



Evaluation Summary



International
Labour
Office

Evaluation
Office

Vietnam Labour Law Implementation project – Final independent evaluation

Quick Facts

Countries:	<i>Vietnam</i>
Final Evaluation:	<i>September 2016</i>
Evaluation Mode:	<i>Independent</i>
Administrative Office:	<i>CO Hanoi</i>
Technical Office:	<i>DWT/CO Bangkok</i>
Evaluation Manager:	<i>Alexius Chicham</i>
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Project Code:	<i>VIE/12/01/USA</i>
Donor & Budget:	<i>US\$3,703,060, USDOL (97%)</i>

Keywords: *Industrial Relations, Collective Bargaining, Social Dialogue, Labor Legislation and Implementation, Vietnam*

Background & Context

Summary of the project purpose, logic and structure

The project “Vietnam Labour Law Implementation Project” (ILO-IR project Phase II) seeks to develop regulations for the new labour legislation consistent with the ILS, educate the tripartite partners on the provisions of the laws and regulations, and build their capacity to promote good industrial relations with the new provisions’ application in practice. Phase II was designed as a follow up to the One UN Fund supported project ‘Support to Industrial Relations and Labour

Code Reform in Vietnam’ (ILO Reform Project) implemented by the ILO Hanoi during September 2009-October 2012.

The immediate objectives of the Phase II are:

- (1) Support to development of implementation decrees for the new LC and TUL.
- (2) Promote education and awareness of the new LC and TUL and their regulations and guidelines.
- (3) Improve TU capacity to effectively and democratically represent workers, particularly at the enterprise level and in coordination with national union organizations, per new TUL and LC.
- (4) Facilitate development of an effective and sustainable system of MW fixing and determination.
- (5) Promote the use of CB resulting in signed CBAs per the provisions of the new LC.

Main Findings & Conclusions

Relevance and strategic fit: The overall directions laid out in the project document are entirely consistent with the priorities affirmed in by the Governments of Vietnam and US, ILO and UN programming documents, which aim to strengthen compliance of Vietnam with the ILS through promotion of sound IR, SD and CB. The project is very timely and its relevance has been reinforced during project’s implementation phase due to negotiations and signature by Vietnam of various trade agreements (TPP, EU and AEC) which require further substantial law and institutional

reform in the field of industrial relations. The project was able to respond timely to the newly emerged needs of the partner country with regard to revision of the Labour Code within very short timeline (i.e. by October 2016) by means of securing additional funding from the ILO Geneva and making corresponding revisions of 2016 Annual Workplan.

Project progress and effectiveness: In general, the ILO-IR project Phase II was effective. The projects' greatest effects in respect to its scope were under IO 4 'Minimum wage fixing', IO 3 'Union restructuring' and IO 1 'Implementation decrees'; to a lesser extent under IO 2 'Promote awareness of LC and TUL' and IO 5 'Collective bargaining'. The project faced a number of challenges including limited project budget, staff turnover among ILO project management team and implementing partners, low practical experience of project's partners in CB and SD and different level of institutional development of implementing partners. In all, while not being able to meet all its intended outputs, the available data (qualitative and quantitative) strongly suggest the project's progress towards meeting its objective.

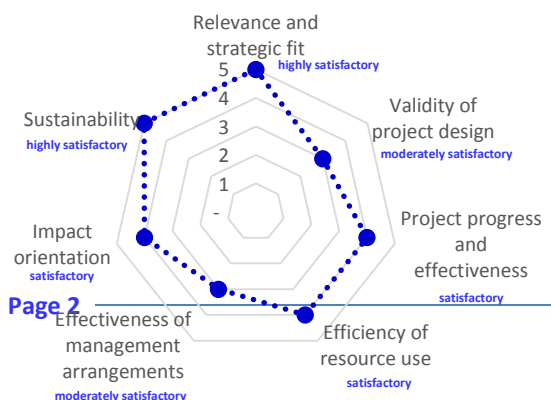
Efficiency of resource use: The project resources were allocated strategically and for the most part effectively to achieve outcomes; however, the chosen implementation modality was quite complicated and required allocation of a number of administrative resources both by the ILO-IR project team and the implementing partners. In addition, Phase II faced financial constraints within the whole period of implementation due to lack of specification in the Cooperative Agreement of funding availability and timing of funds release, which made project implementation and planning more difficult and subject to variation.

Effectiveness of management arrangements: Planned project management structure was only partly effective as lacked project staff both technical (with in-depth knowledge of IR across all fields and available in Vietnam at short notice) and administrative (necessary for effective financial management of a big group of implementing partners). Human resources at various levels of the ILO were engaged in project implementation and contributed towards achieving most of intended

outputs. Project governance structure was only partly efficient as the National Steering Project Committee was represented by senior high-level officials from all tripartite constituents which make it quite difficult to hold meetings more often than on annual and/or bi-annual basis. The project established strong collaboration with all tripartite constituents which is evident from the level of involvement of partners in project implementation. The project established gradually a robust M&E system that produced reliable and up-to-date data; though the sequence for conduction of evaluations (both external and internal) could have been better planned by ILO project team.

Sustainability: The ILO undertook all necessary steps, which were under its control and within its mandate to promote sustainable project's outcomes by strengthening institutional and management capacity of tripartite constituents and fostering partnerships among implementing partners at national and provincial levels for policy reform and practical implementation of industrial relations, leveraging political support from tripartite partners and ensuring funding stability necessary for smooth continuation of IR reform process. The project has a clear sustainability plan, which was elaborated, communicated and agreed by ILO with all tripartite partners, although at later stage of project implementation. Institutional and management capacity were safeguarded by strengthening organizational and technical capacities of tripartite constituents in such areas as law drafting, minimum wage calculations, union organization, collective bargaining and social dialogue. Political support has been reconfirmed and/or secured at the high political level, national and local levels through making

Overall assessment of the project against evaluation criteria



commitments by the Government and tripartite partners to ratify 10 ILO conventions by 2020, scaling-up of pilots by VGCL on the bottom-up for union organization and multi-enterprise collective bargaining and pilot of VCCI on capacity building of business associations for provision of better IR services to their members as well as commitments for further usage of developed regulations, tools, methodologies, studies, reports by constituents in labour law reform process. Financial sustainability of the project was ensured through securing funding in the amount of US\$ 5.15 million for January 2017-December 2019 from a Multi-Donor Support Facility composed of US, Japan, Canada and the EU.

Recommendations

Main recommendations and follow-up

The main recommendations are summarized as follows:

Critical recommendations

1. Design of the subsequent Phase of the IR project should be in line with the labour commitments in TPP in general and Vietnam-US Plan for enhancement of trade/labour relations in particular.
2. The stability of the funding for the next Phase of the IR project should be ensured by including into the agreements with donors' specification of instalments amounts and timing of their release.
3. As Vietnam, industrial relations system is at an early stage of development, the subsequent phase of the project would benefit from more flexible and light design which could allow to respond better and timely towards the needs of tripartite constituents.
4. The donors should consider the possibility of tagging a certain amount of budget (10 or 20%) for "non-labeled" activities, to be decided/agreed with local stakeholders during the first year of program implementation. This would provide greater

flexibility and responsiveness to local needs in terms of IR reform process.

5. During signature of future agreements with the donors and approval of the ProDoc of the next phase with the Government of Vietnam make sure that the project documents correspond to each other. It will allow to avoid any misinterpretation of intended project's objectives and outcomes.
6. ILO Geneva needs to consider the setting up of a mechanism for quick allocation of funds that would allow country offices to address better the urgent needs of the Member States.

Important recommendations

7. When designing the next phase of IR project, ILO Hanoi should make better linkages with other projects and programmes implemented in Vietnam for ensuring complementarity of efforts for better response to the needs of the Government of Vietnam in the context of TPP.
8. In the follow-up phase of IR project, define risks and mitigation plans separately for each component
9. For better assessment of efficiency of resources use and ensuring consistency with the concepts of RBM, it is recommended to use the Output-Based Budgeting method in preparing budget of the follow up phase of the IR project.
10. In the follow up phase, continue conducting of pilots, but focusing more on their quality rather than quantity and making more clear distinction in terms of pilot purpose (demonstration or scale up).
11. In the design of future phase of the project, ILO Hanoi should start to focus more on strategic strengthening of institutional capacity of Constituents and their internal governance structures to ensure their sustainability in the long-run. When

undertaking organizational development, carry out initial baseline assessments of supported social partners and the government institutions and establish measurable indicators of capacity development.

12. For ensuring more systematic approach towards institutional strengthening of tripartite constituents consider the development of a Training and Capacity Building Strategy for each partner and consider the efficiency gains of engaging a full time Institutional Building Advisor/M&E Specialist for the project to oversee the development/implementation of those plans by tripartite constituents and ensure proper measurement of impact.
13. In the design of future project, the ILO should plan support for social partners to develop public awareness and communication strategies and activities to inform the public and stimulate debate. The Media and Advocacy Strategy should be developed at the outset of implementation of subsequent phase of the project (inception phase). It should specify the type of messages, advocacy campaigns and strategies to be used in order for the main messages to be mainstreamed.
14. In the follow-up phase of IR project, consider organization of PAC meetings on more regular basis (at least half a year) and improving the project's oversight through establishing of Technical Advisory Committee from representatives of the tripartite partners and Project Office.
15. In the follow up phase of IR project, mainstream gender in the situation analysis, the project goals, outputs, indicators, and monitoring and evaluation framework on the stage of project design.
16. Before the Phase II closes, project management should make sure that all appropriate reports of Phase II and resources

are available online, either on the ILO website or relevant partners' websites.

17. Taking into consideration the scope and complexity of the ILO-IR projects, during conduction of independent evaluations of the follow-up phases it is recommended to (1) invite an evaluation team composed of two consultants (international and national) and (2) allocate more time for evaluation conduction in order for the evaluation team to be able to collect properly all relevant data.