



Evaluation Summary



International
Labour
Office

Evaluation
Office

Building the Capacity of the Philippines Labour Inspectorate – Internal Interim Evaluation

Quick Facts

Country:	<i>Philippines</i>
Date of Evaluation:	<i>July 2018</i>
Evaluation Mode:	<i>Internal</i>
Administrative Office:	<i>CO-Manila</i>
Technical Office:	<i>LABADMIN-OSH</i>
Evaluation Manager:	<i>Cerilyn Pastolero</i>
Internal Evaluator:	<i>Sohana Samrin Chowdhury</i>
Project Code:	<i>PHI-14-06-USA</i>
Donor(s) & Budget:	<i>United States Department of Labour, USD 1,000,000</i>
Keywords:	<i>Labour administration, labour legislation, labour inspection, capacity building, Philippines</i>

Background & Context

Summary of the project and methodology of evaluation

The 'Building the Capacity of the Philippines Labour Inspectorate Project' was signed between the ILO and USDOL in 2014 with the objective to strengthen the Philippines labour inspectorate and the capacities of government, workers, and employers to effectively engage in social dialogue on over-all labour law compliance. The project was originally signed for the duration between 15 December 2014 and 14 December 2017, but started implementation from September 2015. The goal of the project was to improve workplace compliance with national labour laws. The project intended to achieve two primary outcomes or immediate objectives (IO) and six¹ sub-immediate objectives (SIO).

Immediate Objective 1: Effectiveness of labour inspection conducted by Labour Law Compliance Officers (LLCOs) is improved.

Sub-Immediate Objective 1.1: Improved collection and management of labour inspection statistics for better evidence-based and strategic labour inspections and compliance campaigns

Sub Immediate Objective 1.2: Improved labour inspection institutional and legal framework

Sub-Immediate Objective 1.3: Improved technical competency of LLCOs to undertake functions expected of LLCOs under the Labour Law Compliance System (LLCS) Manual and ILO Conventions No. 81 and No. 129

Immediate Objective 2: Effectiveness of worker and employer engagement in the LLCS is improved.

Sub-Immediate Objective 2.1: Models for effective tripartite collaboration and partnerships for promoting labour law compliance are established and piloted in selected regions

Sub-Immediate Objective 2.2: Improved participation of workers in the LLCS at the enterprise, regional/ industry and national levels

Sub Immediate Objective 2.3: Improved capacity of employers to promote and engage with workers on labour law compliance at the enterprise, regional/industry, and national levels

Department Order No. 183-17 and the Occupational Safety and Health (OSH) bill are the two most important policy changes that had an influence on the Project focus and its interventions. Towards the end of 2016, a mid-term evaluation (MTE) of the Project was conducted, after which the Project made some strategic and implementation level changes based on the MTE recommendations. To adapt to the changes in the implementing environment, constituents have voiced the need for further support to achieve the Project's existing immediate and sub-

¹ Initially it was seven. It was reduced to six post-MTE.

immediate objectives. While the current phase of the project will conclude by the end of August 2018, under the changes in the policy environment, a request to add \$250,000 to the existing grant to extend the project period until August 2019 was being processed at the time of the production of this report.

This is an internal interim evaluation (IE) of the project. Its purposes are to:

- *assess the progress of the project in achieving its stated objectives;*
- *follow-up from the mid-term recommendations and*
- *provide recommendations and lessons learnt for similar future projects. Recommendations from this interim evaluation (IE) should also inform the project strategy/activities for the cost extension period.*

The IE was conducted by an international internal evaluator of ILO, who primarily focused on effectiveness, response to MTE recommendations and sustainability aspects of the Project. The IE simultaneously tried to provide input that will feed into the design phase of the next Project. To get a complete understanding and opinion of the relevant stakeholders on the Project's achievements, the evaluation primarily used qualitative method of research, which involved a mix of desk review (analysis of relevant reports and information related to the Project) and interactions with stakeholders in the field (through series of meetings and interviews). The quantitative evidences were acquired primarily from the existing project progress reports and the results have been used for the effectiveness section of the report.

Main Findings & Conclusions

Relevance and strategic fit

The Project is found to be highly relevant and well-suited to the policies and priorities of the ILO, the Government and social partners of the Philippines. The objectives of the Project were found to be aligned to the specific needs of the Philippines, and, in particular, of the Department of Labor and Employment (DOLE) and Bureau of Working Conditions (BWC). The management information system (MIS) built through the Project has regularly updated the contents of the System so that they remain relevant and responsive to the new requirements of the Bureau. The project applied a well-coordinated mechanism throughout the changing labour inspection process and proposed timely adjustments to the project design in order to provide the constituents with the necessary support to achieve the project's immediate and sub-immediate objectives. With the changes in the implementing environment, the Project increasingly involved itself in helping the DOLE and BWC shape the revised labor inspection system in accordance with the government's priority. The Project is also aligned well with the draft Decent Work Country Programme (DWCP) of the CO-Manila (2018–2024) and thematic area 'planet and prosperity'

of the Partnership Framework for Sustainable Development (PFSD) 2019–2023 (the fourth UN-Philippines country plan).

Validity of design

The Project demonstrates, to some extent, that there were potential weaknesses in the project design, especially in establishing logical sequencing between activities, output and subsequent indicators; inaccurate formulation of output and indicators; insufficient information in the Performance Monitoring Plan (PMP) on indicator definitions; absence of time-bound milestones for either the output or the outcome indicators. Overall, the logframe design does not fully adhere to the results based management framework of the ILO.

Implementation effectiveness

The Project is overall effective in delivering on the output results designed under each of the six SIOs. One of the key achievements of the Project was the support it has provided to the continued development of the Labor Inspection-Management Information System (LI-MIS). Until the time of the IE, the Project delivered and deployed the integrated *Inspection Module* of the MIS's web and mobile applications for the conduct of inspections. The *Regional Module of the Case Management System* and the *Central Office Module* were undergoing testing; the finalization of which will mark the completion of the full reporting functionalities of the System, enabling the government to better report on the 'enforcement rates' on Compliance Orders, which amongst others, have now been included as one of the organizational performance indicators of the DOLE. The Project also helped BWC to revise the general assessment checklist, the contractor and subcontractor assessment checklist and the accident investigation checklist. The Project delivered two batches of orientations on the use of the MIS Inspection and Case Management modules to DOLE Regional IT and labor inspection focal points. To continue this learning journeys, those trained from the regions co-facilitated the regional orientations in early 2018 with DOLE funding. The development of proposed performance metrics for labor inspectors aligned with their proposed job descriptions, and DOLE's new organizational outcome indicators on labor standards enforcement was done towards the end of the year 2017. This was achieved through the conduct of two batches of Project supported Results Based Management Capacity Building Workshops for labor inspection focal points, Division Chiefs supervising labor inspectors Planning Officers in the regions. These performance metrics are now being used by DOLE BWC in the identification of targets for the year.

In the area of improving labor inspection institutional and legal framework, the Project made substantive contribution in shaping the DO 183-17 and also provided technical inputs on the inspection component of the OSH Bill. The activities with respect to the inter-agency coordination and partnership building, as proposed in the cost-extension proposal, will potentially benefit

the current labor administration by providing a more robust solution coordinated through a multi-departmental approach introduced by the Project.

The Project produced four proposed job descriptions for labor inspectors through an HR audit with the aim of improving technical competency of LLCOs to undertake functions expected of them under the LLCS Manual and ILO Conventions No. 81 and No. 129. The Project also analysed the training needs of the labor inspectors and utilising the results an intensive training programme for labor inspectors are now being developed focusing on practical skills and understanding of procedures and ethics behind labor inspection, more operational understanding of labor standards across different business models, interviewing and evidence gathering skills, as well as more strategic application of the powers of an inspector.

In an effort to establish models for effective tripartite collaboration and partnerships that promotes labor laws compliance and to pilot them in selected regions, the Project supported the development of proposed regional compliance plans through two Tripartite Capacity Building Workshops on Strategic Compliance, known as the Strategic Compliance Planning (SCP) Workshop. The Project successfully oriented 779 tripartite partners on the labor inspection, status of inspection activities and developments. The SCP workshop provided a good basis for the DOLE to build on the outputs of the workshop for further engaging partners.

Although the training module envisioned for the workers to provide practical workplace-based implementation of the labor inspection is yet to be finalised, the Project successfully provided initial training for 30 trade union leaders on labor inspection, workers' role, General Labor Standards (GLS), Occupational Safety and Health Standards (OSHS), social dialogue and paralegal. A number of those trained under the Project are involved in inspections and various compliance campaigns. The workers' organizations therefore requested further Project support on developing a strategy for the trade unions that will enable them to cascade their learnings from the national to the local level. This Project also sets a target of distributing 250 worker good practice compendium, which, according to the revised work plan, is yet to be completed.

The Project further trained thirty (30) ECOP focal points/ subject matter experts in an effort to improve knowledge of employers on labor standards and enhance their capacity to engage in the LLCS process at the enterprise, regional/industry and national levels. ECOP plans to mobilise these trainees to provide assistance to members and non-members. An employers' training programme/manual is also designed and currently being revised under the Project based on new DO 183-17 focusing on practical workplace-based implementation of labour inspection. ECOP intends to institutionalize the training manual as part of an integrated course offering on Industrial

Relations and Human Resource. Documentation of case studies are also being supported by the Project, which are expected to be replicated in other regions/ sectors.

Efficiency of resource use

The project resources are allocated efficiently with the limited means available. The project appeared to be cost-efficient as it is utilizing the project budget to the best of its ability. The delivery rate significantly increased between January and June 2018, spending 84% of its total allocation by the end of June 2018. The cost efficiency analysis shows that there is a chance that the Project may have an unspent amount of little more than USD60,000 by the end of its cost extension period if the monthly expenditure rate is not increased at least by USD4,500. Therefore, it is important that the delivery rate is further accelerated by immediately initiating the activities foreseen for the cost extension period, especially on key cost drivers like refresher trainings for workers and employers, inter agency meetings and completion of risk-based criteria setting for the handling and managing of complaints.

Effectiveness of management arrangement

The internal management arrangements of the project also appeared to be adequate to ensure timely delivery of project output and activities. The Project staff received regular technical backstopping from the ILO Decent Work Team specialists for East and South-East Asia and the Pacific based in Bangkok, which greatly helped with the redesigning and refocusing of the Project. A tripartite project advisory committee (PAC) is established for the purpose of providing Project oversight, comprising of representatives from the government and the social partners. The activities and consultation process that took place from this platform have been highly appreciated by all the stakeholders.

Sustainability

The Project developed a sustainability plan outlining sustainability measures for key components of the Project, which, if implemented, would likely contribute towards the sustainability of project achievements. As the sustainability plan is designed based on donor prescribed format, it had limited scope to put in place time-bound indicators for the partners, as was recommended by the MTE so as to enable the Project to track the planned sustainability related activities. Overall, the interventions on improving the effectiveness of labor inspection (SIO 1.1 through 1.3) are most likely to sustain in the longer term than the rest of the SIOs. Nevertheless, the effective and optimum use of MIS data, which will very recently experience a data influx, relies largely on the extent to which DOLE BWC is prepared to analyse data and transfer them into evidence based information without being overwhelmed with their increasing amount. This could be a potential future area of work for the Project. Although the social partners have taken some ownership of the project interventions under SIO 2.1 through 2.3, primarily by being engaged in, and benefiting from, project

activities, such as the PAC meetings, trainings, SCP workshops, the main challenge is to continue the tripartite engagement in relation to plant level compliance discussions. The issues such as difficulty of selecting worker representative during joint inspection of a non-unionized establishment, general dissatisfaction about underutilization of the trained social partner representatives and demand for increased participation of social partners in full blown cases still remain points of debate between different partners. Another major area, specially to be considered for sustaining the results that have been produced with the tripartite constituents, is to seriously look into the capacity requirements and business processes of the 'other actors' in addition to the labour inspectors – staff who are responsible for case hearing, drafting, disposition etc.

Recommendations

Short-term (project level) recommendations

- Identify achievable and time bound targets for the output indicators.
- Prioritize support for the completion and roll-out of the MIS and develop guiding manuals for the MIS modules.
- Conduct regular data collection on training effectiveness and specialised inspections.
- Replicate the SCP at sectoral level.
- Refine the sustainability plan with targets and timeframes.
- Provide technical support to the DOLE BWC in developing a data management, analysis and reporting plan.
- Continue technical assistance on capacity building for DOLE BWC and social partners alike.
- Support inter-agency partnership on labor inspection, labor standards and utilisation of LI-MIS.

Recommendations for the government

- Develop a consolidated MIS sustainability plan, including costing for short, medium and long term with resource mobilization plan.
- Develop HR capacity plan (for national and regional staff) to cope with the requirements of the MIS sustainability plan.
- Develop a comprehensive and regularly reviewed training strategy that ensures that inspectors' training service both at regional and central level are undertaken in a systematic manner.
- Review of the business process of BWC and regional offices in light of the implementation of the revised job description.
- The government may utilise the LI-MIS to analyse which sectors have for example maximum numbers of dispute or violation that goes beyond the remediation time frame to determine whether sectoral dialogue mechanisms are more appropriate.
- The ratification process of ILO C81 should be considered as a high priority the interventions under the Labour Inspection institutional and legal framework are to be sustained.

- Ensuring legal protection is available for labour inspectors is also critical to maintain the broader quality of the inspection on which the results and achievements of the entire system relies on.
- In order to keep the case backlogs and any inconsistencies in approaches and decisions at a minimum, the case disposition and case management aspect of the GLS need equal emphasis as enforcement and penalties.

Recommendations for the ILO CO-Manila

- Adhere to the results based management guidance of ILO while designing future projects in order to create clearly defined and well-articulated result statements as well as performance indicators that are specific, measurable, achievable, relevant and most importantly, time-bound. For example, it has been noted in the logframe that the Project has targeted for certain outputs, achievement of which is not fully in the control of the Project and requires full engagement and commitments from the partners. In future project design, this needs to be carefully looked at to avoid over committing on output.
- Continued advocacy to deepen the collaboration between social partners, support the government in promoting dialogue mechanism at different levels and initiate a social dialogue project in the Philippines, promoting bilateral and tripartite interaction between workers' and employers' organisations at national, provincial and workplace level.
- Assisting in the roll-out of OSH training by worker and employer organizations to enterprise level OSH committee members
- Conduct a scoping study of the labour administration system in the Autonomous Region in Muslim Mindanao (ARMM)

Recommendations for the USDOL

- IE findings found out that the activities foreseen in the cost-extension proposal are highly relevant and are key to achieving the project results and sustaining the results gained so far, and therefore the USDOL should consider financing these activities as part of the Project's extension.
- To ensure sustainability of the interventions done till date, the donors may also focus on helping the government to both increase enforcement & penalties as well as improve compliance to OSH standards.
- The Project team and USDOL should work together with the project partners to agree on realistic targets to be incorporated into the PMP as per activities that have been concluded and new activities that will be included if the Project gets the extension