides for the assignment of full time, professional labour inspectors from amongst government officials; the document awaits approval. A final national consultation on this is scheduled to take place in late May 2016 with MoLSW and Provincial officials.

80. The justification for limiting the direct beneficiaries of capacity training flows from the anticipated reforms, which will establish full time inspectors who would be appropriate training beneficiaries. Their number will be less than 341 but more than 9. Until the reforms are made and inspectors in post, providing training to a number beyond the core 9 was considered likely to be a waste of resources.

4.4.2 Progress toward improving employer and workers' awareness of rights and obligations (Rights IO)

81. The project's activities in promoting awareness of rights and obligations has until now been seen in the development, validation, and inaugural use in training of promotional and guidance materials. The project's further strategy for so doing is still under discussion.²² One occasion repeatedly mentioned by stakeholders, involved the idea of initiating a campaign for the transparency and accuracy of wage payments following the increase in the minimum wage in April 2015 from 626,000 kip (77 USD) to 900,000 kip (111 USD). MoLSW counterparts were apparently explicitly hesitant to insist upon payment of minimum wages and a campaign promoting as much. Thus, although materials and approaches were prepared and approved by the PAC, the campaign was not set in motion and activities in support of it have been delayed by factors outside of the project's control.²³

82. Stakeholders gave a generally positive overall rating as seen in question 6 of Annex IV at page 40. ALGI's spokesperson aptly pointed out his certainty that enterprises that had participated in project activities were more aware of their rights and obligations, but he was uncertain that this would be the case elsewhere.

²² Spending on this particular Output 2.1 Agreement amongst the tripartite partners through the PAC on the training strategy of the project is over budget.

²³ The first IPM informs that "various dates were nominated for the campaign to commence, but each time the MoLSW postponed the campaign advising that it was too busy to allocate resources. I was of the understanding that it was meant to have commenced in February [2016] – I thought the letters to industry had gone out around this time. I should note to my recollection the MoLSW had entered into a service agreement to undertake this work. To my mind any hesitancy in commencing wasn't around the actual minimum wage [although the MoLSW thought that the minimum wage wasn't achievable ... the same position was confirmed by the LNCCI and LFTU"], nor the labour inspectors undertaking the work. The delays while I was there were due to the MoLSW prioritising other activities over the project work [about which I'm not in a position to say whether or not this was appropriate]." Emails to evaluator of 12 and 13 May 2016.

83. Just under 40% (38.46%) of funds allocated to activities under Rights IO remain. See Table 2 below. This is consistent with the fact that there have been limited activities undertaken directly under this output.

Table 2: Funds remaining under the Rights IO

Output	Allocation remaining (%)
02.01 – Agreement amongst the tripartite partners through the PAC on the training strategy of the project	-36.68
02.02 – Labour law guides on priority issues developed, disseminated and part of the Project training curricula	23.92
02.03 – Awareness raising and outreach materials are developed and disseminated	100.00
02.04 – Training curricula and tools on workers rights, industrial relations and productivity are prepared based on ILO materials and adapted to the Lao situation	100.00
02.05 – Training delivered to workers and employers	33.33

4.4.3 Progress toward competitiveness of garment factories (Improvement IO)

84. The project has worked with ALGI to solicit voluntary participation of garment factories in with the project. ALGI supports voluntary broadening of the project's piloting activities in factories. According to ALGI, it is the market for factory garments that makes the difference for factory interest in the project and not its ownership: Enterprises selling to domestic markets or to international markets uninterested by labour standards compliance are not interested in the project. Involvement with the project entails the creation of WICs and WIPs, and enables participation in the project's enterprise-focused training activities.²⁴ By June 2015, 7 companies had indicated their interest in participating. At its peak at the 14 October 2015 PAC meeting, 12 factories had volunteered; 9 or 10 remain active at present.

85. WICs were first formed in pilot enterprises during training for LIs on 4 November. Since then, all current pilot factories have been visited a second time, some a third, fourth and fifth. See Table 3 below.

Table 3: Factory visits, to date (16 April 2016)

Factory	1st Date for Visits	2nd Date for Visits	3rd Date for Visits	4th Date for Visits	5th Date for Visits
1. AI	05 November 2015	24 December 2015	12 February 2016		
2. BCE	05 November 2015	13 November 2015	16 December 2015	21 January 2016	11 March 2016
3. HLA	05 November 2015	23 December 2015	28 January 2016	11 February 2016	6 April 2016
4. LY	19 November 2015				
5. SI	05 November 2015	24 December 2015	10 March 2016		
6. TC	21 December 2015	28 January 2016	11 February 2016	5 April 2016	
7. VI	18 November 2015	12 January 2016			
8. SL	15 December 2015	22 January 2016			
9. TLE	23 December 2015	29 January 2016			
10. S-L	19 November 2015	21 December 2015	29 January 2016		
11. S-LI	12 January 2016				

Italicized = meeting in connection with project capacity building event

²⁴ To date the CEB programme.

86. According to a factory manager who has been active and following the project since its inception, the productivity or competitiveness enhancing benefits provided by the project to date have been very limited. This is consistent with other evidence and observations.

- Discussions in the observed WICs touching on productivity issues were at best rudimentary; documentary information on the WICs is consistent with the observations.
- Of the evaluations' 8 broad ranking questions, the question pertaining to enterprise benefits received doubtful and varied responses.
- Operation of WICs is very new; BW experience suggests that improvements can be derived from WICs that have operated for some time.

87. According to the 9 core labour inspectors, improvements in factory conditions had been seen as a result of the WIC mentoring activities. This is credible considering the low baseline.

4.5 Sustainability of results thus far

4.5.1 Progress toward building partners' capacity and ownership

88. The possibilities to build LFTU capacity and ownership are limited. Their representative said that government was to take the lead in this project, as well as in the protection of workers' rights and working conditions. There are also clear indications that inclination for real involvement at the enterprise level is limited. Of the 10 volunteering enterprises, an enterprise level trade union presence exists in only the largest, and its orientation appears not entirely to represent the enterprise workers' interests. The project is not sufficiently resourced to attempt to pilot the LFTU's reorientation toward representational work at the enterprise level, as has been done in Vietnam, with the help of BWV.

89. ALGI's leadership assert support for the project, and extension of pilot activities to other factories. Indeed, the project has relied on ALGI's good offices to identify volunteer pilot enterprises. Yet from the statements of a factory representative intimately involved with the project initiatives, compelling results need to be shown to interest any of the factories that potentially have an interest in collaborating with the project. BW experience is that this can only be done through operation of WIC over some significant time. Unless WIC results can be demonstrated, ALGI's ability to influence other factory involvement will likely be limited.

90. Ownership by the government also appears challenged, not least by the problem identified in paragraph 68. Despite this, its representative put at 20% the possible improvement in capacity of the labour inspection system as a result of the project, noting that those that have participated in capacity building activities have learned a lot. Yet until the problem of allocation of management responsibility is resolved, the core LIs are not and cannot be attached to the project to serve the projects' activities as a piloting proxy for how LI can work generally, or specifically for the garment sector in the context of this project. This threatens ownership insofar as it undermines the ability of the central authority to coordinate the work of the inspection system so that it meaningfully carries out its mandate across the territory and in the context of a consistent policy approach.

91. Despite whatever efforts have been made by the project or the Ministry, the 9 core labour inspectors interviewed felt that they had not been well briefed of the purpose of the project relative to their regular work. In the same vein, as mentioned above in paragraph 63, project

event evaluations – which surveyed all attendees, LI and otherwise – show some of the lowest overall scores for the question on knowledge about the objectives of the activities before they started.²⁵ The interviewed core LIs felt that they were "working for the project" when facilitating at WICs in the pilot factories; there is a tendency to perceive the project as operating *besides* the ministry and *not part of it*.²⁶ Numerous suggestions were made as how ownership of the project activities could be improved – only some of which might be compelling.

- Grant authorization to LIs to enter the premises;
- Provide LI with uniforms, similar to police;
- Provide funds to support the mission of labour inspection;
- More training to use the labour inspection guidelines and on report writing;
- Training in report writing;
- Travel to see other good practices;
- Provide further support to strengthen confidence in using methods proposed by the project.

92. The evaluator questioned key informants trying to find an explanation for this. Responses seem to suggest the temporary nature of LI work within their responsibilities and a lacking mandate from district bosses to both inspect and use project supplied materials and approaches.

4.5.2 Integration into local institutions

93. The project strategy has been to train inspectors, coach them in advisory functions within garment factories, and provide guidance and assessment of institutional foundations and operation. Labour inspector training materials have been provided and translated into Lao, but not yet used; the intention to do so is present. Piloting of an advisory role for labour inspection has started, in the context of garment producing factories. The project will be looking for results and labour condition improvement in the remaining months of the project. With positive results, some integration of advisory functions into labour inspector functions is hoped for, but not yet achieved. The possibility for the labour inspectorate systematically promoting and using BW-modelled WICs while engaging in advisory functions outside of garment factories has not been mooted. LFTU's self-proclaimed role in the project (as observer of government leadership in activities) and observed role in the pilot factories hinders their take up of the opportunity presented by WICs, where it as an institution can be more intensely involved in promoting compliance generally and working more closely with the LI in its doing so specifically in garment factories.

94. The LFTU and LNCCI have marginally involved themselves in project operations and oversight. Representatives differ at times from one PAC meeting to the next, affecting continuity of these organizations' inputs.

95. The GSDC has a staff of two full time trainers, a director and an administrative assistant. GSDC staff have been invited to – and participated in – project activities. The IPM has given consideration to developing capacity in the Centre to provide factories with training; no concrete action has yet been taken. Likewise for the GDSC director. Thought will be needed

²⁵ See question 1 Annex VII at page 45.

²⁶ The 9 LIs were specifically confirmed this characterization of the situation (among other possible ones) during their interview.

for specific capacity building for these trainers, adaptation of materials for their use, consultation in regard to the GSDC's formulation of a business model for delivery, market surveying for their services, etc.

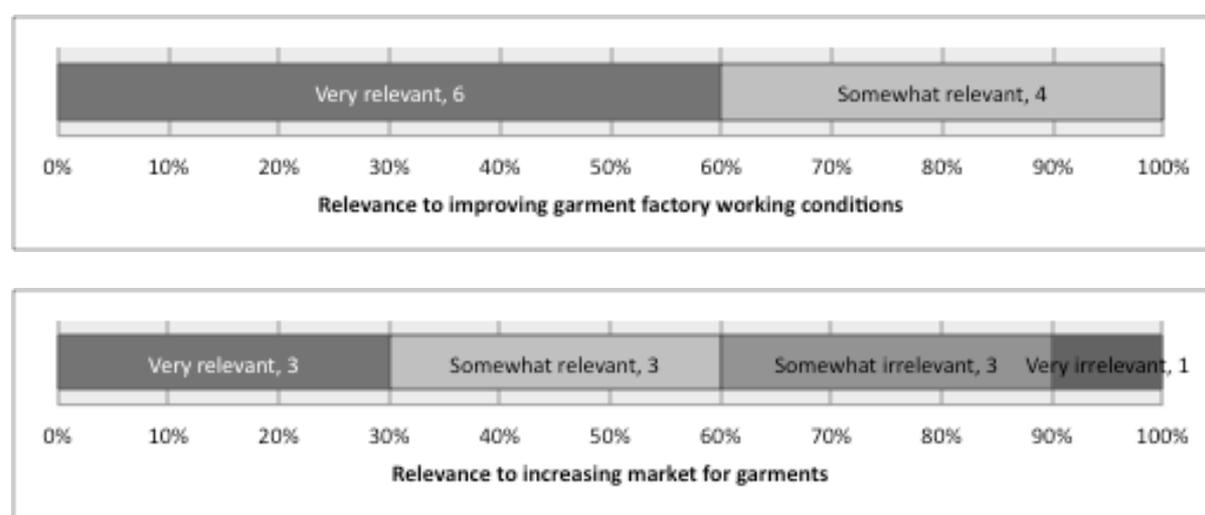
5 Conclusions

96. This part of the report starts by providing conclusions specifically in respect of the evaluation questions. They follow from the findings and are intended to be fair and impartial. It ends with a concise listing of lessons learned and recommendations.

97. Also included are the results of all-around ratings made by stakeholders. These ratings are seen as roughly indicative and not determinative. Outlying results are useful to identify potential trend or tendencies. Graphic representations of exact questions and results are found in Annex IV starting at page 40.

5.1 Conclusions in respect of evaluation questions

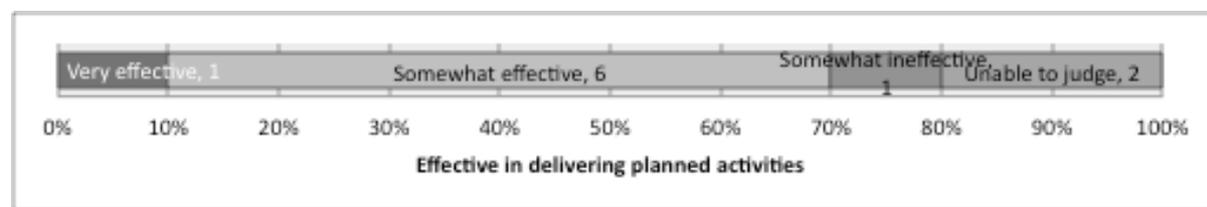
98. *The project design continues to be relevant to intended immediate and development objectives.* The project document was well developed. The project design is basically sound. The ToC is logical, and risk factors have been reasonably identified and quantified. The extremely low baseline of labour inspection capacity and operation may not have been fully appreciated during the project and its significance accounted for before the start of the project. Even if it had, good will by project staff, government counterparts and stakeholders could well have accommodated and permitted advancement from "practically zero" in actual labour inspection performance, giving better results on the impact and sustainability criteria than actually seen. Stakeholders question the relevance to marketing Lao PDR garments. Seen in hindsight, in the light of matters discussed in this report,²⁷ it might have been good to further clarify or make more explicit the relationship between and/or integrate the IOs.



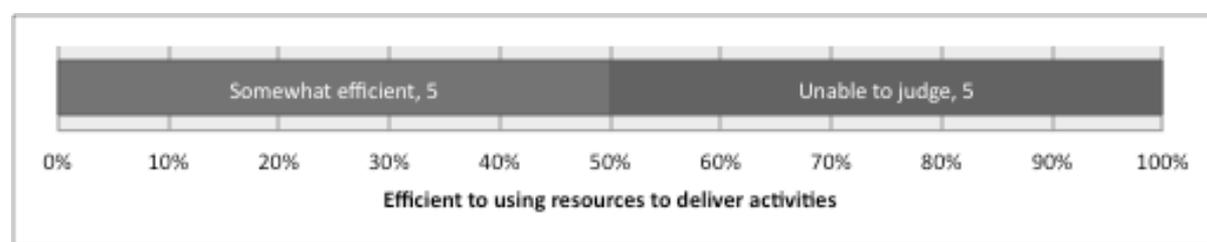
99. *The project has been effective in delivering planned activities during its first year of operations.* The project has operated a "tight ship" in implementing activities called for in its

²⁷ See, for example, paras. 10, 91, and text accompanying 28.

logical framework. It has kept strictly to the plan called for there, leaving a reasonable proportion of originally allocated funds to move into the final period of the project. It has delivered the basic process and policy tools needed to move labour inspection forward. Stakeholders, including the 9 core labour inspectors, ALGI spokesperson, have indicated general satisfaction with the project.



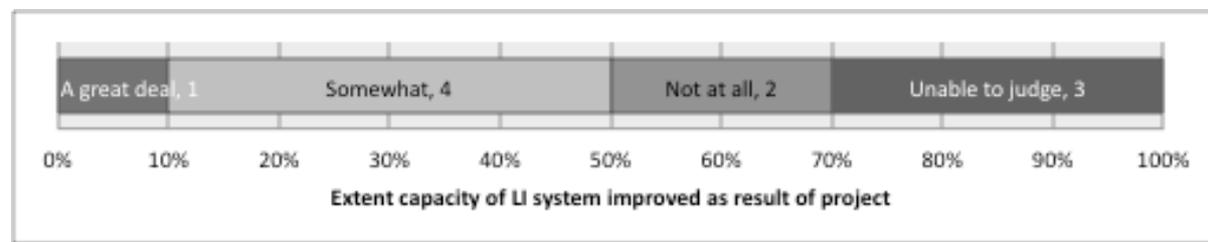
100. *The project has made use of its resources in a manner that appears efficient, based on methods ordinarily used in ILO projects for generating outputs.* No comparison has been attempted against alternative resource allocation modalities. Detailed financial information from a possible comparator might be relevant in the sub-component of TDF-2 component B2, concerning transition of the GSDC towards financial and operational independence, although the sub-component focus is very different from the labour standards focused sub-component financing the project. Recent ILO products have been used wherever possible by the project, although some question might be raised about the sufficiency and coherence of adaptations made, speaking in the end to efficiency. Ref. para. 64 et seq.



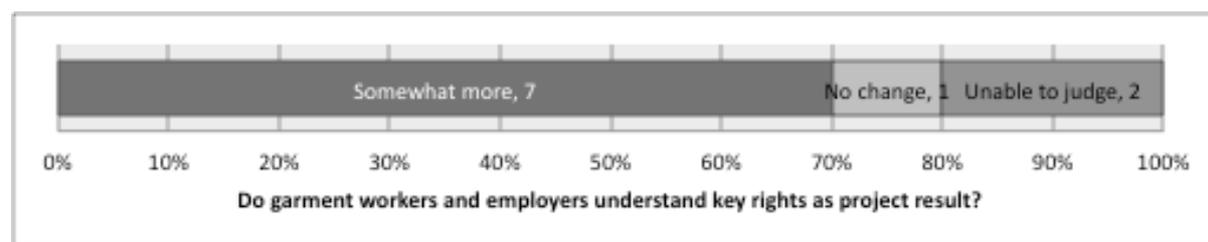
101. *Project activities have had only some of the impact intended by project design.* The project has had an impact in the small number of enterprises in which it has worked. There is no evidence as yet of impact elsewhere where labour inspections might have occurred during project operations, within or outside of the garment sector. It appears that the project and its counterpart in the central ministry are currently not very well placed to monitor for change as part of their regular, day-to-day operations. Doing so would require specific, additional effort.

102. *Project activities have had only some of the impact intended by project design in improving the capacity of the labour inspection system in Lao PDR so that it can effectively undertake labour inspection functions for the benefit of workers and employers in the garment sector.* A new labour law has been adopted. Key policy documents have been produced, but they have not yet been deployed, awaiting approvals in the MoLSW. A national labour inspection plan awaits adoption by the MoLSW. A handful of labour inspectors have been trained; dozens potentially await as the strategy for project training has until now been conditioned on the disutility of training the current full complement of officials who are only nominal holders of labour inspection authority. Promulgation of a

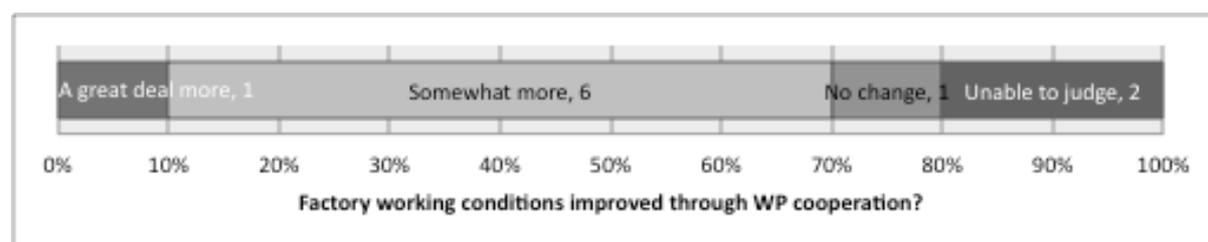
ministerial decision urged by the project establishing, *inter alia*, important LI policies including labour inspection as a full time occupation for the relevant district officials remains pending. The critical foundations for LI under the LI IO remain "pending".



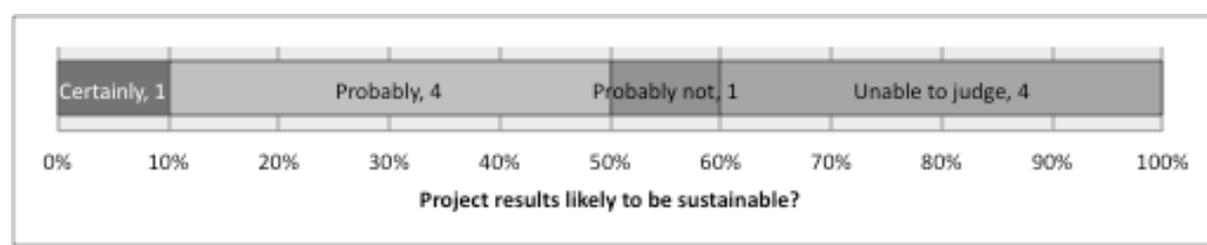
103. *Project activities to date could only have had a very small impact on garment industry workers' and employers' understanding of certain key aspects of labour legislation.* The project certainly has a better understanding of these key aspects of labour legislation and the attitude of stakeholders to their enforcement, thanks to gap analysis documents and guidance tools created. Support for reproduction of copies of the new labour law is the important substantive achievement of the project in respect of these criteria. The limited activities of the labour inspectorate even in the pilot factories, limited publication of project informational guides and materials attest to the work needed in respect of the Rights IO.



104. *Project activities to date have only begun work to improve working conditions and productivity through workplace cooperation using the project advisory and training services.* Collected evidence suggests that labour inspectors are able to use what they have learned, but this is done in respect of a small number of factories, and in a way that thus far suggests more time is needed to develop deeper relationships from which better problem identification and solving may take place. Any disruption in HR available to the project could threaten scheduled contacts with volunteering factories and further development of the WIC/WIP modality for enterprise productivity improvement. The risk of this today may be no greater than it was at the start of the project, but the time it is taking to correct the situation can certainly be said to be disappointing, and the risk remains until the correction is made.



105. *Marginal evidence has been found to suggest that project results are likely sustainable.* LFTU and LNCCI see the government as the lead in this project. In their role as interested social partner observers, they appear to prompt government little, if at all, to take up project outputs. There is little indication that these organizations engage themselves in a way that supports the project, as they do not do so in support of government. The MoLSW has been able to muster what has been minimally required to enable project operations. This has made it possible for the project to rightly claim effectiveness in activity execution. However, the government has not been able to embrace as its own investments made by the project in government's LI function. Ref. para. 98. The division of responsibility between the central and district levels over LI HR is certainly a contributing institutional factor to this situation. Other contributing factors are the workload taken on elsewhere by responsible ministry personnel who, in sum, only marginally prioritized the project, its activities, and its development objective. Judging from results, ALGI has only marginally been able to impress relevant government departments with its interest in the project. Overall, actions need to align further with statements of support.



106. *The level of engagement with and satisfaction of project constituents and direct beneficiaries has marginally affected responses to the key evaluation questions.* Stakeholders are broadly satisfied with the project; their attention has been on project activities. The core labour inspectors are happy for the training they have received, saying that they can and do use their learning in meetings with factories. But without project facilitation for their meetings with WICs, nothing has yet been put in place by the MoLSW, districts or provinces to assure deepening of results or continuation of practices. Similarly for the pilot factories.

107. *The prospects are uncertain for the model to improve workplace compliance in the garment sector with the labour inspectorate beyond the expected end of the project.* While the necessary seeds have been sown, and the immediate intended results are present, further results, complementary policies, time and practice are needed before confidence can be declared in the continued vitality of the intervention model.

5.2 Lessons learned

108. Additional, but still preliminary investigation of the details of the operation of the LAA can pay dividends for planning any similar project. In this case, better early knowledge of job rotation of personnel into and out of labour inspection functions might have resulted in a change in the plan of work or project logic. The prodoc clearly identified the problem, raised it as a challenge and a risk that would warrant redesign of the Improvement IO. It is true that project intervention can effectively nudge a LAA to reform – and that is the case here. Yet the efficiency of that intervention can be questioned in tack with the time it takes for reform to actually be made. This is particularly true where the reforms address a situation

that undermines the effectiveness of the ToC pertaining to an important – if not the main – part of the intervention.

109. The ILO, through the project, was contractually obliged to submit progress reports, *inter alia*, "identifying any problems in implementation" within the period covered by the report. Those reports identified the problem of government commitment and supply of LI. No remedy to the situation was to be found from the government side. The contract might have gone further to specify that "best efforts" would be made by the government to remedy any identified problems that were, in particular, within its sole authority to remedy, such as the allocation of labour inspectors to work with the project.

110. The significance of the repeatedly heard and correct proclamation that "this is not a Better Work project" should be taken to heart. Its implications include:

- The project does not have its own enterprise assessor and advisor staff, as is the case with BW projects. Personnel provided by the MoLSW are a prerequisite for conducting "assessments" (of any character or against any standard) or providing advice.
- The strategy of training only a small core group of labour inspectors mirrors BW's strategy of building the skills of their own employed assessors and advisers, but that training risks going to waste without control over the use of the trained staff. From the standpoint both of being able to draw on other particularly trained labour inspectors as well as bolstering the LI IO, a close consideration of the current strategy is warranted. This might, however, be without meaningful effect considering remaining planned activities and/or the phasing of capacity building activities. Movement to LI training-by-the-trained should be on the horizon.
- Unless corrected, the fact that random labour inspectors *may* come to work with individual factories – contrary to the BW model where the same advisory personnel are assigned to advise a factory – can undermine the effectiveness of advisory supports, obliging a rethinking of the type of "soft" intervention Lao LIs engage in. It is the evaluator's impression that the project's long-term vision for LI in Lao is a capacity held in a professional, full time labour inspectorate to use soft interventions for compliance (in the garment sector and elsewhere as might be needed), as well as to maintain and strengthen to international standard its more traditional compliance/enforcement capacity – development of LI, Rights, and Improvement IOs in tandem.²⁸ The project should be explicit about *not trying* to generally model LIs

²⁸ This conclusion is being augmented at the final hour in light of very important comments received on the draft report. The evaluator takes the liberty to quote those. "The project, however, is not trying or expected to transform LIs into EAs that exclusively service the garment sector with assessment and advisory services on a regular basis. The labour inspectorate will always retain an element of randomness in its work, anchored hopefully around a target approach to workplace compliance. What I see as important in this respect is whether a publicly led intervention model in the garment sector should use inspectors or some other private-sector arrangement, with the inspectorate as an ever present public body to validate (or not) LL compliance." The evaluator calls here for an explicit position on this by the project. Further examination of this matter in the light of international standards, viz. ILO's Labour Inspection Convention (No. 81) and Recommendation, 1947 (No. 81) is beyond the scope of this evaluation.

into a type of BW EA with the ability to advise and work closely with enterprises in line with the Improvement IO, if that is the case.²⁹ Or if the intention is that the project is wanting to create a temporary capacity for the garment sector while waiting for the improvement of the state LI function, that should be more explicitly expressed.³⁰ Whatever the intended longer term vision of the project, the expected Ministerial Decision on labour inspection policy should likewise take this point into consideration in setting out explicitly its vision of LI.

- Neither the project nor the labour inspectorate has through their operations developed sufficient incentive for enterprises to volunteer their participation in the project. It is too early either for the publication (or reporting) of assessment results³¹ to buyers (one motivation for factory participation) or for enterprises to note the positive influence of WIC operations. At this stage in the project's operations, consideration should be given to seeing the work with the factories more as a trial ground for developing inspector skills (LI IO) and less as a benefit granted to enterprises for volunteering their participation (Improvement IO). Adjunct to this is the incentive for the project to quickly and convincingly develop and document good results and operational commitment to enterprise support so that the balance between these objects can eventually shift. This will require, inter alia, that operationally authoritative management personnel are involved in the work of WICs, in addition to those responsible only for HR.
- The conditions of employment of labour inspectors in Lao PDR compared to BW EAs, relative to national context, are not the same. This may undermine the potential for performance to the similarly high standards.
- Lao LIs are bound to assess compliance with – and potentially take action to enforce – national law, and not international standards,³² standards assimilated to international standards, or standards that are aligned with private codes of conduct. BW assessments are against benchmarks inspired by international standards, implemented through operations working aside from public sector compliance/enforcement operations.
- The project does not have control over reporting of assessment reports, regardless of standards used or however they may be presented, i.e. anecdotally or quantitatively. Nor is there evidence that the MoLSW appreciates the role reporting of reliable assessment results has on labour condition and business practices of factories. This is in stark contrast to the situation in respect of BW operations.
- Not being a BW project means that stakeholders in Laos PDR are not thoroughly versed in the forces at play that keep the BW model relevant and attractive – and that distinguish it from the Laos project.

111. The process of capacitating and labour inspectors will be a long process in Lao PDR. It can only begin to be shortened by strong policy support that enables effective LI activities.

²⁹ Doing this would be entirely consistent with seeing labour inspectors as national compliance officers, in the style of police officers of the workplace. It would be consistent also with the project working besides the ministry and not part of it. See para. 91 at page 19.

³⁰ This raises the broader issues faced by BW in the sustainability of its model.

³¹ There are no such reports yet.

³² Except insofar as they may be reflected in national law.

5.3 Recommendations

112. The following recommendations are offered in order of priority.
113. The GoL, through the MoLSW –
- Must secure a cadre of public officials to perform labour inspector tasks as their full time occupation, and assure that the same persons are made available for project capacity building activities, including coaching at WIC meetings in the 10 identified enterprises.
 - Should promulgate as a matter of urgency, a labour inspection plan and necessary decision that effectively strengthen the institutional position of labour inspection among the functions played by the MoLSW.
 - Should issue policy directives that make the project supported strategic tools mandatory reference documents and commit to, and make happen, distribution and use of the guidelines and checklist in labour inspection wherever it occurs.
 - Recruit more women into labour inspection positions, particularly to work in the garment sector.
114. The project should –
- Consider strategy and actions to appropriately broaden the target group of LIs for capacity building efforts, in line both with objectives for the garment industry but also for the labour inspectorate. This may be through implementation of the foreseen training-of-trainers modality.
 - Consider, as appropriate, working more closely with the 8 districts – or alternatively the relevant Province(s) if the Ministerial Decision comes into being – that currently manage labour inspectors where garment factories are located.
 - Undertake a strategy to deepen skills training of labour inspectors in the context of factory advisory visits. This may include, for example, focusing in a campaign style on known issues, with a view identifying in the context of capacity building the parameters of those issues, the manner in which the issues reveal themselves in practice, and the manner in which advice can be offered to enterprises to remedy the issue. The matter of wage payment and calculation immediately comes to mind as a potential subject matter, previously attempted by the project.
 - Carefully reconsider its goal (and relevant indicator milestones) of expanding the number of garment factories with which it works, in favour of a strategy of working more closely with currently willing factories, documenting progress in labour standards compliance going hand in hand with improved productivity, and using resources to build the skills of labour inspectors with these factories. Concrete results of project-supported interventions should, by the end of the project, speak for themselves as a motivation for garment factories to voluntarily engage with the project or its successor.
 - With a view to improving the sustainability of results, position the project so that is perceived within government to be an initiative that is part of the MoLSW's implementation of its charge to improve enforcement of laws, in this case, through alternative approaches. Operationally, this may involve appropriate consideration of ministerial or provincial execution of activities, always holding those involved accountable for results against plans.

- Assure that there is understanding that some of what the project does – guidance manual, labour inspection checklist, labour law guidance documents, C. 81 gap analysis, needs analysis – has been done for the benefit of LI generally, other bits for the benefit of the garment sector, and that there can often be a relation between the two.³³ Monitor and evaluate in the short-term transmission of this understanding at both policy and operational levels.
 - Make efforts to rationalize and make clear to stakeholders the role of the project viz a viz the improvement of labour inspection, method conveyed in training for improving compliance, and the role of project activities in garment factories particularly as compared with other enterprises susceptible to labour inspection. In line with this, project activities should rationalize and appropriately merge LI and BW approaches to compliance in a way that is appropriate for the LI implementers.
 - Investigate concretely how the GSDC can be used to offer training in a sustainable manner at the enterprise level, where enterprises pay for services. This could involve supports by the project in developing training products that are really attractive to garment enterprises,³⁴ with the involvement of sector organizations, where the project has expertise currently lacking within the GSDC.
 - Take care to assure that records of WIC activities are sufficiently detailed and standardized to permit eventual evaluation of the results of their deliberations. This would include matters related to both compliance and productivity improvements, and implicate monitoring and reporting of worker turnover.
 - Not redesign the Improvement IO insofar as there is still meagre evidence in respect of both LI capacity to facilitate WICs and their results. Relying on the assurance of imminent promulgation of the Ministerial Decision and BW experience elsewhere, the project is warranted in working more intensely with participating factories to try to develop credible Improvement IO results.
 - Report on gender mainstreaming issue in progress reports.
115. The PAC should –
- Consider how project results might ultimately – it is too soon now – be communicated to a broader public, including potential buyers.

5.4 Evaluator's closing comment

116. In the evaluator's view, the project has overall done well for itself in delivery, while dealing with a challenging context and broader challenging institutional issues. The shortcomings raised in this report are both central to the longer term results of the project, but also in some ways only nuanced details in terms of project activities. They raise complex developmental issues that the project is ultimately charged with helping constituents along towards resolution. In sum, the project is doing this, and is poised to continue its efforts anew in its closing months.

³³ See text accompanying fn. 28 on page 21.

³⁴ The GSDC has keen experience relative to what is and what is not attractive to enterprises, as its very survival is linked to its ability to be self-financing.

Annex I. Terms of reference



TERMS OF REFERENCE

Internal mid-term TC project evaluation

Improving the garment sector in Lao PDR:

Compliance through inspection and dialogue

11 March 2016

Project Title	Improving the garment sector in Lao PDR: Compliance through Inspection and dialogue
TC project code	LAO/13/01/IDA
Donors	Second Trade Development Facility (TDF-2) – a multi donor trust fund financed by Australia, the European Union, Germany, Ireland, USA and the World Bank
Total approved budget	USD 1.35 million
ILO Administrative unit	ILO Country Office for Cambodia, Lao PDR and Thailand (CO-Bangkok)
ILO Technical Units	ILO Decent Work Technical Support Team for East and South East Asia and the Pacific (DWT-Bangkok)
Evaluation date and field work dates	March – May 2016
Evaluation focal person	Kristina Kurths, Project CTA
TOR preparation date	March 2016

Introduction and Rationale for the mid-term evaluation

These terms of reference (TORs) concern a mid-term evaluation of the project “Improving the garment sector in Lao PDR: Compliance through Inspection and dialogue”. The project is implemented by the ILO and funded by a multi-donor fund (TDF-II) managed by the World Bank.

The official project dates are from 27 July 2014 to 28 February 2017¹. In accordance with the evaluation commitments under the project agreement² and in line with the ILO’s policy governing technical cooperation projects, an internal mid-term evaluation is required.

¹ Because of delays in the start of the project, the effective project start date was January 2015.

² While the project Agreement and Approval Minute are not consistent on this issue, written confirmation was received from the National Implementation Unit (NIU) that an internal mid-term evaluation would be sufficient (email received 23 February 2016).

Background of the Project

The garment sector is Lao PDR's largest manufacturing employer and makes a significant contribution to annual national exports. Around 30,000 workers are employed by about 60 exporting factories and 45 subcontracting firms with production mainly in and around the capital, Vientiane. Garment workers are mostly women under 25 from outside Vientiane. They tend to see the work as temporary, generating extra income for their families and improving their own prospects. Most have a limited understanding of their contractual rights and obligations, and working and living conditions in the sector are often difficult, with long hours and compulsory overtime.

Garment sector employers identify labour supply as their most significant constraint. For example, some report that only half their workers stay beyond three years. Firms find it hard to improve productivity while regularly losing experienced workers, and the sector remains stuck in a cycle of low productivity and high staff turnover.

The project aims to improve working conditions, productivity and competitiveness in the Lao garment manufacturing sector by strengthening the national labour inspection system to ensure compliance with national labour laws in line with international labour standards. The project will also improve workers' and employers' understanding of labour law and their role in ensuring good working conditions, while empowering factory managers and employees to design and implement workplace improvement plans. To achieve these objectives the project works at three levels to:

- Improve the capacity of the labour inspection system to achieve compliance, using up-to-date ILO tools and methodologies and incorporating lessons learned from other labour inspectorates in the region.
- Develop and implement an awareness-raising strategy for workers and employers so that they are aware of their rights and obligations under the labour law.
- Implement a targeted compliance strategy for the garment sector.

Key partners:

The key partners in the delivery of this project are the Government of Lao PDR (Ministry of Labour and Social Welfare (MoLSW)), the Lao National Chamber of Commerce and Industry (LNCCI), the Association of the Lao Garment Industry (ALGI), and the Lao Federation of Trade Unions (LFTU).

Management set-up:

The Project Team consists of:

- ∞ One international expert and Chief Technical Adviser³ (P5), recruited by the project (ILO), in charge of the daily management of the project and technical reporting to all parties involved.
- ∞ One National Officer⁴ (NO-B) to support the CTA in the delivery of project.
- ∞ One Administrative and Financial Assistant⁵ recruited by ILO, who works full time for the project.

³ The first CTA, Ms. Madeleine Jones, was unable to renew her contract for the final year of the project and left the project in mid-January 2016. A new CTA, Ms. Kristina Kurths, was recruited and officially took up her functions on 1 March 2016.

⁴ Ms. Sommany Sihathep

⁵ Ms. Phonemany Phommachak

Technical backstopping for the project is provided by the Labour Administration and Labour Inspection Specialist based in the DWT-Bangkok.⁶

Donor Management Mechanism:

The project is funded by a multi donor trust fund financed by Australia, the European Union, Germany, Ireland, USA and the World Bank (Second Trade Development Facility (TDF-II)). Donor oversight is managed by the National Implementation Unit based in the Ministry of Industry and Commerce and responsible for the implementation of projects under TDF-II). The project also has a Project Advisory Committee (PAC) that meets on a quarterly basis.

Objectives of the evaluation:

The purpose of this evaluation is to review progress against the expected project deliverables and outcomes and to propose any course correction for the project's final year. In so doing it will identify the achievements, good practices and lessons learned from the project. It is further intended to assess the continued feasibility of the project design, particularly for the garment factory phase of the project, especially given the expected increase in factories covered. Lastly, the evaluation will consider options for sustainability of compliance action in the country beyond the end of the project (both within and beyond the garment sector).

Knowledge and information obtained from the evaluation will be used as a basis for better design and management of current and future ILO activities in Lao PDR. The evaluation also supports public accountability of the Government of Lao PDR and the ILO.

Clients and users of the evaluation:

- ∞ Project team
- ∞ ILO Country Office for Thailand, Cambodia and Lao PDR, ILO HQ and RO/DWT-Bangkok
- ∞ Government of Lao PDR [Ministry of Labour and Social Welfare (MOLSW), Ministry of Industry and Commerce (MoC)], Workers and Employers' organizations, and the donor (World Bank and respective countries under the TDF-II)

The findings and recommendations of the evaluation will be shared and discussed with members of the PAC and the NIU.

Scope of the evaluation:

The evaluation cover **all activities undertaken up to 29 February 2016**. The evaluation will verify good practices and lessons learned from the implementation of the project. A set of practical recommendations will be included in the evaluation report aimed at improving project management, constituent coordination and overall implementation.

In particular the evaluation should focus on the following:

- ∞ The progress of the project against output and outcome targets
- ∞ The extent to which management arrangements are appropriate to achieve desired results and outcomes within a timely, effective and efficient manner.
- ∞ The level of engagement with and satisfaction of project constituents and direct beneficiaries.
- ∞ Assess the quality of operational work planning, budgeting and risk management

⁶ Mr. René Robert

- ∞ Lessons learned and good practices
- ∞ Prospects for the model to improve workplace compliance in the garment sector with the labour inspectorate beyond the expected end of the project.

Methodology

The ILO's policy guidelines for results-based evaluation (2nd edition) 2012 provides the basic framework. While an internal evaluation, it will be carried out according to ILO standard policies and procedures. The ILO adheres to the United Nations Evaluation Group (UNEG) norms and standards on evaluation as well as to the OECD/DAC evaluation quality standards. Upon consultation with the project team additional evaluation criteria and related questions can be added that address the specific project context.

The evaluation will use a combination of methods and the detailed methodology will be elaborated by the Evaluation Consultant on the basis of these TORs, subject to approval by the project CTA.

It is expected that the evaluation will apply mixed methods that draw on both quantitative and qualitative evidence and involve multiple means of analysis. These include but are not limited to:

- ∞ A desk review of relevant documents related to project performance and progress, including the initial project document, progress reports, project outputs, etc.
- ∞ Interviews with ILO Country Office management, CTA and staff, and other ILO technical staff who contributed to project activities.
- ∞ Interviews with other key project stakeholders, e.g. tripartite constituents, donors, implementing partners, direct recipients (staff of relevant government departments) and direct beneficiaries (pilot garment factory managers and workers).
- ∞ A stakeholder briefing at the end of the consultant's field mission to present preliminary evaluation findings and recommendations.

The gender dimension should 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. Moreover, the evaluator should 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. The particular concerns of vulnerable groups of workers should be considered in the evaluation process as well.

All this information should be accurately included in the inception report and final evaluation report.

Main deliverables

1. **Inception Report.** In consultation with the Project Team, the Evaluation Consultant will draft a brief methodological note that will briefly set out:
 - the evaluation methodology based on these TORs including the approach to data collection, key stakeholder identification, interviews and indicators
 - the work plan for the evaluation, indicating the phases of the evaluation, the key deliverables and milestones;
 - the list of key stakeholders and other individuals to be interviewed

2. **Draft evaluation report**, later the **final report**, when comments of the ILO have been received and incorporated. The quality of the report will be assessed against the EVAL checklist 5, 6 and 7 (see Annex 2). The report should include sections on output and outcome level results against milestone targets as well as sections on lessons learned, good practices and recommendations.
3. An **evaluation summary** will also be drafted by the Evaluation Consultant after the evaluation report is finalized according to the ILO format (see Annex 2).

All outputs of the evaluation will be produced in English. Copyright of the evaluation report rests exclusively with the ILO. Key stakeholders can make appropriate use of the evaluation report in line with its original purpose and with appropriate acknowledgement.

Evaluation Management Arrangements:

Evaluation Consultant

The mid-term evaluation will be led by an international Evaluation Consultant who will be responsible for the deliverables under the TORs. He/she will be supported by the Project Team and will be required to ensure the quality of data (validity, reliability, consistency, and accuracy) throughout the analytical and reporting phases.

Qualifications of the Evaluation Consultant:

- Have at least 5 years of experience in project development and evaluation work
- Technical knowledge and work experience in the fields of labour law and workplace compliance and/or labour inspection
- Knowledge of the ILO's roles and mandate and its tripartite structure
- Knowledge of labour issues in Lao PDR would be an asset
- Demonstrated experience, especially within the UN system, in M&E and results-based management
- Demonstrated ability to write well in English

Quality assurance

The Regional M&E officer ILO Regional Office for Asia and the Pacific, Bangkok (Ms. Pamornrat Pringsulaka) will provide quality control throughout the evaluation process.

Administrative and logistical support

The Project Team (in Vientiane), together with the ILO Country Office for Thailand, Cambodia and Lao PDR (in Bangkok) will provide relevant documentation, administrative and logistical support to the evaluation. The Project Team will also assist in organizing a detailed evaluation mission agenda and in confirming meetings. Also the Project Team will ensure that all relevant documentation is up to date and available to the Evaluation Consultant. The Project CTA will be the main contact person for the evaluation preparation and implementation and the post-evaluation phase (receiving and circulating report drafts for comments).

Roles of other key stakeholders

All stakeholders, including the donors, tripartite constituents, relevant government agencies, and other key partners – will be consulted at different stages in the process.

The following is a tentative calendar covering key outputs and milestones of the mid-term evaluation.

	Action	Tentative Dates (2016)	Responsible person(s)
1	Preparation of the contract for the Evaluation Consultant	14-18 March	Project team
2	Finalization of the evaluation methodology and mission schedule	1 April	Evaluation Consultant, Project Team
3	Desk Review of documents by the Evaluation Consultant	Until 3 April	Evaluation Consultant
4	Field mission to Lao PDR (Vientiane) for meetings with the Project Team and project stakeholders	4-7 April	Evaluation Consultant and Project Team
5	Field mission to the ILO-DWT in Bangkok to meet with ILO technical staff who have supported the project and CO-Bangkok staff covering Lao PDR	8 April	Evaluation Consultant, relevant ILO Technical Specialists and the Director of CO-Bangkok.
6	Preparation of draft report for submission to the Project Team	11-29 April	Evaluation Consultant
7	Draft report is circulated for comments and sent back to the Evaluation Consultant	By 9 May	Project Team
8	Revised report and Evaluation Summary submitted to the Project Team	By 13 May	Evaluation Consultant

Annex II. List of interviewees

Project staff

Ms. Kristina Kurths, current Chief Technical Adviser
Ms. Madeline Jones, previous Chief Technical Adviser (via Skype)
Ms. Sommany Sihathep, National Project Coordinator

ILO and Better Work staff

Mr Maurizio Bussi, Director, DWT for East and South-East Asia and the Pacific
Ms Khemphone Phaokhamkeo, ILO National Coordinator in Lao PDR (via Skype)
Mr. René Robert, Specialist in Labour Administration and Labour Inspection
Mr. Alain Pelce, Senior International Labour Standard and Labour Law Specialist
Mr. Charles Bodwell, Enterprises Development Specialist
Mr. John Ritchotte, Specialist on Labour Administration and Labour Relations
Mr. Arun Kumar, Specialist on Workers' Activities (via Skype)
Ms. Tara Rangarajan, Global Operations Manager (Asia) (via Skype)
Mr. Ivo Spauwen, Technical Officer (Advisory Services) (via Skype)
Mr. Jonas Astrup, Production and Systems Officer (via Skype)

Ministry of Labour and Social Welfare - Management

Mr. Oudone Maniboun, Director, Labour Inspection Division, Labour Management Department

Ministry of Labour and Social Welfare - Core Labour Inspector Group

Mr. Phieng Thong, Sisattamak District
Mr. Thippachanh, Department of Labour
Mr. Phailath, Hat Sai Phong District
Mr. Souliphone
Mr. Tey Phommachuk
Mr. Sathep Akhavongsa, Zaisetha District
Mr. Dung Chang
Mr. Bounthieng Phangmuangkharn, Naxaythong District
Also present, Mr. Misayphone Inthaphonedet, Ministry of Labour and Social Welfare

Ministry of Industry and Commerce

Department of Planning and Cooperation
Ms. Vilayvanh Bounleuth, Deputy Director of Foreign Aid Division
Mr. Sengxay Phousinghoa, PSD Advisor
Ms. Pinphakone Xayavong, Trade Analyst, National Implementation Unit

LFTU

Mr. Ounkham Bounnaseng, Director General of Labour Protection Department
Mr. Thongphim Vongrapha, Depute Director, Labour Protection Department

Employers and sector organizations

LNCCI

Sengdavone Bangonesengdet, Secretary General
Ms. Daovadng, Chief of Bureau of Employers' Activities

ALGI

Mr. Chamlong Janetanakit, President, ALGI and Director Hi-Tech Lao Apparel Co., Ltd.
Mr. Bountham Chanthavong, Chief of Office

World Bank

Mr. Konewawang Nghardsaysone, Trade Economist, World Bank
Mr. Mombert Hoppe, Senior Trade Economist, World Bank

Consultants

Alagandram Sivananthiram, Labour Inspection Expert Consultant

Enterprises

Trimax, Co., Ltd

Mukda Meawsuttipon, Assistant Division Manager
Five production employee members of WIC

Hi-Tech Laos

Ms. Amphaphone Banouvang, Human Resources Officer
Two production employee members of WIC

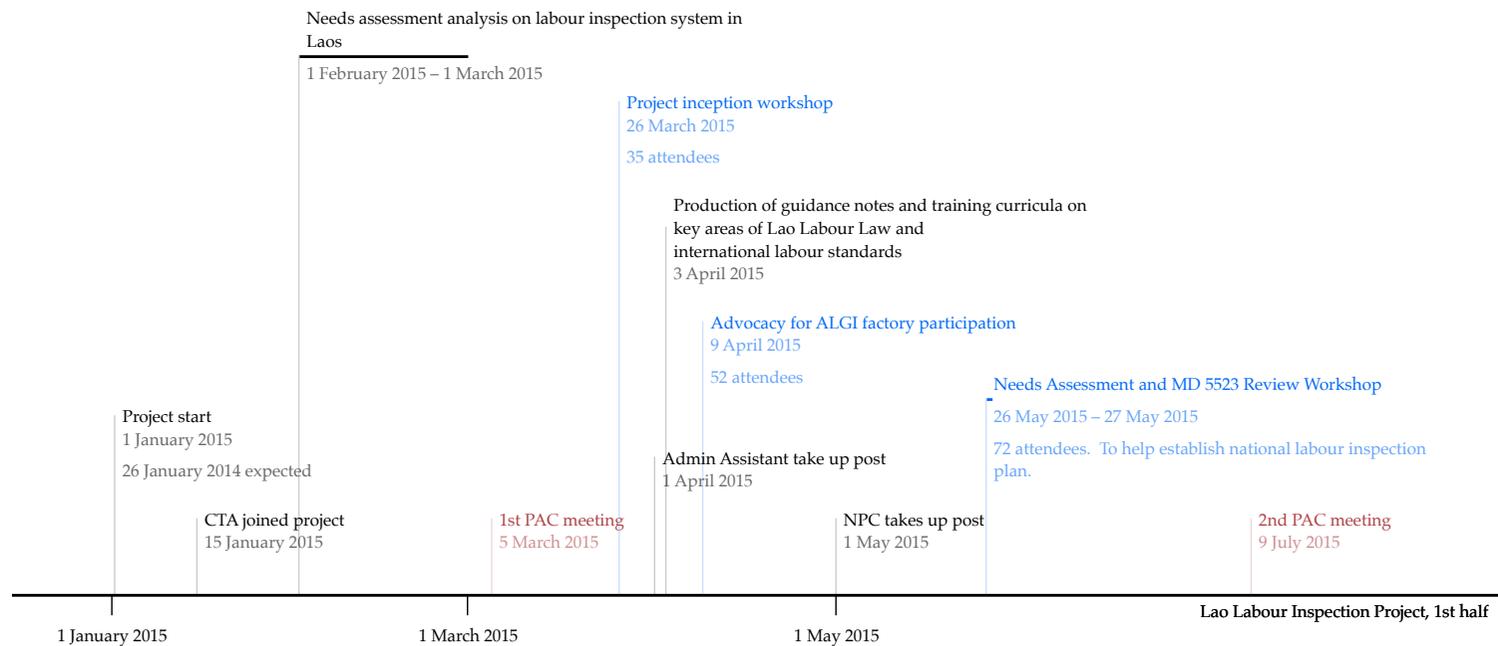
Alpilao International

Mr Satheesh Vallipurum
Thongkan, Human Resources Department

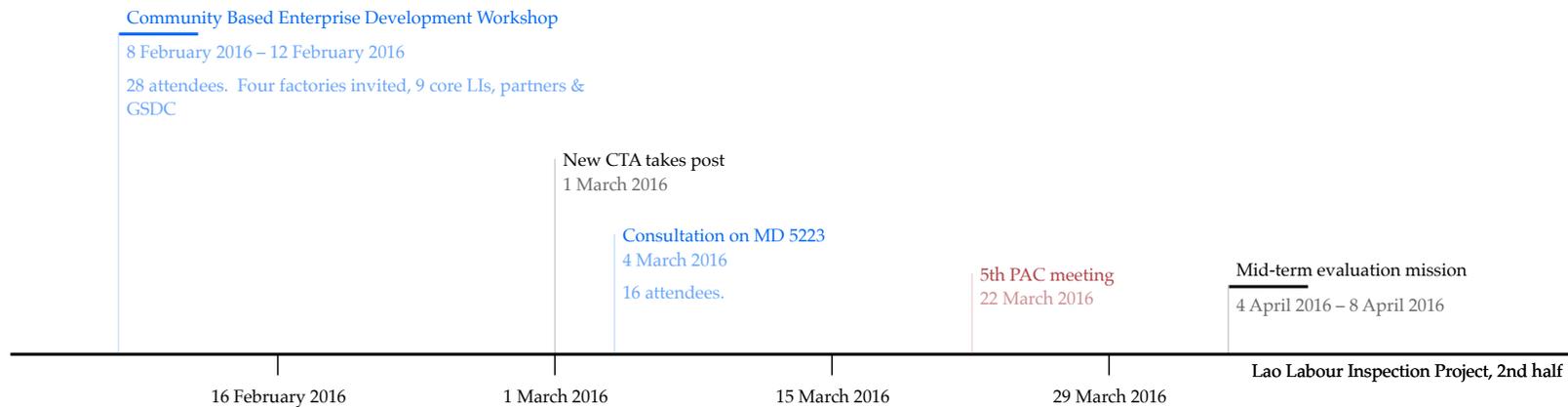
Kianvilay Garments (non-participating company)

Mr. Thavone Saysavank, Assistant to Director/Shipping Officer

Annex III. Project timeline

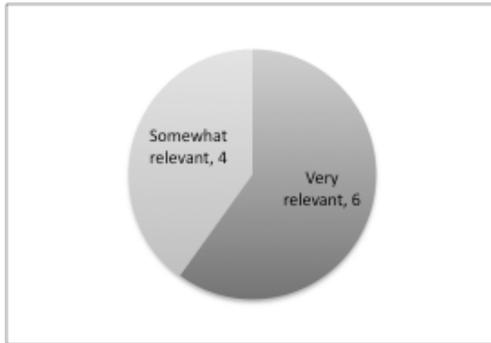




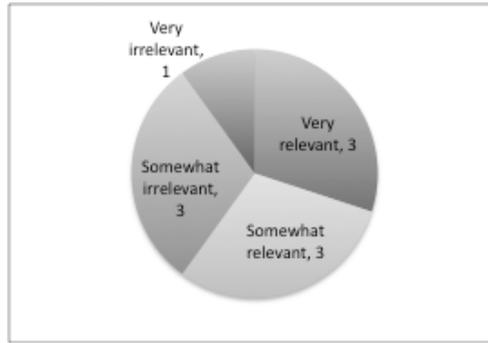


Annex IV. All-around ratings by stakeholders

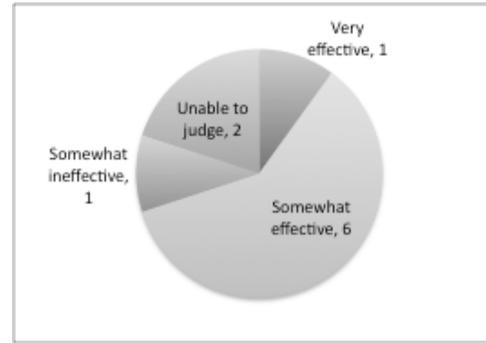
1. How relevant is the project design to the objective of improving garment factory working conditions in Lao PDR?



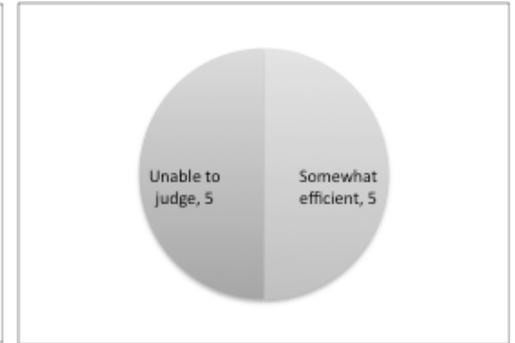
2. How relevant is the project design to the objective of increasing the market for garments made in Lao PDR?



3. How effective is the project in delivering planned activities?



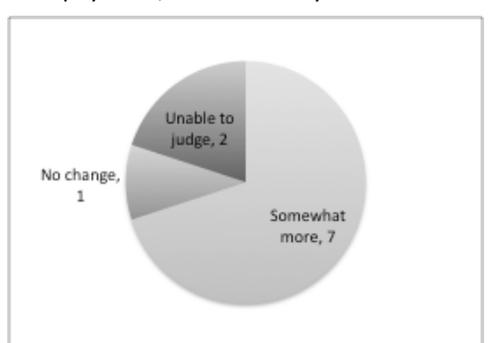
4. How efficient has the project been in using resources to deliver its activities?



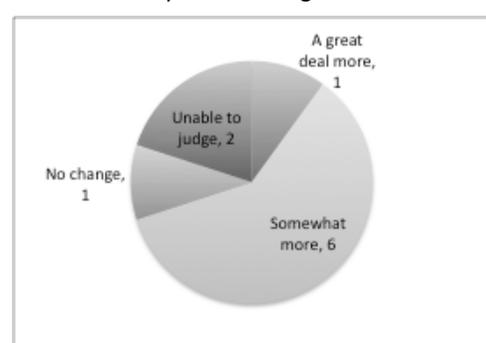
5. To what extent has the capacity of the labour inspection system in Lao PDR improved as a result of the project?



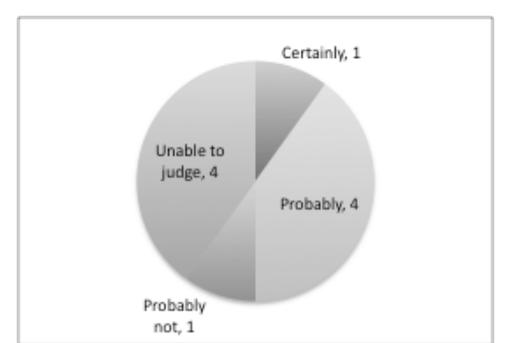
6. As a result of the project do workers and employers in the garment industry better understand key aspects of labour legislation, calculation of minimum wage and overtime rates, social security payment, and maternity benefits?



7. To what extent have factories improved working conditions through workplace cooperation using the project advisory and training services?



8. Are project results likely to be sustainable?



Annex V. Documents reviewed

The complete set of project implementation documentation (almost 1000 digital files) was made available to the evaluator. Many were reviewed. Those listed below were most closely reviewed.

- Project document
- Gap Analysis: The Labour Inspection Convention, 1947 (No. 81) and the Labour Inspection (Agriculture) Convention, 1969 (No. 129) Lao People's Democratic Republic, Established in August 2015, by Siska Dubbert
- Project Advisory (Committee) Minutes
 - o Meeting of 5 March 2015
 - o Meeting of 9 July 2015
 - o Meeting of 14 October 2015
 - o Meeting of 22 December 2015
- Technical Cooperation Progress Reports
 - o 1st, covering the period January-July 2015
 - o 2nd, covering the period August-December 2015
- Reports of training events
- Most recent financial statement
- Records of WIC meetings
- Notes and documents relative to project activities

Annex VI. Logical framework

Immediate Objective 1. The labour inspection system in Lao PDR is improved so that it can effectively undertake labour inspection functions for the benefit of workers and employers in the garment sector.

Output 1.1. National labour inspection plan adopted by MoLSW and endorsed by PAC

Activity 1.1.1. Undertake an assessment of the labour inspection system at central and provincial level, with a set of recommendations; assessment includes gaps in legal framework -and taking into account the provisions under the law to be adopted- to be fully compliant with ILO standards

Activity 1.1.2. Present and discuss assessment with MoLSW officials, identify areas for technical assistance and agree on a work plan for the project

Activity 1.1.3. Present assessment to and gain endorsement from PAC members

Activity 1.1.4. Based on the agreed assessment results, develop a national plan on labour inspection for endorsement by the MoLSW disseminated to relevant government officials around the country, and to employers and workers organizations.

Output 1.2. Legal framework (laws and regulations) is in compliance with ILO principles on labour inspection

Activity 1.2.1. Discuss gaps in legislation with MoLSW and PAC and agree on a plan to adapt the legal framework

Activity 1.2.2. Provide technical advice in drafting legal instruments as requested

Output 1.3. Ministry of Labour and Social Welfare able to coordinate inspection services in all provinces and districts

Activity 1.3.1. MoLSW discusses with heads of provincial offices and main district offices how to better coordinate labour inspection; common objectives, key performance indicators, and working procedures are set

Activity 1.3.2. Based on meeting with Provinces and districts, MoLSW prepares a realistic national labour inspection plan.

Output 1.4. Labour inspectors have appropriate capacity and tools to undertake labour inspections effectively and to provide advice to the social partners to achieve compliance

Activity 1.4.1. Assist in preparing common labour inspection procedures and checklists, including OSH and contributions to the social security

Activity 1.4.2. Labour inspectors involved in the pilot plan for garment industry are trained on labour standards, including ILO conventions

Activity 1.4.3. New tools are tested in labour inspection visits, where advice on compliance is given to workers and employers

Activity 1.4.4. Labour inspection tools are finalised and made available to all labour offices in the country

Activity 1.4.5. Project assists in preparing a training manual for labour inspectors

- Activity 1.4.6.** Labour inspectors are trained on labour rights, labour inspection procedures and use of other tools
- Activity 1.4.7.** Purchase 1-2 motorcycle(s) for labour inspection functions
- Output 1.5.** Labour inspection services are able to collect and manage data and information
- Activity 1.5.1.** A manual for the collection and analysis of data is prepared for the provincial labour and district offices and the MoLSW
- Activity 1.5.2.** Provincial offices gather data and send to the Ministry
- Activity 1.5.3.** With Project assistance, the MoLSW consolidates and analyzes data
- Activity 1.5.4.** Report is sent back to the provinces and districts and discussed with the PAC members.
- Activity 1.5.5.** Elaboration of a strategy for improved collection, analysis and use of data on occupational accidents and diseases
- Activity 1.5.6.** Purchase and program appropriate IT equipment for collection, retrieval and analysis of data
- Output 1.6.** Labour inspection pilot plan is adopted for the garment sector, with the participation of the MoLSW, the provincial and district labour offices
- Activity 1.6.1.** MoLSW, Provincial and district offices in Vientiane meet to design a plan for the garment sector in Vientiane, and assign a core group of labour inspectors;
- Activity 1.6.2.** The project supports training for the core group of labour inspectors, including training on the establishment and operation of WICs, preparation of the initial assessments, preparation and evaluation of WIPs.
- Activity 1.6.3.** The project assists in designing a reporting mechanism to be commonly used by all factories, endorsed by the PAC
- Output 1.7.** By the end of the Project the country ratifies ILO Convention on Labour Inspection, 1947 (No. 81)
- Activity 1.7.1.** Activities promoting ratification of the Labour Inspection Convention, 1947 (No. 81), drawing on ILO technical resources and expertise
- Immediate Objective 2.** Workers and employers are aware of their rights and obligations and understand how to achieve compliance
- Output 2.1.** Agreement amongst the tripartite partners through the PAC on the training strategy of the project
- Activity 2.1.1.** Essential milestones for the execution of the training component agreed by the PAC, against which component performance and stakeholder commitment can be objectively assessed
- Output 2.2.** Labour law guides on priority issues developed, disseminated and part of the Project training curricula
- Activity 2.2.1.** Prepare a set of guides on the practical application of selected provisions of the labour law following existing research on non-compliance issues, including minimum wage, overtime, OSH and working/living conditions, contributions to social security, contract drafting
- Activity 2.2.2.** Disseminate guides amongst managers, workers' representatives and trade unions
- Activity 2.2.3.** Incorporate guides into training curricula

Output 2.3. Awareness raising and outreach materials are developed and disseminated

Activity 2.3.1. Developing awareness raising materials on labour law rights and ILO fundamental standards, accessible all concerned parties, including factory workers

Activity 2.3.2. Disseminating materials amongst factories to be displayed at the workplace, through project activities, labour inspectors as they conduct regular visits around the country, and workers and employers organizations

Output 2.4. Training curricula and tools on workers rights, industrial relations and productivity are prepared based on ILO materials and adapted to the Lao situation

Activity 2.4.1. Training curricula are prepared in the form of a package for workers, workers' representatives, trade union representatives, supervisors and managers

Activity 2.4.2. Based on the curricula, training materials are prepared, in close coordination with the Lao Garment Services Centre

Output 2.5. Training delivered to workers and employers

Activity 2.5.1. Delivering training to workers and employers, at least one full package for a factory a year, using, whenever possible, trained labour inspectors.

Activity 2.5.2. The Project evaluates participation and commitment and prepares regular reports

Immediate Objective 3. Factories improve working conditions and productivity through workplace cooperation using the Project advisory and training services (Immediate Objective 1, Output 1.7 is directly linked to this IO)

Output 3.1. Workplace improvement committee (WIC) created, with workers' representatives freely elected by the factory workers

Activity 3.1.1. Develop terms of reference for the WIC: composition, mandate, operating procedures and and co-functioning with OSH mandate/ committees

Activity 3.1.2. Labour inspection assists in creating WICs

Output 3.2. Initial assessment undertaken by WIC on how to achieve compliance with national and international standards, with the assistance of the labour inspectorate

Activity 3.2.1. Develop assessment tool based on existing ILO materials

Activity 3.2.2. Undertake assessment on compliance gaps

Activity 3.2.3. WIC identifies areas of and strategies for improvement, beyond compliance, including productivity

Output 3.3. Workplace Improvement Plan (WIP) agreed and implemented, measured against indicators of progress

Activity 3.3.1. WIC agrees upon a one-year WIP

Activity 3.3.2. Project staff, labour inspection and WIC identify training and technical assistance needs needed to implement WIP

Activity 3.3.3. Project delivers training and technical assistance to assist WICs –or OSH committees- to achieve targets set out in WIPs

Output 3.4. Reporting and measurement of progress made

Activity 3.4.1. After completion of the year, WIC prepares progress report, to be discussed with labour inspectorate and project staff

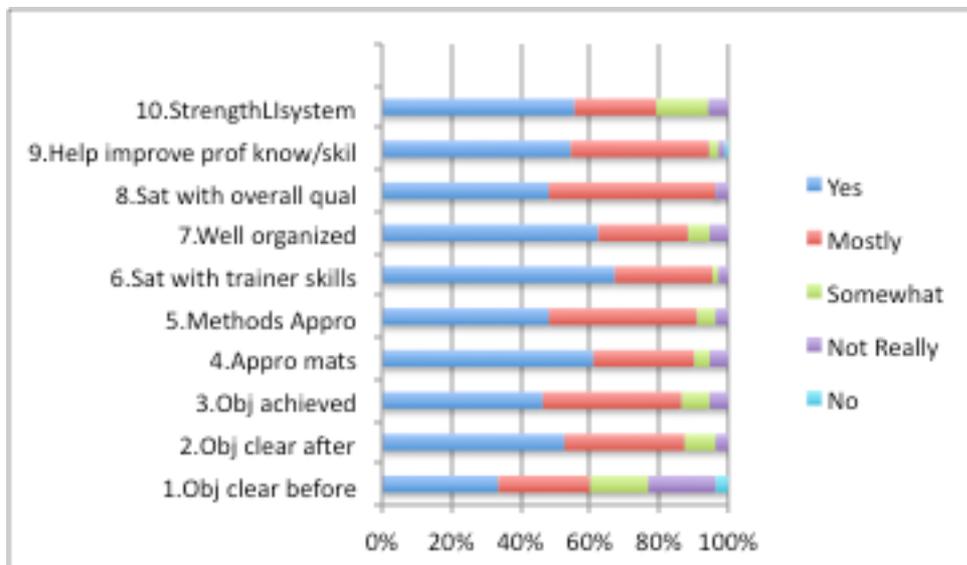
Activity 3.4.2. Report is published in the form and platform agreed by the PAC

Annex VII. Event Evaluation Results, individual and overall

Event evaluation questions

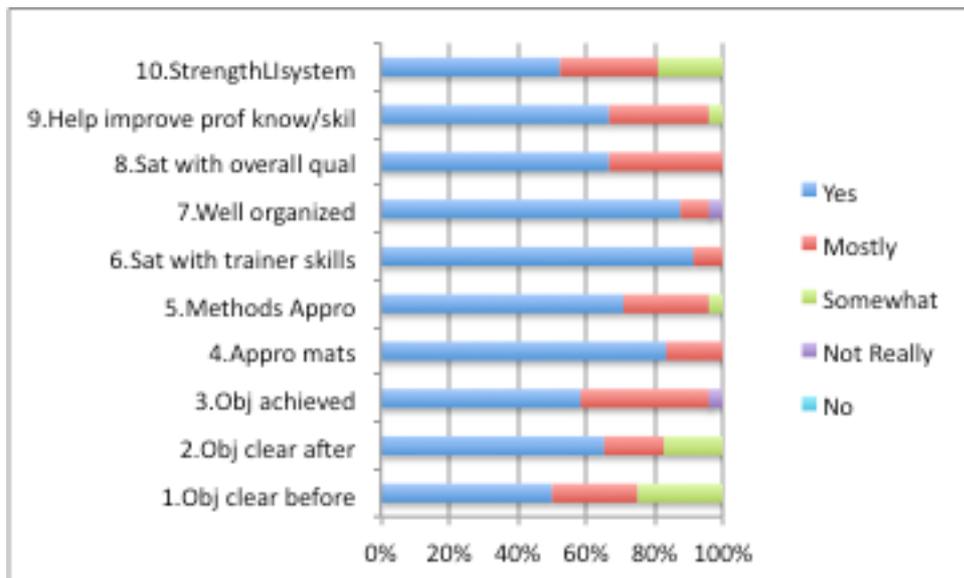
1. Before participating in this activity, were you clear about its objectives, contents and methods?
2. Having participated, are you now clear about the objectives of the activity?
3. Were the activity's objectives achieved?
4. Were the materials used during the activity appropriate?
5. Were the learning methods used appropriate (presentations, exercises etc.)?
6. Were you satisfied with the skill and expertise of the trainer(s)?
7. Was the activity well-organized?
8. Were you satisfied with the overall quality of the activity?
9. Did the activity help to improve your professional knowledge and skills?
10. Do you think the activity will help strengthen your country's labour inspection system?

Figure 4: Cumulative



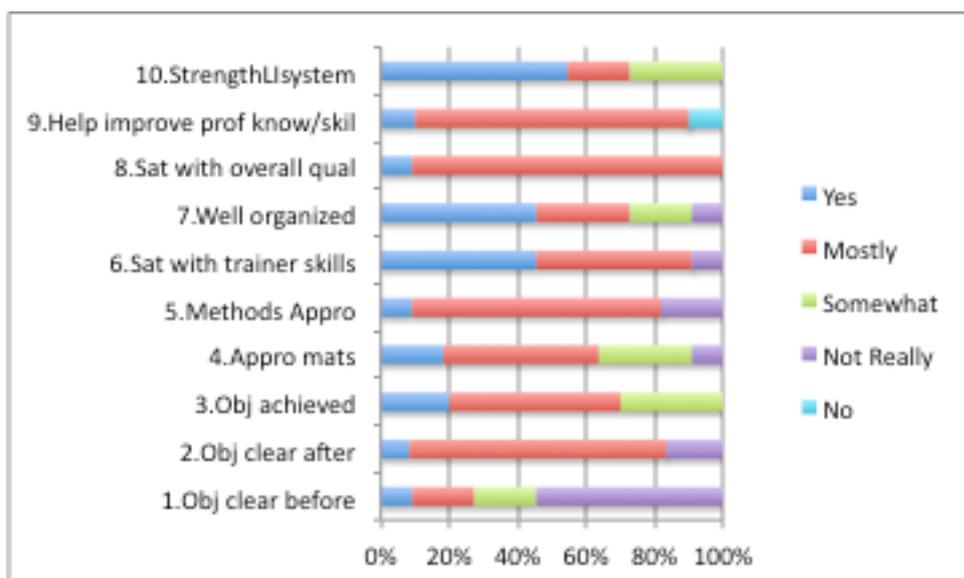
(N=91) (some respondents did not respond to all questions)

Figure 5: Needs assessment workshop (26-27 May 2015)



(N=24) (some respondents did not respond to all questions)

Figure 6 Labour Inspection Manual Validation Workshop (26 October 2015)



(N= 11) (some respondents did not respond to all questions)

Figure 7: Better Work training (2-6 November 2015)

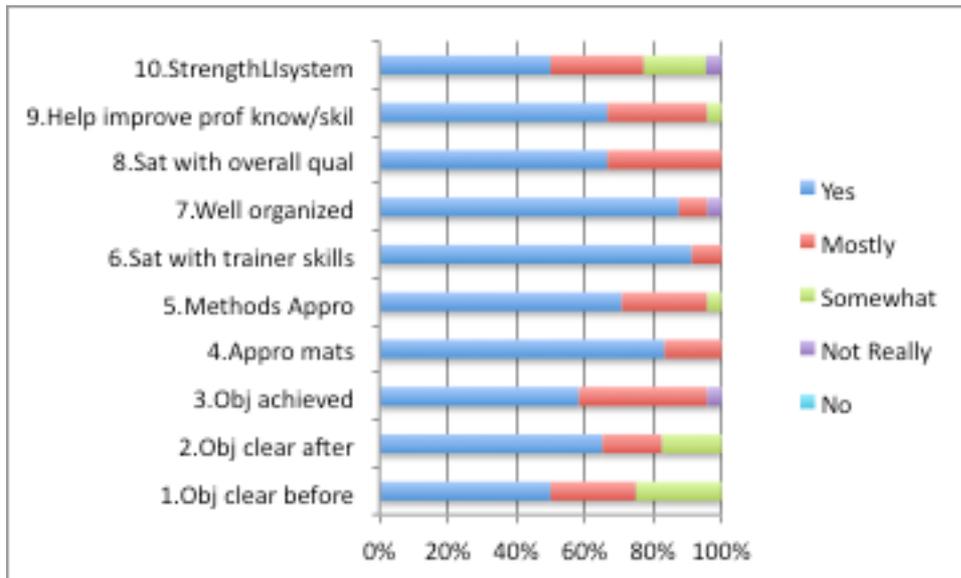
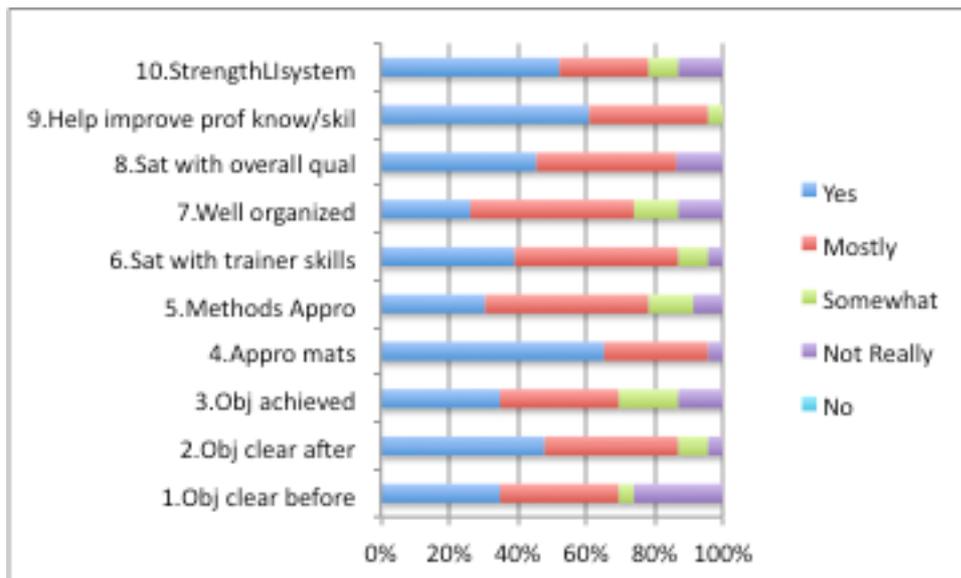
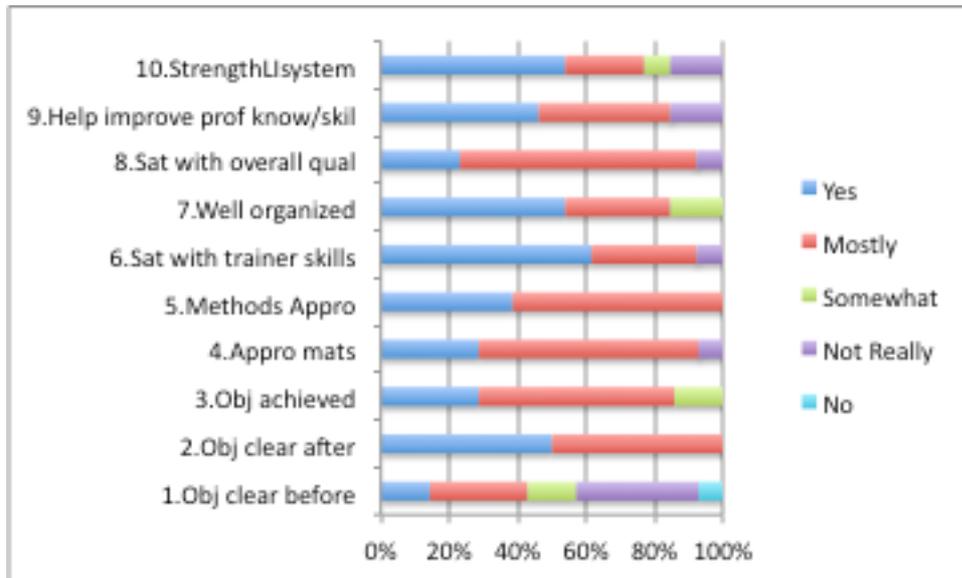


Figure 8:Workshop for Core Labour Inspectors on Lao Labour Law (23-24 November 2015)



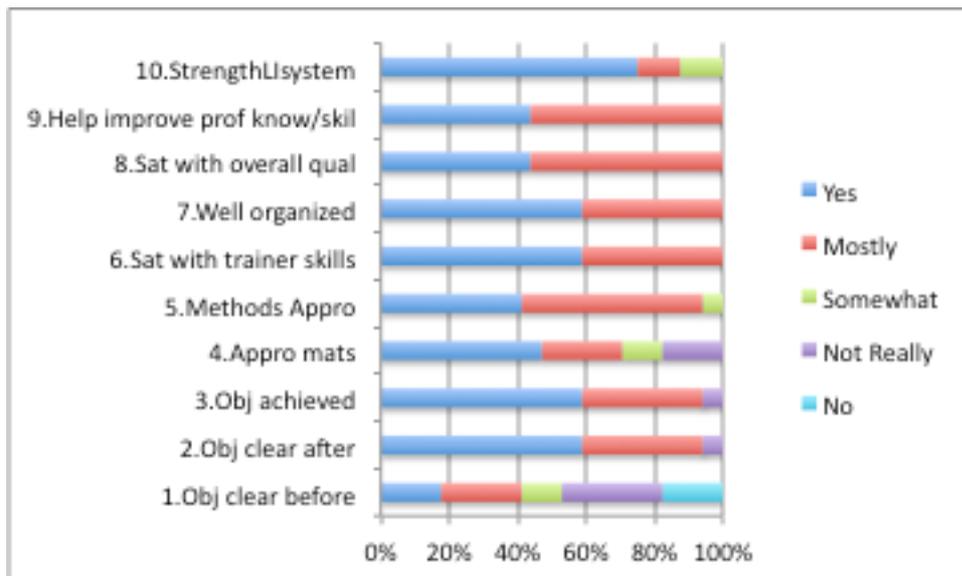
(N= 23)

Figure 9: Guidance Note Training (26 November 2015)



(N= 14) (some respondents did not respond to all questions)

Figure 10: Guidance Note Training (27 November 2015)



(N= 17) (some respondents did not respond to all questions)

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- International Labour Organisation – Evaluation Unit 2013a. *Guidance Note 9: Internal Evaluation for Projects*, Available at: http://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_167056.pdf.
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- Record, R., Kuttner, S. & Phouxay, K. 2012. *Labour practices and productivity in the Lao garments sector: Perspectives from managers and workers*, Better Work Discussion Paper Series, Available at: <http://betterwork.org/global/wp-content/uploads/2012/08/DP-8.pdf>.