



Evaluation Summary



International
Labour
Office

Evaluation
Office

Increasing Workplace Compliance Through Labour Inspection - Final independent evaluation

Quick Facts

Countries: *Vietnam*

Final Evaluation: *22 September 2016*

Mode of Evaluation: *Independent*

Administrative Office: *CO-Hanoi*

Technical Office: *DWT Bangkok and Governance & Tripartism Department, Geneva*

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Project End: *30 June 2016*

Project Code: *VIE/13/02/NET*

Donor & Project Budget: *The Government of the Netherlands (US\$ 1,300,000)*

Keywords: *Labour Inspection, Workplace Compliance, Occupational Safety and Health, Tripartite Consultation*

Background & Context

Summary of the project purpose, logic and structure

The Labour Inspection Project has two main objectives:

- 1) To improve MOLISA's institutional and technical capacities; and
- 2) To strengthen workplace compliance through the combination of increased law enforcement, the development of

prevention measures and improved industrial relations.

The **genesis** of the ILO Project on “Increasing Workplace Compliance through Labour Inspection in Vietnam” (the ‘LI Project’), for a total maximum amount of US\$ 1,300,000 can be found in the prior collaboration between the ILO and the Ministry of Labour, Invalids and Social Affairs (MOLISA) in Vietnam. In 2012, at MOLISA’s request, the ILO undertook a needs assessment of Vietnam’s labour inspection system and overall compliance strategy, which identified 10 recommendations, highlighting areas where the ILO could be of direct assistance, including through improved advisory and preventive services as well as deeper collaboration with the social partners (see Annex 4). At the same time, MOLISA prepared a Master Plan for building the capacity of its labour inspection system (2012-2020), drawing on the assessment and related MOLISA priorities. There was also close collaboration with several other ILO projects.

The Project’s **strategy** and main means of action was on improvement of overall compliance with national labour laws hinging on building the institutional capacity of the labour administration system – particularly by strengthening labour inspection planning at the national and provincial levels as well as improving the professional knowledge, skills and tools of labour inspectors to apply the newly-reformed labour laws. Furthermore, the Project has worked through other entry points at the workplace, especially bipartite

committees, which have a significant role in guaranteeing labour law compliance in enterprises.

The **geographic coverage** of the project was focused on the national level institutes in Hanoi but with many activities in a series of provinces.

The **start** of the project was delayed for half a year due to the late recruitment of the project team, and in September 2015 a no-cost extension was granted to the project by the donor until 30 June 2016, resulting in an effective project duration of 2 years as foreseen in the Project Document.

The project was **managed** by an international expert who left after one year and was not replaced because the national expert, jointly with the DWT expert in Bangkok, were well-capable of taking over. A second national expert was recruited in November 2015, and a project administrator was there from the start.

Main Findings & Conclusions

The main conclusions of this final independent evaluation can be summarized according to the seven Evaluation Criteria used throughout this report. Concerning the **relevance** of the LI project, all stakeholders interviewed have indicated explicitly that the focus on Workplace Compliance and Labour Inspection is considered very relevant by them for the current phase of development of Vietnam, and that this relevance will only increase with the signing of the Trans-Pacific Partnership (TPP) and other trade agreements. The Project also contributes to the overall objectives of the Government of Netherlands' international development cooperation and its standing 'Arrangement' with the ILO, and also to the Outcomes of the ILO Decent Work Country Programme - DWCP (2012-16) for Vietnam and of the ILO Strategic Policy Framework (2010-15). Lastly, there is a clear alignment with some of the Sustainable Development Goals (SDGs), especially Goal 8. All in all, the

Labour Inspection (LI) project scores quite high on the evaluation criteria of Relevance.

The **validity of design** of the LI project is substantial because it was based on a prior needs assessment as well as on MOLISA's Master Plan. The Design is clear in its Approach towards Labour Inspection with the two main objectives listed in the above, which are divided respectively into five and four relevant outputs (and each of these nine outputs are further divided into a number of activities). However, the validity would have benefited substantially, firstly, by the inclusion of clear milestones in the original LogFrame of the ProDoc; secondly, by a more structured involvement of the social partners from the inception of the project; and thirdly by the inclusion of a gender dimension in the ProDoc and LogFrame.

Concerning **effectiveness**, it can be concluded that the LI project has clearly succeeded in contributing substantively and innovatively to the two project objectives despite being faced with important disabling factors (explained below). The successes included that MOLISA's institutional and technical capacities have clearly improved as a result of various training activities following the design and initial implementation of the national training plan for the period 2012 to 2020; in addition, the cooperation between MOLISA and DOLISA in the pilot provinces has certainly improved; workplace compliance was strengthened among others by raising awareness among government organisations and social partners in this area through the Labour Inspection Campaigns (LIC). Among the disabling factors hampering at times the smooth achievement of outcomes, the general stop on hiring civil servants is quite pervasive, while other factors include delays due to personnel changes both within the project and within the MI, delays in the joint activities between BWV's Enterprise Advisors (EA) and labour inspectors, contradictions within the legal framework (see for details Section 3.3), and, lastly, the collaboration between the MOLISA Inspectorate (MI) and

the Bureau of Safe Work (BSW) is in the process of being further articulated. The gender dimension was somewhat neglected from the design stage but gradually specific gender issues were included in the project activities.

The **use of resources** has been generally efficient and well-balanced, even arriving at considerable savings which were allocated to budget categories for project activities and for national project staff. Table 2 (in Section 3.4) provides a summary of the project expenditures in the years 2014 to 2016 and shows clearly the slow spending in the first year, which then quickly picked up pace in 2015. On the whole, activities were completed on-time and according to work plans, although the disabling factors discussed above resulted in periodic delays. The Project has to a certain extent been able to build upon or leverage national resources (especially due to cooperation with MI), or resources of other ILO Projects (mainly some cooperation with Better Work Vietnam).

The **effectiveness of management arrangements** has been satisfactory, supported by reliable funding from the Government of Netherlands, and by the continuity of the national project staff in the relatively small project team who were well able to take over the management functions of the international project manager who left after one year, while the technical advisory functions were undertaken by the LI expert from the DWT in Bangkok. The Project is well documented with progress reports, work plans, etc., and the results were communicated intensively with MOLISA Inspectorate (although the ProDoc was not shared with them), however, much less with the other tripartite constituents. The LI project has been governed by a bilateral regular meeting (monthly to quarterly) with the MI which has functioned well in itself, but tended to exclude the other tripartite partners. It would have been beneficial if overall project strategy and policy had been governed through a kind of overall (half-yearly) project steering committee including all of the tripartite and other crucial partners.

The potential **impact** of the project is expected to be substantial since ownership has been very high from the beginning in MOLISA, especially in the Inspectorate. At the same time, it must be underlined that ownership has only gradually arisen among the other two tripartite partners. Nevertheless, on the whole the stakeholders agree that attention for and awareness of labour inspection and workplace compliance have received a substantial boost by the LI project which seems to be irreversible, and a good basis for further promoting these important issues. Gender has also been put on the map with the MOLISA Inspectorate. There was no exit strategy of the Project formulated in the ProDoc, and during the project no attempt at such an exit strategy was made, as it gradually became more and more likely that LI would become one of the topics next to such topics as Trade, Fundamental Principles and Rights at Work (FPRW), Industrial Relations, Social Dialogue, OSH and Social protection, to be merged in a possible larger project proposal following the progress in the TPP and the Vietnam-EU Free Trade Agreement (FTA) agreements (see further Section 4.3).

On the whole, the LI project has, with modest means, achieved positive contributions to **sustainability** especially in terms of:

- Awareness raising,
- Policies and practices developed,
- Capacity building tools produced, and
- Capacities enhanced.

Specific activities of the Project are already in the process of being replicated, e.g. the MOLISA Inspectorate is planning a third Labour Inspection Campaign (LIC) for 2017 in the electronics sector, and perhaps even a fourth one in the sea-food processing sector. Sustainability of the results of the project could have been further enhanced if all three tripartite partners of the ILO had been involved in the project from its inception phase and would have met regularly in a project steering

committee. In a way, the LI project can bring about a kind of strategic continuity having investigated and piloted crucial activities that can now be identified in more detail and depth for a follow-up phase which is very timely considering the possible start of the TPP and the Vietnam-EU FTA.

Recommendations

- 1) Make sure that the objectives and outputs of the Project are relevant to the specific needs of all three ILO constituents, i.e. Government, Workers' and Employers' Organizations, and make every effort to try to involve all three partners from the beginning in project design and planning.
- 2) Improve the Logical Framework and the Performance Monitoring System for a possible follow-up (sub-) project by adding clearly defined indicators, baselines and especially yearly milestones, to more closely adhere to standard Logical Framework approaches.
- 3) Continue and expand certain components of the LI project that were particularly useful and highly valued by the stakeholders, such as the LICs, the organizational as well as professional and technical capacity building including ToT, the work on the legal framework and the cooperation between MOLISA and DOLISA in the pilot provinces, and, at the same time, include new areas of focus, such as setting up the Training Centre proposed through a feasibility study as part of the LI project, and the web-based online training.
- 4) Promote bilateral interaction between Workers' and Employers' Organizations (esp. VGCL and VCCI) at national, provincial and workplace levels by supporting these organisations in their reform processes and by substantially strengthening their social dialogue capacities.
- 5) Ensure the installation of a Project Steering Committee (PSC) in any follow-up projects, preferably with half-yearly meetings,

in order to make sure that all tripartite and other crucial partners are involved from the beginning of the project enhancing ownership among them. Share with all these partners the drafts and final versions of the ProDoc from the inception period.

- 6) Maintain the high levels of ownership at the MOLISA Inspectorate of the LI project activities and methods, and enhance this ownership among VGCL and VCCI which started to increase during the first LIC, in order to further increase the attention for and awareness of LI and workplace compliance.
- 7) Support the MOLISA Inspectorate in planning the replication of specific elements of the LI Project, in particular the Labour Inspection Campaigns (LIC) for 2017 in the electronics and the sea-food processing sectors, and continue or enhance the way VGCL and VCCI were involved from the inception phase in the second LIC in the Construction sector.
- 8) Make sure gender issues are included in the project design phase and explicitly in the project document (ProDoc), whereby clearly defined baselines and yearly milestones are included explicitly, as well as separate budget items.
- 9) Intensify and integrate the support for Labour Inspection and Workplace Compliance by coordinating with MOLISA, VGCL and VCCI as well as with Donors to design a multi-year program to assist Vietnam in meeting the objectives of the consistency plan.
- 10) Include explicitly in the analysis for the multi-year support program for Vietnam not only the TPP but also the EU-FTA, the AEC and other trade agreements.