



Final independent evaluation of the Responsible Business Conduct in Latin America and the Caribbean project

Quick Facts

Country:	Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Panama, Peru, and Mexico
Evaluation Date:	October – January 2023
Evaluation Type:	Project independent
Evaluation Timing:	Final
Administrative Unit:	RO-Latina America and the Caribbean
Technical Office:	MULTI
Evaluation manager:	Cybele Burga (Regional Evaluation Officer)
Evaluation consultant:	Possible Lab (Raquel Cabello, Miguel Galbis Massigoge, Sergio López de Pablo)
DC Sybmol:	RLA/18/04/EUR
Donor and Budget:	European Union (EU): 4,072,000 USD

Keywords: Responsible business conduct; Sustainable Enterprises; Decent Work; Employers; Workers; Latin America and the Caribbean.

This evaluation was carried out in accordance with ILO evaluation policy and procedures. It has not been professionally edited but has been quality checked by the ILO Evaluation Office.

BACKGROUND AND CONTEXT

<p>Summary of project purpose, logic and structure</p>	<p>The project aims to promote responsible business conduct practices in line with internationally agreed principles, strengthen respect for labour rights, and facilitate sharing of good practices. The project has three components: supporting the development and implementation of National Action Plans on Business and Human Rights, increasing capacity on due diligence processes, and facilitating sharing experiences and developing joint initiatives that promote RBC practices. The implementing partners have activities in each of the project's three components, and the project is supported by Multinational Enterprises of the Enterprises Department in Headquarters.</p>
<p>Objective, scope and methodology of the evaluation</p>	<p>The final evaluation covers 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) from 1st January 2019 to 31st October 2022.</p> <p>The RBCLACL final evaluation combines summative and formative aspects and assesses the relevance, coherence, effectiveness, efficiency, orientation towards the impact and sustainability of ILO's approach and interventions at global and country levels (summative) and was also forward-looking by providing findings; lessons learned and emerging good practices in order to inform future interventions (formative). The evaluation has a triple purpose: Accountability, Improvement and guiding future actions.</p> <p>The evaluation has been conducted in line with the ILO's evaluation policy and procedures, which adhere to international standards and best practices, as stipulated in the OECD/DAC Principles for Evaluation of Development Assistance and the Norms and Standards for Evaluation in the United Nations System of the United Nations Evaluation Group (UNEG) from 2016. The evaluation complies with the UNEG ethical guidelines (2020).</p> <p>The evaluation has followed a participatory Outcome-based Evaluation approach. Triangulation of evidence and information gathered has underpinned its validation and analysis and supports conclusions and recommendations. This evaluation used mix methods of qualitative and quantitative techniques.</p>

MAIN FINDINGS AND CONCLUSIONS

<p>Main results and conclusions</p>	<p>Relevance</p> <p>The evaluation confirms that the RBCLAC project is highly relevant based on all data collected. The project is seen as meeting the needs and demands of the region to some extent and is considered more relevant now than when it was launched in 2019, due to the evolution of European regulations and the increasing importance of responsible business conduct and due diligence in the global market.</p> <p>The project is also supporting national and regional processes related to responsible business conduct and due diligence and has contributed to an increase in awareness and sensitivity towards these issues in the region. The project is also considered to have a high level of adequacy to national and regional processes related to responsible business conduct and due diligence. However, it is noted that the needs of different Constituents and other stakeholders, such as governments, institutions, companies, and worker organizations, vary. The project should consider these differences to ensure its relevance to all stakeholders.</p> <p>The project incorporated gender considerations but there is still room for further integration of a gender perspective in all project activities.</p> <p>Design validity</p> <p>Based on the collected evidence, this final evaluation confirms that the RBCLAC project has demonstrated adaptability and flexibility in response to changing circumstances, including the</p>
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COVID-19 pandemic and economic crisis. The project quickly adapted to the pandemic context by virtualizing training and meetings, and also responded to emerging needs related to work-family reconciliation and protection mechanisms.

The project has implemented the most relevant recommendations from the Mid-Term Evaluation (MTE), including prioritizing interventions to enhance and maximise results and increasing the participation of employers' organizations and trade unions in the project.

The project has not demonstrated a gender approach in its design but in its implementation, by including gender-specific activities and integrating a gender perspective in some project activities.

However, it is noted that the project could improve its monitoring and evaluation systems and further incorporate a gender perspective in all project activities.

Overall, the coherence and validity of the project's design has been demonstrated through its adaptability to changing circumstances, implementation of MTE recommendations and gender approach.

Efficiency

The **financial resources for a project have been used efficiently**, with the budget being distributed appropriately and most of it being spent as planned. However, the project faced some challenges, including an increased workload and the inclusion of more countries than initially thought, which led to a resource optimization approach being developed. The project exceeded its targets, mainly due to the virtualization of events due to the pandemic. The due diligence component was identified as the weakest, and there is a need to refocus the project in the next phase of developing and implementing responsible business conduct and due diligence policies and processes.

The communication and visibility strategy for the project has been largely effective, with good internal communication among the implementing agencies and a high level of awareness of the project among the target audience. However, there are some issues with external communication, as the implementing agencies appear to work with different institutions, and there is a perception that they work in isolation.

The support provided by the ILO, both at the technical and administrative levels, has been generally deemed adequate and satisfactory. There are challenges that need to be addressed in the next phase, such as improving external communication and coordinating better with other implementing agencies.

Management effectiveness and efficiency

Overall, the project has achieved its specific objectives, particularly in increasing awareness about responsible business conduct (RBC) and its labour dimension. The project has supported the development or revision and strengthening of National Action Plans (NAPs) on Business and Human Rights in several countries. It has improved national capacities through training and technical support. However, it is unclear to what extent different Constituent groups' and stakeholders' capacities have been improved and enhanced.

The RBCLAC project exceeded its participation target, with over 20,000 participants in events at the regional and national levels. The business/private sector had the highest percentage of participants, followed by the government sector and trade unions. As per key informant interviews, some limitations and difficulties may have contributed to the low participation of trade unions in

the project, including long-term decision-making processes within these organizations, the prioritization of regional work, and financial and technical execution pressures.

The capacity development (CD) activities provided by the RBCLAC project were generally well-received and were perceived as valuable and adequate for improving knowledge and skills on responsible business conduct practices and decent work. However, the project did not have a needs assessment or CD strategy, and there were no established objectives nor indicators of change or improvement, nor no evaluation mechanisms to measure the impact of the training events. As a result, it is unclear to what extent the project has contributed to improving capacities in RBC and due diligence issues.

The project team incorporated the gender approach during implementation to the extent possible, given the technical and financial resources available. The project has been effective in integrating the gender approach. However, there is no clear gender strategy, and it would be beneficial to include the approach in the project design in a future phase and establish at least one key directive line.

Orientation towards impact and sustainability

Based on the collected evidence, this final evaluation concluded that the sustainability of the RBCLAC has key elements supporting effects in the long term have been ensured. While the project has generated technical capacities and political interest, developing more alliances or mobilizing financial resources is required to consolidate its results. It needs a clear exit or transition strategy in order to ensure the continuation of its results after donor funding ends.

According to the ILO sustainability guide, the overall average score for sustainability is 1.93 out of 4, indicating a low to a medium orientation toward sustainability. The main categories contributing to this score are the partners' participation, the financial and political and institutional sustainability, which have medium and medium-high sustainability, respectively. However, gender sustainability has low sustainability, indicating a need for improvement in these areas. Nevertheless, it must be remarked, that during the implementation phase according to the same tool the gender sustainability was medium, which is more coherent with the efforts and sensitivity made by the project mainstreaming gender despite its basis limitations. Finally, the project should consider developing a sustainability plan in order to address these challenges and ensure the long-term sustainability of its results.

The project has generated technical capacities and political interest but needs improvement in ensuring alliances and mobilizing resources as part of a sustainability plan. Environmental sustainability is present in the project as an inherent element and has a medium score. Furthermore, the project consciously took some steps to ensure the sustainability of some of its actions. Overall, sustainability is a challenge, but the project is in good shape and can be improved in the second.

LESSONS LEARNED, GOOD PRACTICES AND RECOMMENDATIONS

<p>Lessons learned</p>	<p>LA1. Working in a country without a project officer present can be challenging due to the unique cultural, social, and political factors at play. Building relationships with local stakeholders is crucial for the success of the project and for long-term sustainability. Support from the ILO national office can help mitigate these challenges, but in some countries, this may not be possible. Lack of personnel can also make it difficult to take advantage of windows of opportunity. To overcome these obstacles, project officials need to have the capacity and willingness to face challenges and adapt to changing contexts. The project's design, including the budget and personnel, should take into account the specific needs and challenges of each country. The</p>
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presence of project officials ensures continuity and security in national processes.

LA2. In-person engagement is crucial for achieving successful outcomes in complex political environments, and it is important to build strong relationships, improve communication, adapt to local contexts, and build trust and credibility.

LA3. Flexibility is a key factor for project success, but it must be embedded in the project's design and balanced with clearly defined outcomes to avoid dispersion and loss of focus.

LA4. To effectively respond to the needs of the trade union sector, **a more fluid and rapid interaction and relationship is required**, and project activities must be adapted to facilitate their participation. Understanding the current state of the trade union sector is also essential, and donors and stakeholders must be more open and flexible.

LA5. Developing a global diagnosis of local opportunities for intervention optimizes the use and impact of global products in face of field support needs, building the capacity of the ILO's constituents and achieving better project outcomes.

LA6. Advocacy work must be done to make it clear that unions are not a civil society organization or an NGO, and technical and precise explanations of the tripartite structure and the role of its Constituents are necessary for partners who are not familiar with the ILO. Understanding and valuing the ILO's unique governance structure can lead to more effective collaboration and better outcomes for workers, employers, and governments.

Good practices

BP1. Collaboration between UN agencies through understanding and respecting each other's mandates is a highly effective approach that fosters cooperation, trust, and mutual respect, resulting in the development of more effective policies, programs, and services that benefit the communities they serve. This approach has great potential for replication by a wide range of organizations, including UN agencies, NGOs, and government agencies.

BP2. A balance between virtual events and in-person or face-to-face events is necessary, especially during COVID restrictions. Virtual events increase efficiency, flexibility, and reduce travel costs. However, in-person meetings are more effective in building relationships, fostering teamwork, problem-solving, and maintaining focus and attention. The II Regional Seminar on Business and Human Rights is a good example.

BP3. Learning and exchange of experiences among peers are highly valued. The bimonthly virtual forum promotes good practices and presents difficulties that are discussed among institutions responsible for the NAPs in different countries. Mistakes and failures are highly appreciated as they serve as valuable learning experiences. A guide on what not to do would be an interesting addition.

Recommendations

R1. The project's design must be realistic between goals, scope and resources. It is important to set realistic goals, scope, and budget for a project or task, taking into account the available resources and constraints. A realistic budget ensures that sufficient resources are available to complete the project as planned and helps prevent workload, failure expectations, and stakeholder frustrations. The budget should be coherent with the project's expected results, and there should be a clear understanding of how the budget will be used to support the project's goals. This includes providing or planning sufficient human resources to support all targeted countries.

R2. Ensure the presence of project officers in the countries within the geographical scope of the project in the next phase: This is important for effective communication and coordination, serving as a bridge between the project team and stakeholders. Project officers also help to ensure continuity and sustainability beyond the life of the project, as well as supporting the development of country-specific strategies aligned with national needs and context.

R3. Establish individual countries' strategies aligned with the project's regional strategy: it is important to establish individual country strategies that align with the project's regional strategy. By tailoring the project to the specific needs and context of each country, the project can

be more effective and coordinated across different countries. This can also ensure that the project aligns with any national or regional policies or strategies that are in place.

R4: Guarantee mechanism of workers' organisations to participate by adapting, addressing and planning activities directed to them. It emphasizes that equal participation of governments, employers, and workers is crucial in ensuring that all stakeholders' perspectives and needs are considered. The recommendation also highlights the need to protect the role of trade unions in the RBC processes as established in the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. The text suggests adapting, addressing, and planning activities directed towards workers' organizations to ensure their participation.

R5: Elaborate a capacity development needs assessment to create a CD strategy. conducting a capacity development needs assessment to create a strategy for capacity development with measurable tools, including performance indicators, targets, and benchmarks to evaluate the effectiveness of capacity development efforts. This strategy can help ensure that resources are used effectively and aligned with the project's goals.

R6: Refocus the purpose and objectives of the project's components for the next phase. RBCLAC has represented a milestone in the region related to RBC, awareness has been raised and, consequently, new demands have emerged. To continue the project's relevance, it is essential to answer those demands that linked to the operationalisation of the RBC and due diligence.

R7: Develop an exit strategy: A well-thought-out exit strategy can also help to minimise any negative impacts of the project ending, such as job losses or a reduction in services. An exit strategy should be developed and documented as part of the project planning process, and it should be reviewed and updated regularly throughout the course of the project.

R8: Mainstream gender approach from the project's design in the next phase: Mainstreaming a gender approach can help to ensure that the benefits of a project are sustained over time, as it can address the underlying gender-based inequalities that should be embedded in any RBC process. The project's second phase should have outputs and outcomes gender-sensitive approach indicators and specific budget to address them.