

**Internal Mid-Term Evaluation of the ILO's Programme
of Work in Support of Responsible Business Conduct in
Latin America and the Caribbean (RBCLAC) project**

**COUNTRY CASE STUDY
CHILE**

May 2021



ILO/EVAL

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ACKNOWLEDGEMENTS

The Chile Country Case Study was conducted between March and April 2021. Mr. Rafael Muñoz Sevilla and Ms. Anna Maria Van Gaalen, independent evaluators, conducted the study in collaboration with the ILO RBCLAC team and national stakeholders. Mr. Muñoz and Ms. Van Gaalen would like to express sincere thanks to all parties involved in this study for their support and valuable contributions.

ACRONYMS

ACTEMP	ILO's Bureau for Employers Activities
ACTRAV	ILO's Bureau for Workers Activities
BHR	Business & Human Rights
CO	ILO Country Office
CONEP	<i>Consejo Nacional de Empresa Privada, Panama</i>
CONCAMIN	<i>Confederación de Cámaras Industriales de los Estados Unidos Mexicanos</i>
CSR	Corporate Social Responsibility
DWCP	Decent Work Country Programme
DWT	Decent Work Team
ENTERPRISE	ILO Department of Multinational Enterprises
EQ	Evaluation Question
ET	Evaluation Team
EU	European Union
EUD	European Union Delegation
EVAL	Evaluation Department of the ILO
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
ILO	International Labour Organization
ILS	International Labour Standards
IN	Infographic Note
IOs	Implementing Organizations (ILO, UN OCHCR and OECD)
IR	Inception Report
JSC	Joint Steering Committee
KII	Key Informant Interview
LAC	Latin America and the Caribbean
MNE	Multinational Enterprises
MTE	Mid-Term Evaluation
NAP	National Action Plan (on Business and Human Rights)
NCP	National Coordination Point (OECD)
NGOs	Non-governmental organizations
OECD	Organization for Economic Co-operation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights
OSH	Occupational Safety and Health
PARDEV	ILO's Partnering for Development Department
RBC	Responsible Business Conduct
RBC-LAC	Responsible Business Conduct in Latin America and the Caribbean Project
REO	ILO Regional Evaluation Office
RO	ILO Regional Office
SME	Small-to-medium sized enterprise
TA	Technical Assistance
TL	Team Leader
TOR	Terms of Reference
ToT	Training of Trainers
UNGP	United Nations Guiding Principles on Business and Human Rights
UNWG	United Nations Working Group on Business and Human Rights

1. INTRODUCTION TO THE EVALUATION AND COUNTRY CASE STUDY

In November 2020, the ILO's Governing Body (GB) approved EVAL's rolling work plan for 2021, which included an internal MTE of the ILO's Programme of Work in support of Responsible Business Conduct in the Americas and Caribbean.

The mid-term internal evaluation of the "Responsible Business Conduct in Latin America and the Caribbean" (CERALC) project, funded by the European Union through its Partnership Instrument, and jointly implemented by the ILO, OECD and OHCHR is undertaken in accordance with the project workplan and in line with the ILO Evaluation Policy (November 2005) and ILO policy guidelines for evaluation (2020, 4th edition) which provide for systematic evaluation of programmes and projects in order to improve quality, accountability, transparency of the ILO's work, strengthen the decision-making process and support constituents in promoting decent work.

The main purpose of this mid-term internal evaluation is to provide an independent assessment of the progress to date of ILO's component of the project, through an analysis of its relevance, effectiveness, efficiency, effects and orientation. The evaluation will serve to inform the mid-term independent evaluation to be conducted, as per EU guidelines, of the overall project.

The specific objectives of the evaluation are the following: (i) Assess the level of achievement of objectives as set out in the project document; assess performance as per the foreseen targets and indicators of achievement at output level and indicative achievements of outcomes; strategies and implementation modalities chosen; partnership arrangements, constraints and opportunities. (ii) Determine to what extent the strategic approach of the programme reflects the ILO comparative advantage. (iii) Provide recommendations to improve performance and strategies, institutional arrangements and partnership arrangements, and any other areas within which the evaluation team wish to make recommendations.

The midterm internal evaluation covers the time period, 1 January 2019 to 31 December 2020, which is halfway through the project implementation. As for its geographic scope: the evaluation comprises the ILO component of the project and its linkages with the implementation of the project by the implementing partners at the regional level as well as in the nine target countries (Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Panama, Peru and Mexico). The evaluation covers ongoing project activities and will assess all outputs produced since the beginning of the project and the level of achievement of the three immediate outcomes and will provide recommendations for improvements.

1.1. Scope and Objectives of the Country Case Study

This country case study was not mandated to carry out a comprehensive evaluation of the ILO interventions in Chile. It is rather intended as a significant contribution (amidst the overall evidence collected by the evaluation team) as an **input to the (global) mid-term evaluation of the ILO's Programme of Work in support of Responsible Business Conduct in the Americas and Caribbean. As per the Terms of Reference (TOR)** the main purpose of this mid-term internal evaluation is to provide an independent assessment of **the progress to date of ILO's component of the project**, through an analysis of its relevance, effectiveness, efficiency, effects and orientation.

1.2. Limitations of the Country Case Study

The findings for the case study are based on information collected from background documents and from key informant interviews. The accuracy of the evaluation findings are founded on the integrity of information provided to the evaluator from these sources and the ability of the evaluator to triangulate this information.

The evaluation was conducted during the COVID-19 pandemic, which has affected the data collection. The evaluator was unable to travel to Chile due to international flight limitations and national restrictions as a result of the pandemic. The interviews and focus groups were conducted mostly remotely using various virtual meeting platforms and phone calls.

In general, remote interviews and focus groups are not as productive as face-to-face meetings. The evaluator was also unable to have any informal meetings with informants, which is common during in-country visits. To some degree, these factors may have limited the quantity and quality of the information collected. Where possible, the evaluator mitigated these shortcomings with additional, focused interviews with some of the informants, and an exhaustive document analysis. Time constraints limited the duration of the whole evaluation process and (remote) fieldwork in Chile.

Despite these limitations, the evaluator considers that the key informant interviews (KIIs) and focus group discussions (FGDs) that were conducted have provided a solid representation of the views of key stakeholders and beneficiaries.

1.3. Country Case Study Methodology

The CCS set out to answer a list of specific questions organized according to the thematic criteria described above, agreed upon by the Evaluation Manager, the ILO-Project Staff, and the evaluators. The methodology for data collection and analysis was primarily qualitative in nature. The evaluator addressed the evaluation questions using multiple sources of evidence, combining primary qualitative data with secondary quantitative data. Qualitative data were obtained from remote key informant interviews (KIIs) and focus group discussions (FGDs). Quantitative data were obtained from the performance reporting data presented by the ILO in the Interim Reports to the EU; as well as from other secondary sources. Data collection methods and stakeholder perspectives were triangulated to bolster the credibility and validity of the results.

2. CONTEXT

2.1. RBC in the Latin America and Caribbean region

The TOR for this evaluation refers to an increased interest in Governments and businesses in LAC countries for the promotion of Responsible Business Conduct (RBC). However, the implementation of international standards related to RBC remained a challenge.

TERMINOLOGY

The European Delegation Agreement, which provides the formal foundation document for the RBCLAC project, states that the term “**Responsible Business Conduct**” (RBC) **includes the concept of “business and human rights” (BHR) and aligns with the concept of corporate social responsibility (CSR)** as defined in the EU CSR Strategy as: “*Responsibility of enterprises for their impacts on society*”.¹

The same document reflects that RBC practices in Latin America and Caribbean (LAC) countries were at different levels of progress. In some countries there were good advances, however, in others; RBC practices may be mainly associated with philanthropy. Nevertheless, practices were evolving towards a new approach aligned with RBC, both within companies and in relations to public sector operations and government policies.

The underlying assumption at the onset of the RBCLAC project was that further promoting RBC practices could contribute to overcoming conflicts between civil society, including communities, indigenous peoples, grassroots organizations, human rights defenders, and businesses in key sectors of Latin American communities in target countries.² The RBCLAC project therefore is designed to support governments and businesses in their efforts to promote and uphold responsible business conduct in line with international standards.³

A 2018 *Report on the promotion and application of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy in the Americas*⁴ was elaborated by the ILO as an integral part of the ongoing regional promotion of the MNE Declaration. The report included an account of in-region follow-up under the MNE Declaration (2014-2017). Examples included capacity building for constituents, undertaking of studies on relevant topics, participation in regional events, and support to Governments for policy development. Both the ILO RO and several constituents had undertaken some relevant studies, such as the Bureau of Workers’ Activities study on export processing zones and decent work (2017), and two RO studies on investment and trade.

The report, based on inputs from constituents, identified several contextual aspects and trends relevant for RBC in the region: (a) Dependence on and a reduction in foreign direct investment (FDI); (b) MNEs were concentrated in the largest economies; (c) LAC enterprises were mostly found in low-value adding stages of the international supply chains; (d) Some gender equality Issues were identified in relation to FDI; (e) Identification of relevant policy priorities in LAC; (f) Importance of the “*multilaterals*”; (g) Recent shifts in the sectoral make-up of investment the region; (h) China’s growing investment influence.

¹ European Delegation agreement, Annex 1, Description of the Action p.1.

² EUD Agreement, ANNEX 1, p.3.

³ [Responsible Business Conduct in Latin America and the Caribbean \(ilo.org\)](#)

⁴ Based on findings in *The MNE Declaration and its promotion and application in the America. Regional Office for the Americas, ILO 2018.*

2.2. Country context⁵

2.2.1. Country Overview

Chile is a resource-rich country, which is now looking at ways to transform its economy, better integrate in global value chains, and achieve inclusive growth. Chile is an OECD member country since 2010 and is considered as one of the most prosperous countries in Latin America and the Caribbean.

The Chilean economy has a limited degree of diversification, both in terms of activities and markets. In 2018, the economy was dominated by services (57.89%), hinging on IT and tourism, industry with 29.96% of Gross Domestic Product (GDP), predominantly from mining related activities, and agriculture representing 3.6% of GDP. Chile is the largest copper producer and exporter in the world. From 2011 to 2014, a decrease in the price of copper led to a growth slowdown, and although Chile fared relatively well in comparison to its peers, the country's vulnerability to the commodity cycles remain.

From 1990 to mid-2000, growth was steady, improving the overall social and economic conditions of its population: the average GDP per capita is 40% higher than the Latin American average. With this performance, Chile enjoyed higher and more stable growth than most countries in the LAC region. Although Chile's income inequality is higher than the OECD average, Chile's Gini coefficient is somewhat lower than high- and upper-middle economies in the LAC region. The incidence of poverty is especially high among indigenous people, women, and youth.

Low productivity is another important challenge. Total Factor Productivity (TFP) has remained stagnant since the 1990s, particularly due to the mining industry. The deterioration in copper ore grades has determined a need to shift production underground, and to increase mining intensity, thus using more energy. The high share of low-skilled workers, gaps in infrastructure and low investment in innovation are the main factors hindering productivity growth.

While informality levels in Chile are low when compared to the rest of the LAC region, the country still records a relatively high level of informality in relation to its level of economic development. In the period October-December 2019, informal workers accounted for 28.4% of the total working population (unchanged in the last 12 months). Most of those workers are employed by productive units of fewer than 5 persons (71.7%). Considering the universe of informal work, it is mainly present in the commerce (21.7%), agricultural (11.8%), and construction (10.7%) sectors.

The business environment in Chile is relatively attractive, as business entry costs and export procedures have been progressively eased. However, promising firms still lack opportunities to grow, export and innovate. Chile was ranked 59th in 2020 in the World Bank's Ease of Doing Business Ranking. 'Getting credit' is the country's weakest feature (94th), followed by 'paying taxes' (86th). On the other hand, Chile has improved its position in other indicators, including for "starting a business" (57th) by establishing online and electronic services.

⁵ Source: Responsible Business Conduct Country Fact Sheet, Chile. OECD Paris, 2020

2.2.2. Responsible Business Conduct

In 1997, Chile adhered to the *OECD Declaration on International Investment and Multinational Enterprises* (Investment Declaration) and to the *OECD Guidelines for Multinational Enterprises* (which are part of the Investment Declaration). Following that commitment, Chile established a National Contact Point (NCP) in 1997 (See below). In 2010, Chile became the first South American country to join the OECD and it was also the first Latin American NCP to volunteer to undertake a peer review in 2017. Chile has also adhered to the *Council Recommendation on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* (2012); the *OECD-FAO Guidance for Responsible Agricultural Supply Chains* (2016); the *OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector* (2017); and the *OECD Due Diligence Guidance for Responsible Business Conduct* (2018).

Chile's National Contact Point

OECD National Contact Points for Responsible Business Conduct (NCPs for RBC) are agencies established by governments. Their mandate is twofold: (i) to promote the OECD Guidelines for Multinational Enterprises and the related due diligence guidance; and (ii) to handle cases (referred to as "specific instances") as a non-judicial grievance mechanism. The Chilean NCP was established in 1997 and assigned to the General Directorate of International Economic Relations ("DIRECON") in the Ministry for Foreign Affairs⁶. As of February 2020, the NCP is represented by one senior official and supported by two additional staff members (three full-time staff in total).

National Action Plan on Business and Human Rights (NAP)

Chile adopted a *National Action Plan on Business and Human Rights (NAP)* on 21 August 2017. Coordination for developing the NAP was mandated to the Directorate of Human Rights of the Ministry of Foreign Affairs, which appointed a team of experts on business and human rights to carry out this task. In 2019, responsibility for the NAP was transferred from the Ministry of Foreign Affairs to Ministry of Justice and Human Rights where Human Rights Undersecretary is located.

The NAP contains 158 action points that cut across numerous state institutions, aiming to strengthen the coherence of policies on human rights and business; generate spaces for national dialogue that promote respect for human rights within business activity; prevent potential negative impacts on human rights that may be generated in the context of business activities; and promote due diligence within responsible business management. The NAP was adopted for a three-year period and expired in August 2020 and was extended until 31 December 2020. In 2019, the Inter-Ministerial Committee started the evaluation of the NAP and the process to define a roadmap to prepare a second NAP. According to the data gathered by the evaluator, it is expected that a draft will be ready by mid-2021.

⁶ DIRECON ceased to exist in July 1st and was replaced by the Undersecretary for International Economic Relations (SUBREI)

3. THE RBCLAC PROJECT

3.1. Introduction

The RBCLAC project is designed in close collaboration between the three agencies, while building on their respective mandates and comparative advantages. The overarching objective is to contribute to the promotion of smart, sustainable, and inclusive growth by supporting responsible business practices in line with internationally agreed principles set out in the UN, ILO, and OECD instruments. Funded by the EU, the project has three Implementing partners: ILO, OECD, and UN OHCHR.

3.2. Project's components

Taking into consideration the peculiarities of each country and in coordination with national authorities, as well as local and international stakeholders, the Project has three components:

1. Support LAC governments in the development and/or implementation of National Action Plans (NAPs) on Business and Human Rights/RBC.

For those countries where the NAP has already been adopted, the activities will focus on implementation and review of the NAP, while for other countries the Project will facilitate the process of drafting, approving and implementing the NAP.

2. Enhance the understanding and capacity of stakeholders (especially business) to implement due diligence to identify, prevent and address adverse impacts on human rights, decent work and the environment.

Activities under this component will include a focus on specific sectors, such as the minerals/extractives, agriculture, garment, manufacturing and financial sectors.

3. Facilitate the sharing of experiences and lessons learned and develop joint initiatives that promote RBC practices.

Activities will include a number of regional consultations, support multi-stakeholder partnerships, and facilitate the sharing of good practices, in particular between the EU and LAC.

Activities under the Project include a mix of *regional* and *country-specific* activities in each of the nine countries: **Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, and Peru**⁷.

⁷ See: EU Action on Responsible Business conduct in Latin America and Caribbean for a narrative overview of ILO-activities that were foreseen at the onset of the project. (undated)

3.3. ILO's proposed interventions in Chile

The ILO's interventions in Chile fall mainly under component 1.

Activities in Chile aim at strengthening the capacity of governments, workers' and employers' organizations to implement the NAP. A particular focus is given to the implementation of international labour standards on Occupational Safety and Health (OSH) and indigenous peoples, strengthening mechanisms for the eradication of child labour (agriculture, and garment sectors), realizing collective rights of migrant workers, and strengthening social dialogue through a series of training workshops for workers' and employers' organizations to effectively engage in the implementation of the NAP.

4. COUNTRY CASE STUDY FINDINGS

4.1. Relevance & Strategic Fit

The current section analyses the relevance and appropriateness of the ILO RBC programming related to the needs of the constituents; national and international development frameworks (including to the SDGs). It also analyses the strategic fit of the RBC activities with on-going programmes, projects, or activities in the country.

4.1.1. Beneficiaries' needs

Through interviews the evaluators verified that the ILO RBCLAC project in Chile addresses the needs of the beneficiaries.

As detailed below, both the *National Human Rights Plan* and the *National Action Plan on Human Rights and Business* are a priority for the Chilean Government. This was confirmed by national stakeholders through interviews.

National stakeholders who were consulted stated that the RBCLAC Project is not only relevant but *necessary*. From interviews with national stakeholders it emerged that employers' organizations and companies understand the need to adhere to the RBC as this is increasingly a requirement from international consumers and investors for Chilean companies. On the other hand, the concept of due diligence in human rights throughout their value chains is considered by companies to be a competitive aspect as well as an added value .

Overall, workers' organizations in Chile have been less involved in the RBCLAC Project. Some informants opined that "RBC is not at the top of the Union's agendas". Nevertheless, representatives from the workers' organizations confirmed their participation in national and regional events, including training for unions on the labour dimension of RBC. Union representatives confirmed that the RBCLAC project has the potential to strengthen the role of trade unions to implement the NAP and assuming a proactive role in the definition of RBC policies and practices. Additionally, some stakeholders opined that the RBCLAC project has the potential to contribute to reinforce social dialogue and collective bargaining processes in Chile.

4.1.2. National and international frameworks

The evaluation found that the project is fully aligned with the objectives of the Chilean Government, as well as with the relevant national and international development frameworks.

a. National development frameworks

Primary and secondary evidence gathered by the evaluators confirmed the RBCLAC relevance with regard to the Chilean national development frameworks, including the *National Plan on Human Rights*; the *Plan de Acción Nacional de Derechos Humanos y Empresas (NAP)*; and the *Government Program 2018-2022 (Programa de Gobierno)*

- The National Plan on Human Rights

The first Chilean National Human Rights Plan was adopted in 2017 for a period of four years. The Plan contains the design and implementation of public policies aimed at respecting, promoting and protecting human rights, with a view to addressing the human rights challenges arising from international treaties and other international resolutions, the Constitution and laws, from a cross-cutting perspective, for a period of four years. The Plan identifies objectives, targets to be met, responsible institutions, available financial resources as well as mechanisms for monitoring and evaluating results⁸.

- The Chilean *Plan de Acción Nacional de Derechos Humanos y Empresas* (NAP)⁹

The Chilean Government first indicated its intent to develop a NAP with a statement at the Annual UN Business and Human Rights Forum in December 2014. The Chilean NAP on business and human rights stems from the *National Plan on Social Responsibility 2015-2018* which was developed by the Council of Social Responsibility for Sustainable Development, which is located within the Ministry of Economy. The coordination for the development of the NAP was under the mandate of the Directorate of Human Rights of the Ministry of Foreign Affairs, which in turn created a specialised unit on human rights and business to carry out this task.

The process for elaborating the NAP formally began in April 2015, in the context of Chile's first national multi-stakeholder seminar on business and human rights. From then on, activities and steps were taken aimed at ensuring a participatory process in the elaboration of this public policy, and to ensure the long-term implementation of this human rights and business agenda in Chile.

During this period, the Ministry of Foreign Affairs established and led an Inter-Ministerial Committee, which was tasked with developing the NAP. The Committee was comprised of several Ministries, including the Ministries of Economy, Energy, Environment, Justice, Labour, Mining, Presidency, Social Development, and Women, as well as the National Contact Point of the OECD Guidelines (NCP). Several other public institutions were regularly engaged throughout the process, including the Ministry of Finance, the National Statistics Institute (Instituto Nacional de Estadística), and the National Human Rights Institution (*Instituto Nacional de Derechos Humanos*), as well as state-owned enterprises. Throughout the process, the Inter-Ministerial Working Group met periodically, proposed courses of action and participated in the activities that have been carried out in this context.

Understanding that a fundamental aspect of the process is the active participation of the different stakeholders; the government promoted several participatory processes with companies and unions, civil society, and indigenous peoples. The main objective of these meetings was to gather opinions, inputs and recommendations that would contribute to the contents of the NAP.

The Chilean NAP was launched by the then President of Chile, Michelle Bachelet on August 21, 2017. The NAP contains 158 action points that cut across numerous state institutions. The NAP's duration period was originally set for 2017-2019, however, according to some of the

⁸ Source: Ministerio de Justicia y Derechos Humanos. Subsecretaría de Derechos Humanos. Gobierno de Chile. <https://ddhh.minjusticia.gob.cl/plan-nacional-de-derechos-humanos/>

⁹ Source: The Danish Institute for Human Rights: <https://globalnaps.org/country/chile/>

consulted national stakeholders, due to the challenging context generated by the COVID-19 pandemic, the government extended the duration of the 1st NAP until 31 December 2020.

- *Interministerial Committee on Human Rights and Business*¹⁰

This Committee aims to implement, monitor, and follow up the implementation of the NAP. This Committee has an Executive Secretariat, which falls under the Ministry of Justice Undersecretary (Subsecretaría) for Human Rights. In order to achieve its objectives, the plan envisages a series of actions to be undertaken by the respective ministries that are part of the Committee¹¹.

- *The 360 Committee*

Headed by the Undersecretary for Human Rights, the 360 Committee it is the national forum that convenes civil society; employers; academia; and trade union organizations in the implementation of NAP¹². Both the OHCHR and ILO are observer members at the 360 Committee and provide technical assistance in order to support and promote the inclusive governance of the NAP.

- *Government Program 2018-2022 (Programa de Gobierno)*

The *Government Program* (2018-2022) committed to the implementation the *National Human Rights Plan*. This Plan includes several issues included in the National Action Plan on Human Rights and Business (under the "Human rights and businesses" section) and also establishes indicators and follow-up measures for its oversight¹³.

b. International development frameworks

The ILO RBCLAC project in Chile supports the relevant international frameworks, including the 2030 Sustainable Agenda and SDGs; the United Nations Development Assistance Framework (UNSDCF) in Chile; the ILO's Programme and Budget (2020-2021); and Chile's Decent Work Country Programme (2008).

The UN Working Group strongly encourages all States to develop, enact and update a national action plan on business and human rights as part of the State responsibility to disseminate and implement the Guiding Principles on Business and Human Rights¹⁴. As indicated by The Danish Institute for Human Rights, *a key aspect of the Chilean NAP is its strong focus on policy coherence with other relevant agendas, including the 2030 Sustainable Agenda.*

Within the framework of the 2030 Agenda, the ILO RBCLAC supports objective 8.3: *Promote development-oriented policies that support productive activities, creating decent jobs, entrepreneurship, creativity and innovation, and fostering the formalization and growth of micro, small and medium-sized enterprises, including through access to financial services.*

¹⁰ Source: Ministerio de Justicia. Subsecretaría de Derechos Humanos: <https://ddhh.minjusticia.gob.cl/comite-interministerial-de-derechos-humanos-y-empresas>

¹¹ Ministry of Justice and Human Rights; Ministry of Foreign Affairs; Ministry of Economy, Development and Tourism; Ministry of Social Development; Ministry of Women and Gender Equity; Ministry of Labour and Social Security; Ministry of Environment Ministry of Mining; Ministry of Energy.

¹² Source: Ministerio de Justicia. Subsecretaría de Derechos Humanos

¹³ Guía de Derechos Humanos y Empresas en Chile. The Danish Institute for Human Rights. Approved by the Consejo del Instituto Nacional de Derechos Humanos, August 6th 2018

¹⁴ <https://www.ohchr.org/en/issues/business/pages/nationalactionplans.aspx>

- ILO Global and Regional Priorities

The ILO RBCLAC project in Chile is aligned to the ILO's Programme and Budget (P&B) (2020-2021) Outcome 4. As reflected in the P&B, *sustainable enterprises are generators of employment and promoters of innovation and decent work*. The RBCLAC project is directly linked to Output 4.4., which aims at increasing the capacity of member States and enterprises to develop policies and measures that promote the alignment of business practices with decent work and a human-centred approach to the future of work. The project also contributes to the ILO's cross-cutting objective of promoting a just transition in the world of work.

The RBCLAC project is also aligned to the *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*; as well as to the ILO's strategic objectives in the region of the Americas and the Caribbean as reflected, for instance in *The Panama Declaration* (2018); or the regional priorities identified by the ILO RO for Latin America and the Caribbean: (i) Productive development policies for inclusive growth with more and better jobs. (ii) Transition to formal employment. (iii) Respect for and application of international labour standards (ILS) and labour law.

- Chile's Decent Work Country Programme

The Decent Work Country Programme (DWCP) was signed in 2008 (and still in force when this evaluation was conducted¹⁵) by the Government of Chile, through the Ministry of Labour and Social Security, the United Workers' Central (*Central Unitaria de Trabajadores –CUT-*), the Confederation of Production and Trade (*Confederación de la Producción y del Comercio –CPC-*) and the ILO. The evaluators found that the RBCLAC project is in line with and contributes to several of the Chile's DWCP objectives.

Through the DWCP the ILO provides technical assistance in the following areas: **1) Employment: protection measures stability, remuneration, productivity and greater inclusion of persons with disabilities, unemployed and vulnerable young people and women;** **2) Work and family reconciliation;** **3) Eradication of child labour;** **4) Equal opportunities without distinction of gender;** **5) Occupational safety and health and social security** **6) Reform of the pension system and planned education** **7) Indicators of decent work.**

- The ILO's Country Programme Outcomes (CPOs)

The RBCLAC Project is also aligned to several CPOs, namely: *More and better jobs for inclusive growth and improved youth employment prospects* (CHL158); *Ratification and application of international labour standards* (CHL826); *Promoting safe work and workplace compliance* (CH127); *Prevention and elimination of child labour* (CHL904); *Strong and representative Employers and Workers Organizations* (CH801 and CH802)

- United Nations Development Assistance Framework (UNSDCF) in Chile

The cooperation between the United Nations system and Chile is defined on the basis of the United Nations Development Assistance Framework (UNSDCF) in Chile for the period 2019-2022. This joint planning document provides a collective, coherent, and integrated response of the Organization to national priorities and needs, within the framework of the Sustainable Development Goals and the other commitments, goals and objectives of the 2030 Agenda¹⁶.

¹⁵ March-April 2021

¹⁶ Source: The United Nations in Chile. <https://unsdg.un.org/un-in-action/chile>

The evaluators found that the RBCLAC Project was complementary to several of the *Thematic Strategies* included in the UNSDCF-Chile. The *Strategic Area of Institutional Development* includes, for example, support for the design and implementation of policies, as well as in the improvement of the legal framework to ensure the full exercise of the social, civil, political, economic, cultural rights of Chilean citizens.

The *Strategic Area for Economic Development* includes objectives related, for example, to the transparency, efficiency, competitiveness and inclusiveness of the labour market; combating segregation, discrimination and other exclusion and inequity practices in the world of work.

The Area of Social Development includes actions aimed at supporting the strengthening of institutional capacities for the implementation of social policies that are guided by the principles of equity, inclusion and human rights.

4.1.3. Strategic fit

a. Coherence and complementarities with other on-going ILO programmes and projects

In the RBCLAC Mid-Term evaluation Report the evaluators mentioned that, overall, little evidence has yet found that Coherence and complementarities with other on-going ILO programmes and projects are effectively and intentionally sought or effectively have been created across countries.

In the case of Chile, the evaluators wish to underline that, in one hand, the ILO's technical cooperation portfolio is relatively small, especially compared to other RBCLAC Project countries (for example Colombia or Ecuador); and on the other hand, that thematically the ILO cooperation projects are, at best, only tangentially related to RBC issues.

Project symbol	Project title	Year	Total project Budget (USD)
CHL/18/01/CHL	Programa de Fortalecimiento de Capacidades para la Inclusión	2019	568,444
CHL/15/04/CHL	Modelo de dialogo social para la gestión de terceros en la Empresa Nacional del Pétroleo	2019	312,892
CHI/15/03/CHI	Contribución a la implementación del programa de Trabajo Decente en Chile	2019	803,417
CHI/15/01/CHI	Fortalecimiento de la institucionalidad local en temas de empleo y desarrollo económico local.	2019	157,346
CHL/19/50/UND	Improving Social Protection and Inclusion of the Elderly through the use of Information and Communication Technologies (ICTs)	2020	204,375
Total			2,046,474

Source: i-eval Discovery. ILO Development Cooperation Dashboard

In this regard, it appears to the evaluators that there is currently little room for complementarities amidst the RBCLAC and other on-going ILO programmes and projects in Chile. In the case of the *Project to support the implementation of the DWCP*, complementarities may (potentially) be established, although the evaluators do not have evidence of the ILO seeking for them.

b. Coherence and complementarities with other activities of the OECD and OHCHR

Overall, the primary and secondary data gathered by the evaluators show a high degree of coherence and complementarity amidst the activities implemented in Chile by the ILO the OECD and OHCHR.

Further, interviews with IOs representatives show that the three agencies have constant and fluid communication and coordination among them. However, as they informed, no systematic fora or processes have been established for these purposes.

The evaluators observed that there has been a constructive coordination and communication process and through its implementation, the RBCLAC IOs have been learning, resolving communication obstacles and improving consultation processes between them, and managed to clearly establish their respective processes, and institutional responsibilities. Interviewees from the three agencies have stated that they have mostly learned to appreciate the respective added value of each institution for the project. However, the representatives of the 3 organizations agreed on the need to further strengthen and systematize inter-agency coordination spaces and processes.

Also, the three IOs have different institutional structures and counterparts in the country. For instance, the OECD has National Contact Point (NCP) at the Ministry of Foreign Affairs; the UNOHCHR's relates mainly to the Ministry of Justice and Human Rights; and the ILO's national counterpart is the Ministry of Labour. While representatives from these institutions showed a high degree of satisfaction with the project and great respect for the IOs; they also underlined that they are not always informed on the activities which the other IOs are conducting with their respective national partners and some have asked for improved coordination between the 3 IOs and the 3 national counterparts.

4.2. Validity of the project design

This section of the evaluation examines and analyses the coherence and validity of the project design and whether the ILO cross cutting policy drivers have been and are taken into consideration in the design.

4.2.1. Project's design logic and coherence

Generally speaking, the logic that underlies the Project is solid, and both the strategy as well as the intervention methodology address in a logic manner the needs that have been identified by the EU

Stakeholders consulted by the evaluators confirm that the project design reflects a "Top-Down" approach: the EU has designed the project, and the three IOs implement it. The initial design was based on a process of assessments and external consultancy, however, as some representatives from national institutions underlined, there was no consultation on the design with the current national partners.

Also, the project's design does not reflect (explicitly) the activities at the national level, nor the participation of specific national or regional actors in the different countries. In this regard, the ILO has elaborated a planning of activities for Chile, however, this also remains quite generic

Further, the project design, as explained in the mid-term evaluation report, contains some flaws. The most relevant in the case of Chile is that **it did not contemplate support in the process of drafting and designing a new version of the NAP. It was known at early stages that Chile NAP will expire in 2019-2020, but no activities to support drafting the second version were envisioned.**

Regarding the internal logic, overall the LogFrame is presented in an adequate manner and it has been adjusted over time, to better reflect the changing realities and contexts. However, the evaluators found some weakness in the setting of some indicators and targets in the projects LogFrame (please refer to the Mid-Term Evaluation Report)

4.2.2. Integration of ILO cross-cutting policy drivers

- International Labour Standards (ILS)

The evaluation has found that there is an adequate integration of the continuum of ILS in the ILO RBCLAC project, through the development of guides that describe the relevance of the ILS for the labour dimension of RBC; the holding of technical trainings on relevant issues; seminars, webinars; and the multiple (in-person and virtual) presentations on the relevant international norms and regulations, that have taken place.

- Gender quality and non-discrimination

Overall, Gender equality and a gender sensitive approach was a cross cutting issue throughout the ILO RBCLAC project activities, especially at the regional level. At the national level, in Chile, the evaluators could not identify a clear integration of Gender quality and non-discrimination in the RBCLAC Project activities.

- Tripartism and Social Dialogue

The evaluators found that tripartism has not been explicitly integrated in the overall RBCLAC project design, or in the activities conducted in Chile, despite it being a foundational element of the ILO. However, the evaluation team acknowledges the Project efforts to promote tripartite participation, which has at times proven difficult for the other IOs and the EU to truly understand the nature of tripartism, and at the same time, recognize its complexity.

Some examples of **tripartite action** can be found across the region. In the countries, and Chile was no exception, it has proven to be challenging to bring together engage tripartite actors around the issue of the labour dimension of RBC. Despite the challenges, ILO RBCLAC in Chile promoted, tripartite participation in the processes related, for example, to the discussion of the Teleworking Law; and endorsed participation of its constituents in the NAP review process (please see the effectiveness section)

With regard to **social dialogue**: considering the challenges with social dialogue across the region, and in the particular case of Chile, the polarization and lack of trust by CSOs and workers unions in the government's agenda on human rights (please refer to the effectiveness section) the evaluation has found that the ILO must make this more of a priority with regard to the RBCLAC project. Nevertheless, the evaluators recognize the project's efforts to encourage a tripartite approach, for example, when in 2020 the RBCLAC project was presented to the Superior Labour Council as a way to strengthen social dialogue²⁷.

However, a clear strategy that aims to engage the ILOs tripartite constituents in Chile in joint action under the project appears to be yet absent.

- Environmental sustainability

Although this is expected to be a cross cutting policy driver, this aspect is not clearly reflected in the design of the ILO RBCLAC Project, and the ET has found no evidence of any clear and specific guidance or efforts on this in the implementation reports or from the interviews with stakeholders.

²⁷ Mentioned in the Second Annual report to the JSC, 2021, p. 59.

4.3. Effectiveness of management arrangements

This section aims to provide an overview of the project management structures and arrangements that are in place, both in the ILO as well as with other implementing agencies and stakeholders, and the challenges that may have been encountered in the management and governance of the RBCLAC Project in the region and in the country.

4.3.1. ILO RBCLAC Project staff

Generally speaking, taking into account the wide geographic coverage of the Project, the large number of actors and the complexity of their actions (at regional and national level); as well as the large number of stakeholders involved in the project, from interviews it became evident that the limited number of technical (4) and supporting staff (2) who are currently assigned to the project is insufficient.

In the case of Chile, the RBCLAC project is managed by a National Project Coordinator (National Officer for the Southern Cone) who is also in charge of the activities implemented in Argentina and Brazil. Although the National Project Coordinator has, relatively, a lesser workload compared to his colleagues managing the Project in the Andean Countries and Central America, the project's staffing for the Southern Cone (1 National Officer) seems to be thin.

Also, delays in the contracting of staff led to some delays in the initial stages of implementation. Nevertheless, interviews with national informants point out that the high level of professionalism, the effective support, the multiple coordination efforts with stakeholders, and the valuable technical contributions and support received from the ILO RBCLAC National Project Coordinator in Chile. In this regard, the ILO component of the RBCLAC project in Chile is considered by stakeholders to have been managed and implemented in a satisfactory manner.

4.3.2. Effectiveness of the Governance structures

According to stakeholders who were consulted, whereas there is a constant and fluid communication and coordination between the three IOs and the national counterparts, there are no formalized interagency governance mechanisms (definition of joint work-plans, coordination of follow up, etc.) involving the three IOs and the national partners in the respective countries.

4.3.3. Monitoring, Evaluation and Learning

The joint annual reports describe in detail the activities that have been undertaken by each of the agencies in (separating those organized jointly by the IOs and/or those separately by individual IOs; and separating activities at regional levels from joint or individual activities at national levels). The reports include descriptions of the concrete results that have been achieved, including for instance reporting on coordination meetings/technical of meetings, roundtables, types and formats of trainings with their respective numbers of participants (often disaggregated by gender and sectoral representation), identifying the organizing/ co-organizing or participating institutions. These reports include many live weblinks to the online recordings of the virtual events, as well as links to publication, reports and tools that have been made available online.

Despite this detail in the reports, the MTE has found that project has not defined a Monitoring/ follow up and/or learning Plan, related to the RBCLAC project (joint / per agency). In this regard, the (virtual) regional events have created more virtual spaces for the presentation and exchange of lessons learned, best practices, however no systematized process is in place yet (for the entire Project, or for the ILO component of the Project), to facilitate the systematic exchange of lessons learned both in and/or between the countries. The emerging character of the project results in emerging challenges and opportunities and it is important that these be shared widely to allow for mutual and joint learning.

4.3.4. ILO support for the ILO RBCLAC project

Despite the overall supportive attitude in the consulted ILO departments towards the RBCLAC project, in practice, based on information received from key stakeholders, there are some challenges with the amount of institutional support that it received for the implementation of the ILO component.

In particular, the Project's direct work with the national social partners has at times been hampered, due to the centralization at regional level/HQ, requiring that all national actions require the prior approval of the regional department (ACTEMP) or HQ department (ACTRAV). According to several stakeholders, ACTRAV has prioritized regional actions with trade unions over national actions, which has made it difficult for the ILO Project to implement actions with workers' organizations at the national level.

Several informants also consider that the ILO RBCLAC Project would benefit from more, continued, and high-level political-institutional support from the ILO Office for the Southern Cone and the ILO Country Office for Argentina especially for activities at the national level.

4.4. Effectiveness of the RBCLAC Project (Results).

This section aims to provide a global overview of the main results achieved and challenges encountered in the implementation of the RBCLAC Project in the country and whether there were any unexpected results.–Furthermore, the section analyses the effectiveness of the project strategy as well as the effectiveness of the project’s response in the context of COVID 19 pandemic.

The key result of RBCLAC Project is that the RBC agenda is increasingly positioning itself in Chile. To contribute to this collective interagency effort, the ILO RBCLAC has provided assistance, through a range of activities with authorities and other stakeholders. In this regard, the ILO-RBCLAC Project has successfully generated an increased awareness in the country, about the relevance of the ILO’s international legal instruments for the labour dimension of RBC, including the ILO’s *Tripartite Declaration for Multinational Enterprises*, amongst participants in the multiple events that have been organized in the first two years of the project, and through the accompaniment of individual stakeholders.

The joint efforts of the IOs, their counterparts and the national stakeholders involved were key to the progress achieved in the national processes related to the RBC agenda. At the start of the RBCLAC programme a NAP was in place in Chile and the Project successfully supported its implementation. Now the RBCLAC project is contributing to the elaboration of Chile’s second NAP.

4.4.1. Effectiveness of the project’s strategy

In Chile, the ILO-RBCLAC project provides support to national stakeholders, to facilitate national processes regarding the implementation of the NAP and the development of the II NAP; technical assistance and training of stakeholders in areas related to the labour dimension of RBC; and finally to contribute to increase processes of due diligence

The joint implementation strategy (IOs plus EU) of the Project has indeed created some opportunities, as well as some challenges, in particular at the start of the Project. However, after almost 2 years of implementation, the following factors have contributed to the Project’s achievements as described in the following section.

1. The RBCLAC Project has manifested a high degree of flexibility and adaptation of the interventions to the different needs and Chilean context, even in the context of the COVID 19 pandemic.
2. The coordinated implementation by the three IOs with very different mandates, counterparts and visions is an important outcome, with its own merit.
3. The IOs have successfully created a “common narrative” about RBC, and together, they add a particular weight to the support processes and the promotion of RBC.
4. Especially in the context of the UN Cooperation Frameworks, joint, complementary, and aligned interagency action appears to be the correct course to follow.

4.4.2. Main Results achieved

The evaluators examined the main results achieved from the documentation prepared by the project and from qualitative information collected through interviews and focus groups.

Summary of achievements of the RBCLAC project in Chile

- The government of Chile committed to embark in the development of a second version of the National Action Plan on Business and Human Rights to be launched in 2021. The RBCLAC Project somehow acted as a catalyst in this process.
 - The RBCLAC Project has provided technical assistance in this process to ensure policy, coherence in coordination with other agencies working on the RBC agenda.
 - The number of Chilean companies that are discussing the importance of incorporating due diligence into their processes and operations is significantly increasing, including sectoral awareness on the use of international guidance and tools.
- ***Contribution to the development processes related to the NAP***

The RBCLAC project as a whole and the ILO specifically developed a number of interventions that contributed to the NAP implementation in Chile.

First, at request of NCP, the IOs presented the links between OECD Guidelines for MNEs and UNGPs for members of the NCP Consultative Committee. Detailed information about the RBCLAC project was presented to the participants in the technical meeting.

The ILO and the OCHCR held technical meetings with Ministry of Justice and Human Rights (MINJUSHR) in support of strategies to lead implementation and review of NAP. As a result, an agreement was reached on provision of technical assistance to be provided to the Inter-Ministerial Committee on the NAP for its follow up and review. Additionally, the ILO and the OHCHR participated as observers to the 360 Committee in order to support and promote the inclusive governance of the NAP.

The Project also provided support to the review of the NAP, in close collaboration with the Corporate Responsibility Program from the Catholic University of Chile Law School which evaluated Chile's first NAP. In order to address some of the weaknesses of the first NAP and ensure enhanced inclusive governance of the second one, the Project submitted to the Government joint recommendations to strengthen the participation mechanism in the NAP process. The NAP evaluation report conducted by the Corporate Sustainability Program (Law School, at the *Pontificia Universidad Católica*) was presented on 4 December 2020 to the Undersecretary of Human Rights convened and the consultative multi-stakeholder council on Business and Human Rights.

Further, the ILO RBCLAC provided technical assistance various Ministries: The ILO assisted the Labour Directorate of the Ministry of Labour (MOL) by producing a draft of a *Handbook on Fundamental Principles and Rights at Work in Supply Chains: a guide for the Labour Directorate of Chile*. Also, the ILO assisted the Labour Directorate on the conceptualization of a pilot plan to strengthen inspection capacity of this office in human rights in supply chains, with collaboration of private sector. Further, the ILO conducted a series of technical meetings with the Labour Directorate to design and implement a training program for labour inspectors on the Fundamental Principles and Rights at Work (FPRW). This was part of a pilot program

delivered by the Labour Directorate which aimed to support the eradication of child and forced labour in supply chains in the agriculture sector through the implementation of roundtables on good corporate practices in viticulture. During 2020 the Manual and pilot were designed, and, ILO staff conveyed to the evaluators that the roll out of the pilot program is expected to take place during the first semester of 2021.

The Project also provided support for Government (Ministry of Foreign Affairs and Ministry of Justice and Human Rights) in planning the future RBC agenda. The IOs along with Ministry of Labour, Ministry of Foreign Affairs and Ministry of Justice and Human Rights jointly organized an event on RBC, Covid-19, political coherence and the future of RBC policies in Chile: *Key messages of the international instruments on responsible business conduct: challenges And opportunities for their implementation in Chile*. The Undersecretary of Human Rights, the Undersecretary of International Economic Relations, the OECD NCP, RBCLAC officials, and the ILO Sub regional Director and the Ambassador of the EU to Chile participated in this event.

Further, in March 2020 the ILO Sub regional Office for the Southern Cone met with the Superior Labour Council to address the Covid-19 pandemic and its impacts in the world of work.

As mentioned in the introductory sections of this report, the NAP's duration period was originally set for 2017-2019, although due to the challenging context generated by the Covid-19 pandemic, the government extended the duration of the 1st NAP until 31 December 2020.

On October 2019, the Chilean government started the process of developing an updated NAP. This process is being led by an inter-ministerial committee composed of 9 ministries (led by justice and including economy, work, foreign affairs, energy, women, amongst others) and of 11 institutions (including the OECD National Contact Point). Each of the 9 ministries has a focal point which leads the technical discussions and drives the process. According to the national stakeholders consulted during this evaluation, **the RBCLAC and more specifically, the ILO is providing important inputs to the II NAP development process and will have a key role to play to support its implementation.**

- ***Promotion of due diligence***

The RBCLAC Project contributed to promote due diligence and responsible business conduct.

The IOs participated in a series of coordination meetings to promote due diligence and RBC with business associations in Chile, including Global Compact Chile and *Accion Empresas*. The ILO and the OHCHR are members of the Consultative Council of *Acción Empresas*, thus, the IOs provides inputs on the RBC due diligence agenda and programs. Based on this collaboration the project has supported the evaluation of its 2-year program of *Accion Empresas* on human rights and business.

Also based on this collaboration, ILO RBCLAC project participated in webinars and exercises on assessment of business practices. In this regard, the IOs participated in: a Webinar organized by Global Compact Chile: *Impact of the Crisis on the 2030 Agenda: Responsible Business Conduct to help combat multidimensional poverty*; a Programme to assess business practice and their contribution and alignment to the SDGs, as part of the initiative named "Conectas"; the launch of "Guías Chile", an initiative funded by EU aimed at providing guidance on the inclusion of migrants, the elderly and other vulnerable groups of special interest.

- ***Building of the capacity of national actors on issues related to the labour dimension of RBC.***

The ILO RBCLAC implemented a series of activities aimed at building of the capacity of national actors on issues related to the labour dimension of RBC.

These activities contributed to build the capacity of Trade Unions on RBC related issues. In this regard, the ILO held a seminar on the labour dimension of RBC. With the participation of largest trade unions and the EU Trade delegation to Chile, this workshop was the first in a series of workshops to foster workers' comprehension on RBC. Awareness was raised amongst participants (including the MinJUSHR and the MinLabour representatives) about the MNE Declaration, contributing to increased awareness on labour dimension of RBC.

Further, the ILO provided training to union leaders of the Central Autónoma de Trabajadores (CAT Chile) on the activities of the NCP and other grievance mechanisms in line with the international instruments on RBC.

The ILO RBCLAC also added to the private sector capacities on responsible business conduct. To this end, the ILO conducted several activities: meetings with the private sector (National Oil Company –ENAP-, *Accion Empresas*, Global Compact) in order to find synergies; share initiatives on due diligence; and to find opportunities to develop joint actions. The Project also organized coordination meetings to promote due diligence and RBC with business associations in Chile, as described above. In addition, a technical meeting was conducted with *Acción Empresas* and *Universidad Adolfo Ibáñez* on how businesses can measure and account for their workers' vulnerabilities and what actions can be taken from the corporate perspective.

In addition, the ILO conducted an online training of trainers course on C187, which was developed for the *Labour Roundtable on Occupational Health and Safety* for the ports sector in Chile. Participants included officers from the labour inspectorate, Union leaders, employers' representatives (CAMPORT) and members of the OSH institutions.

Also, the ILO RBCLAC provided inputs during the discussion of the Teleworking Law. The ILO, the Undersecretary of Human Rights, the NAP Consultative Council, *Fundación ChileMujeres*; along with representatives of the academia and the civil society; as well as employers and workers' organisations met and discussed RBC in teleworking in order to address the concerns of the ILO constituents regarding the implementation of the Teleworking Law and on how to foster good corporate practices in the matter. Contributions are expected to serve as input for a forthcoming Telework Good Practice Handbook which was expected to be launched in early 2021. In this regard, The ILO, *Fundación ChileMujeres* and the Under-Secretary of Human Rights signed a Memorandum of Understanding to advance this project.

The ILO RBCLAC also started to coordinate with the Ministry of labour (MOL). The ILO RBCLAC official and ILO Regional Specialist on ILS informed the MOL on the labour legislation agenda and the ILO technical assistance, including activities under the RBCLAC project.

Moreover, the ILO promoted the participation of its constituents in the NAP review process, and has provided inputs on topics to be covered in the second version of the NAP, and issues relating to special groups in the world of work.

4.4.3. Main challenges faced by the project.

According to the project's interim reports and, as confirmed by the testimonies of the stakeholders the following have been identified as the main challenges faced by the project in Chile:

- Social crisis. An increase in the metro fare in October 2019 sparked an unprecedented social and political crisis in Chile, evidencing decades of social unrest due to the high levels of inequality, privatization of public and common goods and unaffordable cost of living.

The social crisis in Chile deescalated after a political agreement was reached in November 2019 to draft a new Constitution through a democratic process, and a referendum, which took place in October 2020. Nevertheless, tension was still latent, and social protests and violence occurred throughout 2020. This crisis has brought to light its underlying systemic causes, such as social and economic inequality, and the persistence of obstacles to the full enjoyment and enjoyment of economic, social, cultural, and environmental rights.

- Economic crisis: The economic crisis which followed the social conflicts of October 2019 was further aggravated by the COVID-19 outbreak. Since March 2020, a national curfew has been in place, and many regions and municipalities were confined in total lockdown. Unemployment has raised above two digits, something unprecedented for the Chilean economy in the last decades and many businesses, particularly SMEs and microenterprises, went bankrupt. The participation of women in the labour market was particularly affected by the pandemic, due to the closure of schools and day-care centres, and a setback of at least 10 years of advancement in the situation of women in the world of work is expected.
- Polarization and lack of trust by CSOs and workers unions in the government's agenda on human rights: A number of CSOs and trade unions have expressed strong concerns regarding the government actions during the social outbreaks, particularly the action of law enforcement containing protests. This context may affect the RBC agenda and hinder the participation of CSOs and some trade unions in some initiatives where the government is involved.

4.5. Efficiency

The efficiency section explores how efficiently the ILO has allocated and managed human and financial resources for implementing activities under the RBCLAC project; the extent to which the ILO has been able to take a leadership role in generating partnerships around RBC, and in leveraging national government and partner resources. It also examines the extent to which the project has leveraged new resources or has repurposed existing financial resources to mitigate COVID-19 effects.

4.5.1. Allocation of resources

Based on a review of relevant documentation provided to the evaluators by the ILO RBCLAC Project, and compared with the feedback received from stakeholders during interviews, **the evaluation finds that results that have been achieved to date, justify the expenses of the ILO RBCLAC project:**

The Budgetary Implementation is consistent with the level of the Project's performance, and in line with the achievement of expected results and established objectives. In many cases, due to the shift from in person training to virtual training platforms, the numbers of participants in meetings and trainings that were undertaken by the ILO RBCLAC project have increased significantly. In some case these have exceeded the targets that were set for the entire project duration.

The following table is a summary of the execution of the ILO RBCLAC Project budget in Chile to date, as provided by the ILO RBCLAC Project Team. The amounts are in EUROS¹⁸. No country budgets had been prepared by the Project.

Considering that the total budget is to be distributed over multiple countries (8 to 6 dependent on the line of activity), the ILO RBCLAC project has allocated the budget according to the need and foreseen activities, in consultation with constituents.

As discussed on the Effectiveness section, there has been a significant level of support provided by the Project in Chile, in relation to the NAP implementation and review process. In addition, the project has contributed to relevant activities to create awareness in constituents and stakeholders about RBC. In view of the relevance and importance of these activities for the overall project, these allocations seem justified, although the ET considers that such expenses may be considered on the lower end, when comparing it to the actual time and effort that was invested overall in the processes and activities in Chile.

¹⁸ They were executed in dollars.

Country	Activity	Budget*	Actuals (Apr 2021)
CHILE		EUR	EUR**
	7. Raise awareness and share knowledge on the labour dimension of RBC, with a focus on challenges, opportunities and sharing of good practices at the national level	National (Chile, Argentina, Brazil, Peru, Colombia, Costa Rica, Panama and Mexico)	
Activity 7	7.1. Conduct a series of tripartite roundtables/seminars with governments, employers' and workers' organizations to share knowledge on the labour dimension of RBC, tailored to national specific opportunities and challenges, with a view to foster effective engagement of governments, employers' and workers' organizations in the NAP process (design, adoption and implementation)	51,300.00	18,072.41 (35%)
	12. Support the implementation of NAPs (labour dimension)	Chile	
		78,660	19,772.01 (25%)
Activity 12.	12.1. In line with NAP (points 1.1,7.3,) and building on existing training curricula and tools, conduct a sensitizing tripartite programme on the ILO MNE Declaration and foster exchanges on responsible business conduct	12,825	1,355.91 (11%)
	12.2. In line with NAP (point 6.5) provide support to activities to implement ILO Convention 187 Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187), specifically the elements of the OSH national system addressed at preventive measures by enterprises	34,200	4,941.29 (14%)
	12.3. In line with the NAP (point 4.7), and in the framework of Chile's national strategy to eliminate child labour, "Estrategia nacional 2015-2025 para la erradicación del trabajo infantil y protección del adolescente trabajador", provide technical assistance to strengthen monitoring in selected supply chains (agriculture and garment) with the "Dirección del Trabajo", and to the Labour Higher Council to strengthen participation mechanisms	31,635	13,474.81 (43%)
	TOTAL		37,844.42

In view of the fact that the project has had a very small project staff structure, this is a significant achievement.

4.5.2. Connectedness and Coordination

Synergies between the IOs have reduced the administrative costs: the organization of joint events and/or participation in each other's events have reduced the costs of separate agencies having to organize their separate activities. Mutual learning has occurred among stakeholders of the respective IOs, including the respective leadership, managers and staff of the IOs and the EU. In addition, constituents, counterparts, Government staff, academia, and the range of partners, who have participated in these events, have had increased access to learning opportunities and materials presented by the three IOs, especially through the virtual events and access to a larger number of free online tools.

In addition, there has been a significant cost reduction for the organization of events, due to the virtuality. The elimination of anticipated costs for meeting venues, travel, lodging and per diems, implied a significant saving, and this has allowed for redirecting such funds. For the ILO project this has resulted in a limited opportunity to increase technical staff support for the project.

However, improved internal complementarity (for the ILO) between existing structures and teams will increase the potential for higher levels of effectiveness and efficiency for the organization and its constituents. This is particularly relevant considering the limited number of project staff (1 NO) in charge of managing the activities in three countries (Chile, Argentina and Brazil).

4.6. Impact Orientation and Sustainability

The impact section relates to the strategic orientation applied in influencing wider and long-term development changes. The sustainability section assesses the likelihood that ILO's support to RBCLAC interventions and/or whether the achievements will be continued or even scaled up and replicated by national partners.

4.6.1. Impact Orientation

The evaluation has found indications of emerging evidence of impacts: the processes of reflecting on the interconnectedness of the mandates of the IOs in their discourse and actions, and the organization of joint activities, and participation in activities organized by the others has started to create a lasting impact; the promotion of and integration of the MNE Declaration in NAPs and other documents and processes; increased capacities of constituents on the labour dimension of RBC and, in the context of the pandemic a joint discourse on the integration of RBC in the response to COVID-19.

4.6.2. Sustainability prospects

Overall, the basis for sustainability is being established to some extent through high quality technical assistance; capacity building; awareness raising; stakeholder regarding the Tripartite Declaration and for the principles of RBC; and the strengthening of a Responsible Business Conduct "community" at regional and to some extent at national level.

The ILO is uniquely qualified to promote and mainstream RBC related issues, based on its substantial experience and technical capacities in the area; extensive knowledge of the needs and support required by countries; and maintaining excellent relations with constituents (Governments, trade unions, employers' organizations) and civil society organizations. Continued building onto the existing ILO experience and on the support provided by ILO national and regional structures; other ILO departments and experts, could prove to be an essential element to successful project implementation and sustainability prospects in the long-term.

What can potentially be achieved and sustained in the future, will largely depend on the Chilean Government and the employers' organizations/companies. Several stakeholders, and the evaluators agree, have pointed out that it is yet too soon to "demand sustainability of the project".

Additionally, the evaluators did not find any evidence of the development of a sustainability /exit strategy for the RBCLAC project in its entirety, or specifically for the ILO RBCLAC Project component. Such orientations or guidance might include continued collaboration on both with the constituents and/or other national counterparts, beyond the implementation period of the project.

According to key stakeholders consulted, if the NAPS are elaborated in a technical and solid manner (following the step-by-step guide developed by the UN Working Group on Business and Human Rights), their continued application and implementation will be more likely, even if there are changes in the Government. In this regard, the participatory, multi-stakeholder processes that were undertaken in Chile reflect that there is a high level of ownership amongst the diverse stakeholders who have participated in its development.

4.7. Some reflections on the Covid-19 pandemic and the RBCLAC Project

The ET has found that ILO RBCLAC Project **has been able to adapt** (to the extent possible) to the many changes brought about by the COVID-19 pandemic and the implementation has successfully continued, despite the still emerging contextual challenges. For instance, in 2020, after some initial delays, project activities that had been planned, have been resumed and have moved *on-line*.

Stakeholders confirmed unanimously that the RBCLAC Project has **always been relevant: both before and during the pandemic and it** can be expected to retain its relevance **in the context of the post pandemic recovery scenario**.

The pandemic has to some extent brought the need for RBC more to the forefront, and it has underscored the need for RBC approaches. RBC has become more and more relevant, due to the adverse consequences brought about by the pandemic for safety at work, decent working conditions, job security, and the lack of social protection as well as for the survival of companies of all sizes. However, the need to respond to the immediate consequence of the pandemic has resulted in a reformulation of priorities for the ILO constituents, placing the development of longer-term policies on the backburner.

The ILO RBCLAC Project has thus adjusted well to a rapidly changing context. However, multiple key stakeholders underlined that due to its nature, design, objectives, and mandates, RBCLAC cannot be used as a COVID-19 emergency-response project. Nevertheless, the financial support from the RBCLAC Fund has also provided a creative opportunity to include COVID-19 aspects

5. LESSONS LEARNED AND GOOD PRACTICES

The evaluation identified some lessons learned and good practices which were driven by some of the challenges faced as well as the positive results obtained. In this section we list the most relevant of these, so they can be taken into consideration in current and/or future interventions.

5.1. Lessons Learned

1. *The consolidation of RBC approaches and the implementation of a NAPs imply a complex, long-term process.* Such processes require the continued support and commitment of the Government, organizations of employers, workers' organizations, companies, and civil society. Generating impacts in political, institutional and social areas is complex and requires long-term processes.
2. Despite such complexities, *the promotion of RBC creates an opportunity* as Chilean enterprises need higher levels of social legitimacy and greater degrees of involvement with the social and economic development of the country. In this context, it is likely that enterprises and business associations will be more disposed to adopt RBC strategies.
3. *Quality of the national dialogue is preferable over the speed of the consultation and development process.* In theory, the NAPS may be developed in a faster manner, however, they risk losing their legitimacy and national ownership. The case of Chile clearly shows that it is therefore preferable to work towards a high-quality NAP (i.e. technically sound, based on evidence), which is supported by the national stakeholders (through their effective participation and ownership), rather than developing NAPs, simply to comply with the objectives defined by a project.
4. *The implementation and achievements of the RBCLAC in Chile shows that the project's success depends on its capacity to provide TA effectively.* The project's donor must take into consideration that this type of project is largely based on the provision of specialized, high-quality technical assistance (TA) to stakeholders. Therefore, it is essential that sufficient human capacity resources are allocated for the implementation of the project. The provision of such TA must be based on a realistic budget that is sufficient to finance the required support.
5. *Despite being understaffed, the high quality and dedication of the ILO RBCLAC project staff in Chile has been key for the project's good performance so far.* A fully effective and efficient implementation of the Project would require designated Project staff in the respective countries and/or a strong support from the ILO Regional / Country Offices. To some extent, the project is currently understaffed.
6. *Implementation of Chile's NAP II.* The involvement of the RBCLAC Project and the ILO in the NAP review process and NAP II formulation opens a huge opportunity for the RBCLAC in general, and the ILO in particular to plan and implement interventions in support of the future implementation of Chile's NAP II. (See good practice #4)

5.2. Good practices

1. *Virtual activities and wider reach*: Moving to the virtual arena has also implied benefits and opportunities. Convening meetings and ensuring the participation of more stakeholders, in a country with a high coverage of internet and mobile devices, has been beneficial for the Project's implementation, reaching more participants compared with face-to-face events. In addition, this new reality facilitated the coordination between the RBCLAC officials for Chile, organizing many events jointly.
2. *Exercising quiet diplomacy*: The ILO RBCLAC project staff has repeatedly had to adjust and respond, sometimes swiftly and diplomatically, to political sensitivities, institutional limitations (within the ILO) or to the different needs and perspectives of the Constituents.
3. *Flexibility and Resilience: Converting Challenges into a Springboard for RBC*. The multiple crises caused by the COVID 19 pandemic, have revealed underlying systemic weaknesses, increased the vulnerabilities of particular groups of populations who have found themselves excluded from protection mechanisms and deprived of social and other services, and the increasing marginalization of particular groups. These social crises have supported the Project's discourse on the need to promote and an RBC approach in entrepreneurship, and specifically the need for all stakeholders to address the labour dimension of RBC.
4. *Formulation of Chile's NAP II*. Despite the economic and social crisis, the Ministry of Justice and Human Rights reaffirmed its commitment at the occasion of the V Regional Forum on Business and Human Rights (September 2020) towards drafting and adopting a second version of the NAP. The involvement of the RBCLAC Project by providing technical assistance has been reinforced, accompanying not only the government in this process but also members of civil society, and particularly unions.

6. RECOMMENDATIONS

1. *Participatory approaches to project design.*

Addressed to: the European Union and the IOs

Priority: High

The design of this type of projects should be done with the respective participation and contribution of the IOs and in consultation with national key stakeholders right from the beginning. The design should also take into account the different national contexts and specific country needs; and resource constraints of each country.

2. *Prioritization of project activities that are likely to generate the largest impact*

Addressed to: the ILO, the European Union, the IOs and national stakeholders

Priority: High

During the remaining implementation time of the current RBCLAC Project in Chile, the ILO should emphasize activities that are likely to generate the largest impact in terms of (the labour dimension of) RBC, public policies, entrepreneurial sector/companies, and trade unions. The ILO (and the UE) should also prioritize support to the finalization and implementation of Chile's NAP II.

These should central goals for the remaining implementation time, and it implies the holding of consultations and striving towards institutional agreements with national partners in terms of prioritizing and defining relevant actions.

Also, it is essential to further involve the following stakeholders: the Ministry of labour; key employers' organizations and chambers of commerce; enterprises, and workers' organizations.

3. *Further Strengthen and expand the interagency collaboration between the IOs, in a more formalized and systematic manner.*

Addressed to: the ILO and the IOs

Priority: Medium

The RBCLAC project staff in Chile has succeeded in establishing a certain degree of interagency coordination, with regular connections at the level of the project management and with the project donor. However, up to now, such coordination is mostly undertaken on an informal basis. It would be appropriate to strengthen such coordination processes and mechanisms at all levels, through the creation of more formal and systemic coordination processes, in order to improve the opportunities for the creation of interagency alignment, support and facilitate the joint identification of national collaboration efforts, synergies and opportunities for the sharing of information, tools and knowledge, including across the organizations and not limited to the RBCLAC project, and therewith strengthening complementarities between the activities of the respective agencies.

4. *Define joint work plans with the IOs (UN OCHCR and OECD) and national entities.*

Addressed to: the ILO the IOs (and the EU)

Priority: High

In order to increase national ownership of RBC programming, it is essential to define joint work plans with the IOs adjust them to the guidance and priorities of Chile. Improved anchoring in the national priorities is essential in the immediate future. Similarly, the interagency work-plans should include sustainability considerations: this would include for instance joint and separate responsibilities, costs, and technical/financial/human commitments; Transfer of knowledge/responsibilities; and timeframe.

5. *National committees and follow up processes*

Addressed to: the ILO, the IOs and the National Partners

Priority: High

The RBCLAC Project in Chile should consider the promotion of the establishment of a national committee or other multi-stakeholder mechanisms as well as (swift) follow up processes (3+3: IOs and national focal points); to elaborate joint work-plans, as well as procedures for continued coordination and follow up mechanisms.

6. *Complementary high-level advocacy from the ILO, in support of the RCLAC project.*

Addressed to: the ILO

Priority: Medium

There is an important and essential role for the ILO to undertake high-level “advocacy” in general in the Southern Cone and in particular in Chile (in particular involving the Regional and Country Office –in the case of Argentina and Brazil-) to guide Governments and constituents in the direction of RBC policies and practices. In terms of institutional support from the ILO (HQ, RO) there is room for improvement for the ILO RBCLAC project in Chile, both in terms of support for activities, as well as in terms of advocacy and institutional policy to support the objectives of the project.

7. *Creating synergies within ILO*

Addressed to: the ILO

Priority: Medium

Creating better synergies within the ILO is important for a more effective implementation of the RBCLAC Project in Chile. It is important that the Project can fully benefit from and have access to experience, expertise, programmes and resources that are currently available within the ILO (HQ Departments, Regional Experts and Regional Representatives). Internal collaboration and coordination is a distinctive feature of the ILO, and improved alignment of the ILO Project with the DW Agenda and the respective departments with mandates linked to the labour dimension of RBC could be key to improve its impact and make the ILO RBC interventions more sustainable in Chile.

Annex 1. List of persons interviewed

Name	Institution, DG/Department, Title	Role in the project	Location/Country
Project team			
Olga Orozco	ILO, Regional Office, Lima	Project manager	Medellin
Nicolas Torres	ILO, DTW/CO Santiago, Chile	National Officer	Santiago
Project backstopping, HQ			
Githa Roelans	ILO, Multinational Enterprises Unit, Unit Head, Geneva	Overall strategic guidance	Geneva
Annie van Klaveren	ILO, Multinational Enterprises Unit, Specialist, Geneva	Technical backstopping	Geneva
Project partners, ILO			
Amanda Villatoro	ILO, Bureau for Activities with Workers (ACTRAV), Senior Specialist, Geneva	Focal point for activities with workers	Geneva
Andres Yuren	ILO, Bureau for Activities with Employers (ACTEMP), Regional Specialist	Focal point for activities with employers	Geneva
Implementing partners			
Costanzo Fisogni	EU, EEAS, Brasilia	Programme manager, EU	Brasilia
Alexia Ghyoot	Project Manager, OHCHR, Geneva	Programme manager, OHCHR	Geneva
Luis Rodriguez- Pinero	OHCHR, Geneva	OHCHR	
Froukje Boele	Project Manager, OECD, Paris	Programme manager, OECD	Paris
German Zarama	OECD, Focal Point LAC		
National stakeholders			
Matías Rodríguez	Ministry of Justice and Human Rights, NAP Responsible Officer, Chile	Government representative/beneficiary	Santiago
Marcela Paiva	Ministry of Foreign Affairs, OECD NCP, Chile	Government Representative /beneficiary	Santiago
Magdalena Castillo	CAT Chile	Workers' representative/beneficiary	Santiago

Annex 2. Documents reviewed

- [Responsible Business Conduct in Latin America and the Caribbean \(ilo.org\)](#)
- *The MNE Declaration and its promotion and application in the America. Regional Office for the Americas, ILO 2018.*
- Responsible Business Conduct Country Fact Sheet, Chile. OECD Paris, 2020
- EU Action on Responsible Business conduct in Latin America and Caribbean (undated)
- RBCLAC Project interim narrative reports (2019-2020)
- Plan de Acción Nacional de Derechos Humanos y Empresas (NAP). República de Chile. Ministerio de Relaciones Exteriores. 2017
- Ministerio de Justicia y Derechos Humanos. Subsecretaría de Derechos Humanos. Gobierno de Chile. <https://ddhh.minjusticia.gob.cl/plan-nacional-de-derechos-humanos/>
- The Danish Institute for Human Rights: <https://globalnaps.org/country/chile/>
- Ministerio de Justicia. Subsecretaría de Derechos Humanos: <https://ddhh.minjusticia.gob.cl/comite-interministerial-de-derechos-humanos-y-empresas>
- Guía de Derechos Humanos y Empresas en Chile. The Danish Institute for Human Rights. Approved by the Consejo del Instituto Nacional de Derechos Humanos, August 6th 2018.
- The United Nations in Chile. <https://unsdg.un.org/un-in-action/chile>