



External Independent Final Evaluation

Promoting Fundamental Principles and Rights at Work in SRI LANKA: Phase II



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Sistemas, Familia y Sociedad
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ACRONYMS AND TERMS

ADCOR	Association for Dialogue and Conflict Resolution
BOI	Board of Investments in Sri Lanka
CB	Collective Bargaining
CBU	Collective Bargaining Unit
CEACR	Committee of Experts on the Application of Conventions and Recommendations
CFA	Committee on Freedom of Association
CIMA	Chartered Institute of Management Accountants
CIWU	Commerce and Industrial Workers Union
COR	Contracting Officer's Representative
CTA	Chief Technical Advisor
EFC	Employers Federation of Ceylon
EPF	Employment Provident Fund
EPZ	Export Processing Zone
FMCS	US Federal Mediation and Conciliation Services
FOA	Freedom of Association
FPRW	Fundamental Principles and Rights at Work
FTZ	Free Trade Zone
FTZGSEU	Free Trade Zones & General Services Employees Union
FTZMA	Free Trade Zone Manufacturers' Association
GSL	Government of Sri Lanka
HR	Human Resources
ILAB	USDOL International Labor Affairs Bureau
ILO	International Labour Organization
ILS	International Labor Standards
IT	Information Technology
LISA	Labour Inspection System Application
M&E	Monitoring and Evaluation
MOL	Sri Lankan Ministry of Labour
NATURE	National Association for Trade Unions Research and Trade Education
NILS	National Institute for Labour Studies
NLAC	National Labour Advisory Council
NORMES	ILO International Labour Standards Department
NTUF	National Trade Union Federation
OSH	Occupational Safety and Health
OTLA	Office of Trade and Labor Affairs
PAC	Project Advisory Council
PMP	Performance Monitoring Plan

SCORE	Sustaining Competitive and Responsible Enterprises
SLNSS	Sri Lanka Nidahas Sevaka Sangamaya
SFS	Sistemas, Familias y Sociedad
TAC	Division of Technical Assistance and Cooperation
TOR	Terms of Reference
TPR	Technical Progress Report
TU	Trade Union
USDOL	U.S. Department of Labor

EXECUTIVE SUMMARY

This report documents the main findings and conclusions of an external independent final evaluation of Phase II of the International Labour Organization (ILO) project “Promoting Fundamental Principles and Rights at Work in Sri Lanka.” The ILO and United States Department of Labor (USDOL) Bureau of International Labor Affairs (ILAB) Office of Trade and Labor Affairs (OTLA) initiated the Fundamental Principles and Rights at Work (FPRW) project in September 2009 with a budget of US\$402,500. Since then, the project has been extended for two more phases¹ and the budget increased to US\$1,402,500.

The project was designed to provide support to ongoing efforts by ILO constituents and others to improve industrial relations and strengthen the application of FPRW in Sri Lanka’s Export Processing Zones (EPZs). The project has three immediate objectives:

Immediate Objective 1: Legal framework more in conformity with international labor standards;

Immediate Objective 2: Institutions and processes for labor-management relations, including those at the enterprise level, strengthened; and

Immediate Objective 3: Strengthen labor administration for its effective intervention to promote sound labor-management relations, prevent and solve disputes and ensure compliance with labor regulations.

The project planned activities to assist ILO’s tripartite constituents in identifying and filling gaps in Sri Lanka’s legal framework related to FPRW; raise the awareness and capacity of tripartite constituents to know and exercise their rights and obligations in the workplace; strengthen capabilities of worker and employer organizations to develop policies that minimize conflict; foster bi-partite cooperation and bargaining; improve conditions for decent work and higher levels of productivity; and promote and implement effective labor administration and inspection systems.

Evaluation Objectives, Scope and Methodology

The evaluation, which mainly considers Phase II² activities and outcomes, set out to analyze and document the project’s primary achievements and progress meeting targets as well as the effectiveness of its management structure and sustainability strategies. Evaluation findings, good practices, lessons learned, conclusions and recommendations are primarily intended for USDOL, the ILO, and tripartite constituents in Sri Lanka to use, as appropriate, in Phase III and beyond in the design and implementation of subsequent projects in the country and elsewhere, if relevant.

The evaluation was framed by the key questions identified in the Terms of Reference contained in **Annex 2**. Data collection methods included a review of project documents along with interviews and focus groups with stakeholders. The evaluator mainly used semi-structured

¹ Phase II was from 2012 to September 2014 and Phase III runs from October 2014 until September 30, 2016.

² October 1, 2012 to September 30, 2014.

question guides prepared in advance for individual interviews and focus group discussions (see the question matrix in **Annex 3**).

The evaluation fieldwork was carried out March 16-27, 2015. During this period, the evaluator interviewed individuals from the following stakeholder groups: the ILO project management team; the Sri Lankan Ministry of Labour, the Ministry of Justice, the Sri Lanka Board of Investments (BOI); employers and their organizations including participants from the human resource managers' network in the Katunayake EPZ and a factory manager in the Kandy EPZ; workers and their organizations including Trade Union leaders and workers in the Katunayake and Koggala EPZs; implementing partners; and a representative of the US Embassy in Colombo. A detailed list of those interviewed is included in **Annex 5**. The evaluator concluded the fieldwork with a stakeholder workshop on March 30, 2015. The workshop program and list of participants are included in **Annex 6**.

Some of the limitations of the evaluation include:

- Not all of the participants in evaluation focus groups were actual participants in the project activities and so could not speak specifically to the relevance and quality of these activities.
- A large number of project objectives sought to improve stakeholder knowledge and capacity. Because of the lack of project based monitoring data, the tools to assess outcomes in this area were limited to the evaluator's interviews of a very small percentage of participants.
- The ILO Project Manager that served for most of Phase II is now managing another project in Bangladesh. Although the evaluator conducted an hour-long interview with him, more time would have been useful to provide context for project decisions and constraints.

EVALUATION FINDINGS

Validity of Project Design

Finding #1: The project's design coherently addressed a large number of the major issues affecting the exercise of FPRW in Sri Lanka's EPZs. The integration of activities to influence policy and practice contributed to its relevance, even if project support for legal and administrative reform was risky due to the fact that many factors influencing progress were beyond its control. The former was justified by the commitment expressed by the Sri Lankan Ministry of Labour (MOL) for reforms at the outset and during the midterm review of the project, which was demonstrated by its engagement in formulating a new labor inspection policy, funding for computerization and passage of legislation to increase fines imposed for unfair labor practices in Phase I.

Finding #2: The project's Performance Monitoring Plan (PMP) indicators do not appear to have been systematically tracked in Phase II and were not integrated into project progress reporting in an easy-to-follow manner. As such, they were not used as a tool to improve management decisions or to enlighten stakeholder understanding of project performance.

Relevance and Strategic Fit

Finding #3: The project regularly consulted key stakeholders using frequent face-to-face meetings, consultation workshops and participatory needs assessments.³ These project practices contributed to its relevance and stakeholder ownership by fitting project strategies within stakeholder priorities.

Project Progress

Finding #4: After a strong start in the latter months of Phase I, work to fill gaps in Sri Lanka's legal framework and update labor inspection circulars stalled within the MOL. The project supported tripartite consultations on proposed changes in the labor laws related to unfair labor practices but it was not able to bring about an agreement. The project strategy to build capacity on labor rights changed substantially and reached large numbers of workers, although not as many as were planned.

Finding #5: Planned activities for building the capacity of ILO tripartite constituents to promote workplace cooperation did not go beyond the planning stage in Phase II; initially this was due to delays developing acceptable training materials and later to challenges in identifying appropriate personnel within the MOL Department of Labour⁴ to lead the program.

Finding #6: Computerization of labor inspection processes, otherwise known as "LISA," assumed a central position in the project implementation strategy and made progress despite many challenges. In contrast, despite multiple meetings and significant ILO technical support, the labor inspection policy and related action plan were not formally validated, a factor holding up the planned creation of a mediation and conciliation unit.

Efficiency of Resource Use

Finding #7: Project resources were allocated strategically and effectively to achieve outcomes, with some exceptions. The budget for LISA exceeded what was planned but appeared reasonable, if large relative to other activities. The ILO balanced its use of national, ILO and international experts strategically and was effective in mobilizing complementary resources from other sources for project implementation. However, aborted attempts at implementing some project activities cost the project time and resources.

Finding #8: The ILO country office, regional specialists and Geneva-based program officers provided adequate technical and administrative support and consultants were used strategically. However, additional program staff were needed to help handle the project management workload and to deal with many unforeseen problems.

Effectiveness of Project Interventions

Finding #9: Even though the project's level of technical support appeared adequate, progress on filling gaps in Sri Lanka's legal framework was slow. Two factors kept the project's legal

³ The two main examples of formal written needs assessments conducted by the project were the labor inspection assessment (report was not dated) and the diagnostic on labor administration use of mediation and conciliation published in December 2014.

⁴ All references to the MOL Department of Labour refer to the department responsible for labor inspection within the Sri Lanka Ministry of Labour.

reform interventions from being effective. The first was the strongly divergent positions held on the issues of freedom of association (FOA) and collective bargaining (CB) by trade unions and employers, which blocked progress. The second was slow uptake for legal reform measures within the MOL during Phase II.

Finding #10: Because of delays in the implementation of workplace cooperation activities, the project did not contribute to new models of cooperation within EPZ enterprises. However, the trade union awareness raising and human resource manager training programs may contribute to strengthening labor rights in the EPZs by improving factory human resource management practices and increasing trade union membership.

Finding #11: The roles and functions of employee councils, as opposed to trade unions, remain a point on which trade union partners, employers and the BOI have differing perspectives and opinions. Rather than try to resolve these differences, the project appropriately focused on ensuring that trade unions were able to function effectively in the EPZs alongside employee councils.

Finding #12: The project helped to overcome the issue of labor inspector access to factories in the EPZs. Although it is too early to assess, project interventions to strengthen labor inspection, such as computerization, may contribute to resolving other issues limiting inspector efficacy in the future.

Finding #13: The project did not have an explicit gender strategy until late in Phase II, when strategies to discourage gender discrimination and promote equality in EPZ workplaces were introduced by the new Project Manager.

Impact Orientation, Sustainability and Effectiveness of Stakeholder Engagement

Finding #14: The project had a clear strategy to form strong institutional partnerships so that its capacity building services could be sustained beyond the project implementation period.

Finding #15: In Phase II, the project did not succeed in fostering significant direct dialogue between the BOI and trade unions, or the trade unions and employers, in the EPZs. According to the Project Manager and one of the trade union leaders, worker facilitation centers established in Phase I of the project are not used by the trade unions for their activities.

Finding #16: The blueprint for reform contained in the MOL's draft labor inspection policy and LISA are the main elements developed by the project during Phase II that could/should be sustained beyond the life of the project. There are a number of issues that the MOL needs to address in order to effectively institutionalize computerization.

MAIN CONCLUSIONS

The FPRW project was effective in engaging most key stakeholders, which should foster a high degree of ownership for the resulting products as well as contribute to the sustainability of some key initiatives. Labor inspection reform plans and LISA are the main elements that the project developed during Phase II that could/should be sustained beyond the life of the project. The link between LISA implementation and project support for broader legal and policy reforms within Sri Lanka's legal framework and labor administration was important and a good strategy

to impact both policy and practice. Although achieving proposed reforms is largely beyond the project's control, it contributed effectively through various stakeholder workshops and its expert analysis and recommendations.⁵

The project's approach to industrial relations tended to be balanced while upholding ILO principles. Through its support for worker and employer education programs, the project likely strengthened trade union engagement in EPZs and also increased the number of EPZ enterprises within its main employers' organization partner membership. The main project implementation weaknesses were missing delivery targets for the training activities for workers, employers and MOL labor inspectors and other officials, as well as poor project monitoring and evaluation (M&E) procedures and reporting. In particular, project progress on planned workplace cooperation programs was slow. Also, although the project produced some good capacity building resources, among them the practical guide on Sri Lanka labor law, these have not been fully capitalized by the project or its partners to date.

Overall, the project's management arrangements were effective. Human resources at various levels of the ILO were engaged in project implementation and contributed to project outcomes, with a balanced use of national, international and ILO specialists. The project team maintained positive relations with all stakeholders and engaged in positive collaboration with the project donor, especially for the design of Phases II and III.

GOOD PRACTICES AND LESSONS LEARNED

Supporting the computerization of labor inspection processes in Sri Lanka is a good practice that already has been viewed with interest by other countries in the region and is being replicated in the Philippines. LISA is a mobile application and web-based database used for planning, conducting and reporting on labor inspection. It has the potential to streamline labor inspection processes and procedures and make problem areas, such as complaint backlogs, easier for supervisors to identify and rectify. Unlike other kinds of policy changes, the computerization of labor inspection processes should translate quickly into changed practice at the field level. One of the project's *lessons learned* is that computerization of labor inspection processes should not be taken up in isolation from other issues influencing labor inspector performance and motivation, such as their level of training, professional status, salary and related allocations.

Another project good practice was supporting trade unions to conduct worker awareness raising activities in the EPZ as a recruitment strategy. The practice contributed to putting the principle of freedom of association into practice in the target EPZs. In particular, activities to develop young worker leadership and raise awareness on gender related issues were relevant in the EPZ context. The trade unions recognized the challenge to attract and develop young union leaders, women in particular. One lesson learned through this practice is that overcoming this challenge requires trade unions to invest in young worker capacity building programs and more specifically in gender sensitive leadership development training.

⁵ These are contained in the labor inspection assessment report, proposed updates to labor inspection circulars, the labor inspector handbook, updated labor inspection training modules and the diagnostic on the use of mediation and conciliation by the labor administration.

RECOMMENDATIONS

Recommendation #1: (*ILO & MOL*) The project should resume and track progress on labor legislation reform initiatives building on work already carried out by the MOL in 2012. The project should clearly identify and track priority CEACR and CFA recommendations on which it focuses in its progress reporting. Finally, the project should also use its activities to publicize and explain amendments to labor legislation if and when they become law.

Recommendation #2: (*ILO, MOL, Trade Unions*) In addition to implementing the paralegal training program now planned to be delivered by the University of Colombo, project management and its trade union partners should revisit its strategy on how the course will translate into better legal services for workers in the EPZs.

Recommendation #3: (*ILO*) The project should attempt to organize a bipartite awareness raising program on labor rights in the EPZs, possibly in the form of a booklet to distribute in the zones or at joint events, as a means to bring workers and employers together to discuss and find key principles and messages on which they agree.

Recommendation #4: (*ILO*) In addition to the planned SCORE implementation, the project should revisit its capacity building strategy regarding workplace cooperation for project stakeholders in Phase III. The need for training on workplace cooperation seems to be most acute among the project's trade union partners and small and medium size enterprises.

Recommendation #5: (*MOL*) The MOL should establish a special LISA implementation task force to quickly and effectively address outstanding issues affecting its deployment and use.

Recommendation #6: (*MOL*) In order to optimize the LISA's potential to make labor inspection more effective and efficient, MOL should review and implement complementary recommendations in the ILO labor inspection assessment report related to labor inspector status and professionalism.

Recommendation #7: (*MOL*) The MOL should differentiate complaints related to FOA from other types of complaints. More broadly, the MOL should work on strategies to differentiate protocols for identifying and addressing labor law violations to focus on the worst offenders.

Recommendation #8: (*ILO*) The project should catalogue project reports, guides and other resources and make them available as online resources.

Recommendation #9: (*ILO & the Donor*) The project should review/revise its existing M&E indicators for relevance, update its targets and then follow up the new indicators and targets in its progress reporting using a table (see Annex 1 for an example).⁶

Recommendation #10: (*ILO & the Donor*) The project should use Phase III to consolidate and/or scale existing initiatives, especially those under the labor administration strengthening objective, rather than to introduce new strategies. Given existing good levels of cooperation between the donor and the ILO, it would be useful and timely for them to confer and agree on the priorities and a work plan for Phase III at this time.

⁶ According to USDOL, grantees are required to submit a data tracking table with the semi-annual technical progress reports.

I. BACKGROUND AND PROJECT DESCRIPTION

This report documents the main findings and conclusions of an external independent final evaluation of Phase II of the International Labour Organization (ILO) project “Promoting Fundamental Principles and Rights at Work in Sri Lanka,” which was carried out in March and April 2015. The ILO and the United States Department of Labor (USDOL) Bureau of International Labor Affairs (ILAB) Office of Trade and Labor Affairs (OTLA) initiated the Fundamental Principles and Rights at Work (FPRW) project in September 2009, when they signed an initial Cooperative Agreement worth US\$402,500. Since then, the project has been extended for two more phases: Phase II spanned from October 2012 to September 2014 and Phase III will run from 2014 to 2016. Since the beginning of the project, funds received from USDOL have totaled US\$1,402,500, inclusive of Phase III. The third project phase is due to close on 30 September, 2016.

Project Context

Sri Lanka is a democratic country that, since the end of its twenty five year long civil war in 2009, has been among the fastest growing economies in the world. The FPRW project emerged in the context of concerns raised regarding the application of FPRW in Sri Lanka’s Export Processing Zones (EPZs). This included comments received by the government from the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) and the Committee on Freedom of Association (CFA) on the country’s application of the principles of freedom of association (FOA) and the right to collective bargaining (CB). Many of these comments were focused on anti-union practices in the EPZs such as restrictions on the right to organize, limitations on the right to strike, and restrained government action against anti-union discrimination and unjust dismissals.

The main contextual factors and issues that form the project backdrop as well as the identity and roles of many of the key project stakeholders are described below:

- The Government of Sri Lanka (GSL) has ratified the eight core ILO conventions on FPRW, including the conventions on freedom of association and the right to collective bargaining,⁷ signifying its commitment to promote respect for fundamental labor rights in national law and practices. Under national legislation there are protections for trade unions both within and outside the EPZs. The Constitution of Sri Lanka recognizes the fundamental right of workers to organize and join trade unions.
- The EPZs, which currently number 13, were created in the late 1970s when Sri Lanka introduced liberalized economic policies with the goal of accelerating economic development and the creation of employment through foreign investment. The zones are investor friendly by design and offer various tax, infrastructure and other incentives to attract both national and international investment. Most project stakeholders agree that mechanisms to uphold workers’ rights in the zones were initially weak but have been strengthened over time. The EPZs are administered by the Sri Lankan Board of Investment (BOI), a public agency charged with attracting investment and managing the

⁷ These are the Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87), and the Right to Organize and Collective Bargaining Convention, 1949 (No. 98).

free trade zones, which is one of the main stakeholders and partners of the FPRW project. The BOI's industrial relations department, which has a labor officer in each of the 12 zones, is responsible for issuing and supervising the implementation of guidelines for investors on labor standards and employment relations.

- There are relatively few trade unions actively engaged in the EPZs. BOI guidelines for EPZ enterprises initially favored employee participation through employee councils or similar non-trade union mechanisms; however, the same guidelines are currently clear on workers' right to join trade unions. One union that has been working in the EPZs for many years is the Free Trade Zones & General Services Employees Union (FTZGSEU). Its leader has been one of the leading trade union voices raising concerns about labor rights abuses in the EPZs and his union has been heavily involved in the FPRW project from its start. He and other trade union leaders maintain that employees' councils are unable to represent workers because they are controlled by factory managers and that anti-union practices are preventing more EPZ workers from joining trade unions. In addition to the FTZGSEU, the project has partnered with other trade unions including the Commerce and Industrial Workers Union (CIWU), the Progress Union, the National Trade Union Federation (NTUF), and Sri Lanka Nidahas Sevaka Sangamaya (SLNSS), some of which are also active in the EPZs.
- The EPZs currently host approximately 265 enterprises of various sizes and types, both national and internationally-owned and managed, with garment and textile factories being the dominant sector. The Free Trade Zone Manufacturers' Association (FTZMA) is one of the oldest and largest organizations representing the interests of EPZ enterprises and has participated in the project.⁸ The Employer's Federation of Ceylon (EFC) is the only employers' organization that is recognized by the ILO in the International Labour Conference and has been an active partner of the FPRW project for employer capacity building programs. It represents over 600 employers but relatively few of these are in the EPZs. Both the EFC and the FTZMA maintain that their members have good labor practices; many abide by international buyers' codes of conduct and are subject to independent compliance audits. They emphasize that with Sri Lanka's declining share of world exports,⁹ both employers and workers should be concerned with maintaining industrial peace as well as improving productivity in the EPZs so that Sri Lanka remains a competitive destination for international buyers and investors.
- The Department of Labour within the Sri Lankan Ministry of Labour (MOL) is the principal government authority charged with enforcing labor laws inside and outside the EPZs. Sri Lanka has over 400 labor inspectors responsible for general inspection related to working conditions, and another 25 inspectors responsible for inspections under the factories legislation. In addition, the Employee Provident Fund has 200 field

⁸ The FTZMA has been invited to and has attended some project activities. It is also a member of the Project Advisory Council and has been consulted during various assessment missions, including fieldwork for the present evaluation.

⁹ According to a January 2013 presentation to the National Chamber of Exporters by the Institute of Policy Studies of Sri Lanka, in 2011 Sri Lankan exports grew by 5.4% compared to India (29.3%), Vietnam (33.3%), Thailand (17.4%), Pakistan (29.3%), Bangladesh (41.5%), and Mauritius (23%). The presentation asserts that Sri Lanka needs to move into higher valued added exports, including the service sector, to maintain its competitive edge. http://www.ips.lk/staff/ed/news/2013/10_01_2013_annual_general_meeting/xeport_nce.pdf

officers responsible for ensuring employer compliance with the national social security scheme. When labor rights issues in the EPZs were raised, the strength of labor inspection in the zones was also questioned; this has spurred efforts by MOL both to strengthen inspection in the zones and comprehensively update its system for labor administration. The FPRW project is partnering with the MOL in this effort.

Project Description

The OTLA-funded ILO FPRW project was designed to provide support to ongoing efforts by ILO constituents and others to improve industrial relations and strengthen the application of FPRW in Sri Lanka's EPZs. The project set three immediate objectives for Phase II that have continued into Phase III of implementation:

Immediate Objective 1: Legal framework more in conformity with international labor standards (ILS);

Immediate Objective 2: Institutions and processes for labor-management relations, including those at the enterprise level, strengthened; and

Immediate Objective 3: Strengthen labor administration for its effective intervention to promote sound labor-management relations, prevent and solve disputes and ensure compliance with labor regulations.

The ILO project management team planned the project activities to: (a) extend technical assistance and guidance to ILO's tripartite constituents in order to identify and fill gaps in Sri Lanka's legal framework related to FPRW; (b) raise the awareness and capacity of tripartite constituents to know and exercise their rights and obligations in the workplace; (c) strengthen the capabilities of workers' and employers' organizations to develop policies that minimize conflict; (d) foster bi-partite cooperation and bargaining; (e) improve conditions for decent work and higher levels of productivity; and (f) promote and implement effective labor administration and labor inspection systems.

The direct target groups for the project were: workers and their organizations, employers and their organizations, the Sri Lanka BOI, labor ministry officials in charge of labor inspections, and labor tribunal judges.

II. EVALUATION OBJECTIVES AND METHODOLOGY

Evaluation Objectives

The main objectives of the evaluation were to identify the project's primary achievements in Phase II, to describe how it was implemented, to analyze the appropriateness of its design and adequacy of its management structure and to assess the potential for the sustainability of project interventions. The evaluator was asked to recommend possible Phase III strategies and activities to consolidate project accomplishments and ensure their sustainability beyond the project's implementation period.

Scope and Intended Users

The evaluation mainly considers project activities and outcomes during Phase II of project implementation from October 1, 2012 to September 30, 2014. The evaluation findings, good practices, lessons learned, conclusions and recommendations are primarily intended for USDOL, ILO, the Government of Sri Lanka and the constituents in Sri Lanka to use, as appropriate, in Phase III of the current project and in the design and implementation of subsequent projects in the country, as well as elsewhere if relevant.

Methodology

The evaluator used the following evaluation criteria in her analysis of project achievements and outcomes: (a) relevance and strategic fit, (b) validity of project design, (c) project progress and effectiveness, (d) efficiency of resource use, (e) effectiveness of management arrangements, and (f) impact orientation and sustainability. The evaluation was framed by questions contained in the final evaluation Terms of Reference (TOR) (see **Annex 2**). The evaluator's data collection methods combined a review of project documents, products and other documents related to the project or the subject matter (for example, press articles and ILO reports) along with stakeholder interviews and focus groups.

The main sources of information for the evaluation were:

- The project document, work plan, M&E framework, quarterly progress reports, and selected activity reports;
- Project studies, assessments, and guidebooks;
- Stakeholder interviews and focus groups with the following: ILO project management team (included the Director for Sri Lanka and the Maldives, the current and former Project Managers, Geneva-based FPRW branch Program Officer); the MOL (the former Minister, current and former Secretary, various Assistant and Deputy Commissioners, Labor Inspectors and an OSH Engineer based in Kandy District Office); the Ministry of Justice (General Secretary, Director of the Judges Training Institute); the Sri Lanka Board of Investments (the General Director and the Director and former Assistant Director of the Industrial Relations Department); Employers and their organizations (the Assistant Director of the EFC, the Director of FTZMA, participants in human resource [HR] managers' network in the Katunayake EPZ, a factory manager in the Kandy EPZ); Workers and their organizations (leaders of the FTZGSEU, CIWU, SLNSS, and the NTUF, participants in trade union awareness raising activities in the Katunayake

and Koggala EPZs); Implementing partners (leaders of the Association for Dialogue and Conflict Resolution [ADCOR]); and a representative of the US Embassy in Colombo (the Economic Officer). The fieldwork schedule with a detailed list of those interviewed is included in **Annex 5**.

The evaluator carried out her fieldwork in Sri Lanka from March 16-27, 2015. Fieldwork comprised a combination of individual interviews and focus group discussions. The evaluator used semi-structured question guides prepared in advance for individual interviews and focus group discussions (see the question outline in the question matrix in **Annex 3**) but was flexible so that she could explore unanticipated issues as they arose. In addition to questions related to project activities and outcomes, the evaluator also asked questions to assess the contextual factors affecting project implementation, including the social, economic and political context of Sri Lanka.

The evaluator visited two of the three EPZs where the project intervened: the Katunayake EPZ, which is the largest zone and hosted the greatest volume of project activities, and the Koggala EPZ, the smallest, most distant target EPZ from Colombo, which hosted relatively fewer project activities. The evaluator also travelled to the Kandy district labor office to interview labor officials about the implementation of the project-supported computerized labor inspection system, called the Labour Inspection System Application (LISA), and to take part in a tea factory inspection. While in Kandy, the evaluator also visited a garment factory within the Kandy EPZ to hear a factory manager's account of workplace relations within his enterprise.

Small group, participative methods were used in interviews and conversations with EPZ workers and enterprise representatives in order to enable participants to share their perspectives. Project management representatives did not participate in these discussions, with the exception of the meeting with LISA users in Kandy.¹⁰ Meetings with workers took place after working hours outside the EPZ (in trade union offices) to enable their participation without BOI or employer permission/supervision. Labor officials, both at the national and district level, were likewise also interviewed in small groups. At the end of all interviews and focus groups, the evaluator invited participants to add information about their experience that they felt was relevant and to make recommendations for future interventions.

The evaluator facilitated a national level stakeholder workshop on March 30, 2015 with stakeholder representatives in attendance. The evaluator presented her initial findings, good practices, lessons learned and recommendations and invited feedback from the participants. The workshop program and list of participants are included in **Annex 6**.

Evaluation Limitations

Although stakeholder organizations were asked to nominate actual participants in project activities to take part in evaluation interviews, this was not always the case, especially with worker focus groups. Trade union leaders explained this as being due to the late hour of the meetings, which followed a regular working day. However, in every group there were at least some who had participated in project-sponsored activities. Focus groups seemed to include a cross section of workers, some of whom were active union members and others who were

¹⁰ The evaluator made this exception to allow the new Project Manager to capitalize on the evaluation to learn more about the use of LISA at the field level.

participating in a meeting for the first time. In Koggala, the evaluator was able to interview many female workers who were not union members and at least one who was a former leader in an employees' council, which helped to balance the evaluator's exposure to unionized and non-unionized worker perspectives.

A large number of project objectives sought to improve stakeholder knowledge and capacity. Because of the lack of project based monitoring data on these outcomes, the diagnostic tools to assess outcomes in this area were limited to the evaluators' interviews (the project did not have any of its own assessments). Since only a very small percentage of participants were interviewed, it is impossible to draw any definitive conclusions.

The ILO Project Manager that served during most of Phase II is now managing another project in Bangladesh. The evaluator was able to conduct an hour-long interview with him as part of her fieldwork. Although the current Project Manager made herself freely available to the evaluator, because she was not intimately involved in the project for most of Phase II, she was not as well-placed to provide context for project decisions and constraints.

III. EVALUATION FINDINGS

3.1 VALIDITY OF THE PROJECT DESIGN

Finding #1: The project's design coherently addressed a large number of the major issues affecting the exercise of FPRW in Sri Lanka in general and in the EPZs in particular. The integration of activities to influence policy and practice are among the elements that made the project's design relevant. The project's decision to support legal reform and the comprehensive restructuring of the labor administration was risky given that many factors influencing its progress were, and remain, beyond its control. However, it was justified given the commitment expressed for these initiatives by the MOL at the outset of the project and during the midterm review, as demonstrated by MOL engagement in formulating a new labor inspection policy, the funding for computerization of labor inspection processes and by progress made during Phase I, which included passing legislation to increase fines imposed for unfair labor practices.

The original project document and many of the stakeholders interviewed identified the main constraints to applying FPRW in the EPZs as: weaknesses in the law and its application, weak capacity and knowledge gaps among key stakeholders, and shortcomings and inefficiencies in the industrial relations governance system. The project proposed strategies to address all these constraints. In particular, the strategy is quite comprehensive in addressing knowledge and capacity factors affecting the application and enforcement of the law by the people and institutions that are most concerned (workers' and employers' organizations, workers, factory managers, human resource professionals, labor court judges, labor inspectors and other labor officials). Many of the project capacity building materials used practical approaches like case studies to focus interventions on changing practice.

According to the original ILO Project Manager and reiterated by senior labor officials, the initiative to formulate a new labor inspection policy, with many innovative features including the computerization of labor inspection processes, came primarily from within the Ministry rather than from the ILO or the project donor. Project management and Ministry leaders may have underestimated the complexity and difficulty of the task. According to key informants, they certainly did not anticipate the level of resistance to proposed changes that would be put forth by labor inspectors. Resistance may possibly have been diminished through project design choices – for example, by taking a more gradual approach to computerization or by paying more attention to issues related to labor inspectors' working conditions. Whatever the project's design choices, reform processes within public institutions almost always take time and need to start somewhere. The nature of the ILO's relationship with the MOL means that support for the reform initiatives started in this project will most likely continue beyond the project implementation period.

The project design was ambitious for a relatively short and modestly-funded project. Dialogue and cooperation between the donor and the ILO resulted in progressively extending the project duration, updating work plans and increasing funding levels in response to initial successes and signs of good levels of stakeholder engagement. Phase II built logically on the main accomplishments of Phase I in the areas of legal framework reform and stakeholder education, workplace cooperation programs in the EPZs, and labor administration reform. This flexible

approach to project design has proved an effective way to allow the project to evolve organically and seize on unforeseen opportunities. However, since many of Phase II activities did not go according to plan, it would be useful to review the Phase III work plan at this time and decide on priorities.

Finding #2: The project Performance Monitoring Plan (PMP) indicators do not appear to have been systematically tracked in Phase II and were not integrated into project progress reporting in an easy-to-follow manner. As such, they were not used as a tool to improve management decisions or to enlighten stakeholder understanding of project progress and performance.

One trade union partner remarked that the project needed to establish clearer indicators to measure “behavior change” in the EPZs, giving the example that it would be useful to systematically track the number of collective bargaining agreements signed between employers’ and workers’ representative bodies to measure whether industrial relations were indeed becoming more democratic. This was, in fact, a project indicator but has never been reported on in progress reports.

Although the project established a PMP in Phase I, it does not appear to have been updated with the revised Phase II logical framework. Output indicators were set in Phase II with clear targets that focused mainly on tracking activity implementation: participant numbers in stakeholder training activities and assessment, and the production and delivery of guidelines and tools. These have been tracked, although not reported clearly in the form of a matrix in progress reports.

Project activity tracking systems appear adequate. Implementing partners submit participant lists with signatures with their activity reporting and consultants are paid on the basis of their deliverables. According to the current Project Manager, she frequently attends training events to “spot check” the validity of partner reporting. Financial monitoring – the tracking of actual project expenditures versus planned expenditures by project output – does not appear to have been done by the project or by the project donor¹¹ and so was not used as a tool for controlling program management. Monitoring and evaluation (M&E) systems have been improved in Phase III but require additional review. The current Project Manager has updated the project PMP to reflect planned Phase III activities and established an indicator tracking table covering all three project phases. Unfinished/continuing activities from Phase II are not yet integrated into the Phase III work plan and PMP.

3.2 RELEVANCE AND STRATEGIC FIT

Finding #3: The project regularly consulted key stakeholders using a variety of mechanisms, including frequent face-to-face meetings, consultation workshops and in-depth participatory needs assessments.¹² These practices contributed to its relevance and stakeholder ownership by fitting project strategies within stakeholder priorities.

¹¹ Under current procedures, ILO is not required to report project expenditures by project output to USDOL.

¹² The two main examples of formal written needs assessments conducted by the project were the labor inspection assessment and the diagnostic on labor administration use of mediation and conciliation.

The following are examples of ways the project was responsive to stakeholder priorities:

- During the midterm review (end of Phase I), trade union representatives said they were happy with Phase I project worker education programs but asked for opportunity to implement these programs directly, as an alternative to the BOI playing the coordinating role. The project followed this suggestion in Phase II, which made the programs more relevant to the trade unions working in the EPZ by enabling them to use workers' education as an organizing tool. The approach was also strategic to overall project objectives as a way to promote freedom of association in the EPZ.
- Similarly, project management agreed to support the launch of the EFC's Compliance Plus program, a pilot social responsibility branding program, although the activity was not originally planned. This activity and its planned Phase III collaboration with the employers' organization on Sustaining Competitive and Responsible Enterprises (SCORE) also responded to employers' priorities by linking respect for worker rights by employers with productivity-related concerns such as the efficient use of available equipment and technology and the development of a skilled workforce. In the SCORE launch ceremony, the General Director of the EFC was quoted as saying, "Workplace cooperation is the essence of a sustainable enterprise. We are very happy that the ILO has taken a broad view of cooperation. SCORE is significant to us at EFC in the context of the new employer branding – Compliance plus."¹³
- Another example of the project's relevance to stakeholder priorities was its work on strengthening labor inspection. In Phases I and II, approximately 15 workshops on the topic of labor inspection reform were organized by the project with the MOL, including workshops to review the project-supported Labour Inspection Guidebook, the labor inspection policy and the development of the MOL 5-year action plan. In addition, the project hired former MOL officials to produce the Labour Inspector Guidebook, update labor inspection training modules, work with the LISA designer on the application data entry forms and procedures, and propose updates to labor inspection circulars. These were good strategies to align the project with the Ministry's priorities and ways of operating and should foster a high degree of MOL ownership for the resulting products.

In addition to the project's approach to stakeholder consultations, the timing of the project, which coincided with US and European Generalized System of Preferences deliberations, reinforced the project's relevance to stakeholders. The external examination of labor relations in the EPZs highlighted the importance of project work to employers, workers and the government.

Finally, the project was also relevant in terms of the ILO country strategy. It fell squarely within the Decent Work Country Program Priority 2, "Strengthened Democratic Governance of the Labour Market," and as a result, fit with the implementing organization's overall intervention strategy. The project's work on freedom of association and social dialogue in the EPZs was complemented by other ILO technical assistance efforts to strengthen social dialogue and labor

¹³ Ceylon Today, 2015-04-01, <http://www.ceylontoday.lk/22-88897-news-detail-launch-of-the-iloeffccima-partnership.html>

dispute mechanisms in the public sector, develop a national policy on HIV/AIDs for the World of Work, reinforce laws on occupational safety and health (OSH), improve social security schemes and introduce unemployment insurance. Project alignment with the overall ILO country program strategy also facilitated leveraging supplementary resources and creating synergies with other ILO initiatives (see **Finding #7**). For example, another project on child labor is exploring the feasibility of building a child labor monitoring module within the FPRW project's LISA and codes of conduct on gender based violence from another ILO project were brought into the FPRW training programs.

3.3 PROJECT PROGRESS

Component One: Strengthening the Legal Frameworks on FPRW

Finding #4: After a strong start in the latter months of Phase I, work to fill gaps in Sri Lanka's legal framework and update labor inspection circulars stalled within the MOL. The project supported tripartite consultations on proposed changes in the labor laws to comply with ILO principles of freedom of association and the right to collective bargaining but it was not able to bring about an agreement on the way forward. The project strategy to deliver constituent capacity building programs on labor rights changed substantially and reached large numbers of workers, although not as many as were planned.

Late in Phase I, the MOL carried out an internal review of six pieces of key labor legislation to assess compliance with ILS that resulted in recommendations for revisions in existing labor legislation. However, these recommendations did not progress to the amendment drafting stage. One exception was maternity benefits legislation, which has been subject to remarks and recommendations from the CEACR.¹⁴ The legislation was reviewed with support from the ILO International Labour Standards Department (NORMES) office (funded by ILO core budget) and amendments were drafted that are now close to becoming law.

Between 2011 and the end of 2014, the project organized four formal tripartite workshops to discuss how to strengthen the way Sri Lankan law deals with unfair labor practices, with one of these workshops being organized in Phase II. According to project progress reports, the National Labour Advisory Council (NLAC) met six times in 2013 to discuss and attempt to resolve differences between trade union representatives and employers' organization representatives on the definition of "unfair labor practices" within the Industrial Disputes Act. The project also organized one workshop with each party to discuss possible compromises in November 2013. To date, the issue is unresolved. At an impasse, the NLAC had referred the question to the President's office for resolution in early 2014. The issue was not taken up immediately and later was put aside, most likely because of its potential sensitivity with voters as presidential elections were approaching.

Activities to establish legal clinics, which were planned to reach 5,000 workers and train a core group of 50 trade union paralegal specialists, faltered due to delays identifying an appropriate

¹⁴ The CEACR recommended that the GSL harmonize maternity benefits regulations for all types of workers and ensure that minimum leave provisions are respected.

institution to deliver and sustain training. The project produced a Guide on Employment Law, Labor Standards and Rights at Work in 2012 for this activity. The guide design was practical in its orientation and organized information in an intuitive manner, starting with employment contract issues at the moment of hire, moving into laws and regulations governing the employment period and closing with legal issues related to the various ways the employee/employer relationship ends. It was going to be used to train 100 trainers from trade unions and relevant national institutions and 500 labor officials and social partners on labor laws and ILS, but this activity became hung up on the identification of a viable training institution. The National Institute for Labour Studies (NILS), a semi public institution under the MOL, was a key implementing partner for Phase I training activities but it not was not able to play this role in Phase II. A new director was appointed in the project's second phase and apparently NILS experienced management problems that precluded its active engagement in the project.¹⁵

Through an alternative strategy, the project supported four trade unions to conduct an awareness raising campaign on labor laws and workplace cooperation to stimulate EPZ workers to actively pursue freedom of association by joining trade unions. Nearly 3,000 workers were reached during Phase II. The EFC, in collaboration with the BOI, took over the delivery of planned capacity building on labor laws and ILS for human resource managers in the EPZs. These programs reached 110 HR managers and 10 BOI industrial relations officers. The training was focused on applying relevant laws in real life situations based on case study reviews and problem analyses.

Component Two: Workplace Cooperation

Finding #5: Planned activities to build the capacity of ILO tripartite constituents to promote workplace cooperation did not go beyond the planning stage; initially this was due to delays developing acceptable training materials and later to challenges identifying appropriate personnel within the MOL Department of Labour to lead the program. Despite project efforts, no progress on targets¹⁶ related to all four project outputs under Objective 2 on strengthening workplace cooperation was made in Phase II.

ADCOR¹⁷ was the implementing partner of the BOI for an EPZ-based workplace cooperation program initiated in Phase I. The program initiated by ADCOR was to have continued in Phase II but with newly developed guidebooks. According to the midterm assessment conducted by ILO and USDOL at the end of Phase I, although managers and workers said that the original program was useful to them, the assessment team noted that it gave too much emphasis on productivity

¹⁵ The NILS director changed again early in 2015; during the evaluator's discussion with him, he expressed an interest in reactivating the previous partnership, something the project is apparently considering.

¹⁶ The training targets were 30 trainers from workers' organizations who were to train 2,000 workers, 100 trainers from employer's organizations who were to train 250 HR managers and 100-200 labor officials. Trained individuals from the MOL Collective Bargaining Unit were to have implemented a workplace cooperation program in 15-20 EPZ enterprises.

¹⁷ Previously ADCOR was a bipartite organization with the EFC, representing employers, and the National Association of Trade Unions for Research and Education (NATURE), representing workers. NATURE withdrew from the trust during Phase II and ADCOR is looking for an alternative mechanism to restore bipartite representation.

issues and not enough on the use of workplace cooperation as a mechanism to implement labor rights and improve working conditions.¹⁸

Early in Phase II, a consultant developed one guidebook for workers and another for employers. In September 2013, to overcome delays in getting these resources validated by the Bureaus for Workers and Employers Activities in Geneva, the Project Manager opted to implement SCORE, an existing ILO program which had been piloted in another ILO project in Sri Lanka and had demonstrated good results.¹⁹ Initially, according to the Project Manager and project progress reports, the MOL had pledged US\$2 million dollars of Ministry resources to implement workplace cooperation programs in the EPZs using the SCORE methodology, which may explain why the project kept the door open to the collaboration despite implementation delays within the Ministry. To implement the program, personnel from the MOL Human Resource Development Department were to be trained and redeployed to the Collective Bargaining Unit (CBU) within the Department of Labour but the selection of appropriate trainers proved difficult. Early in Phase III, the project opted to deliver the program through the EFC and the Chartered Institute of Management Accountants (CIMA), which will develop and deliver a module on accounting practices. Progress has since been made and the official launch of SCORE was on March 31, 2015 (Phase III). The new implementation strategy, which plans to pilot SCORE in five enterprises, means that considerably fewer employers, workers and labor officials will participate in workplace cooperation training than was originally planned in the Phase II logframe, unless other activities are also designed and implemented during Phase III.

Component Three: Labor Administration Reform

Finding #6: Computerization of labor inspection processes, otherwise known as “LISA,” assumed a central position in the project implementation strategy and made progress despite many challenges. In contrast, despite multiple meetings and significant ILO technical support, the labor inspection policy and related action plan were not formally validated, a factor holding up the planned creation of a new MOL unit for mediation and conciliation within the Department of Labour.

The project-supported Labour Inspection Assessment recommended that the Department of Labour reorganize and restructure its operations, updating the role of inspectors, inspection strategies and methods and including the computerization of labor inspection processes. In Phase II, the project supported the implementation of these recommendations by providing technical guidance to establish a labor inspection policy and by technically and financially supporting the LISA application and related training in the following ways.

Labor Inspection Policy

- Labour Inspection Assessment carried out by project consultant and report validated (Phase I);
- Labor inspection policy discussed and drafted;

¹⁸ ILO/USDOL Midterm Assessment, pg. 16

¹⁹ The previous program was also implemented in collaboration with the EFC and piloted SCORE in 6 enterprises see <http://www.employers.lk/score-press-releases>

- Labor inspection policy action plan discussed and drafted;
- Labor inspection circulars reviewed and proposed updates and revisions drafted by project consultant; and
- Labor inspection manual drafted by project consultant, reviewed, validated and integrated in LISA digital library

LISA

- System design and development nearly completed by project information technology (IT) contractors; includes modules for general labor and OSH inspections, complaints desk, legal desk, scheduling and statistics reporting. Also includes a digital documentation library and a management information module for supervisors.
- Training for various users including clerical staff, labor inspectors, OSH engineers and assistant and deputy labor commissioners. Training is ongoing.

MOL Unit for Mediation and Conciliation

Project support to the MOL for the establishment of a mediation and conciliation unit included carrying out an assessment to inform its strategy and bringing in donor-funded trainers from the US Federal Mediation and Conciliation Services (FMCS) to share good practices on mediation. The project plans to continue supporting the creation of the unit in Phase III.

A review of project progress by objective is summarized in **Annex 1**.

3.4 EFFICIENCY OF RESOURCE USE

Finding #7: On the whole, project resources were allocated strategically and effectively to achieve outcomes but there were some exceptions. The project went beyond what was originally planned for LISA; the budget appears reasonable, if large relative to other activities. The ILO appeared to have balanced its use of national, ILO and international experts strategically and was effective in mobilizing complementary resources from other sources for project implementation. However, aborted attempts at implementing some project activities cost the project time and human resources.

The large allocation of project funds to LISA implementation in Phase II stands out in the breakdown of project expenditures by output. From an expenditures standpoint, if MOL contributions to the activity are also considered, Phase II of the project was mainly about the computerization of labor inspection administration. LISA costs were on a par or less than what the evaluator would expect to be required to develop and deploy the application.²⁰ The project effectively dealt with LISA implementation changes (the technology platform changed from a thin client network to an android based application and Web hosted database) and challenges (labor inspector union protest-related delays) that were within its control. As a result, LISA went beyond original scope to include OSH inspection, management monitoring, digital library

²⁰ The evaluator works for an IT company that has developed similar applications in Morocco, which is her frame of reference.

and statistical modules and is being deployed island-wide rather than in a limited number of field offices. However, the activity appears to have assumed a larger place within the overall project implementation strategy than was planned, based on the project's log frame. According to one stakeholder, this was a deliberate decision by project managers to maintain momentum towards achieving project objectives and capitalize on high levels of MOL commitment to the initiative. However, this may have impacted on the project management's and the MOL leadership's ability to advance other planned agenda items.

Table 1: Project Expenditures by Activity²¹

Expenditure Category	2013-2014 Expenditures (US\$)	% of Total Expenditures
Program Management	167,870.00	35%
ILO Expert Mission Costs	11,294.00	2%
Objective 1:		
Review of Labor Inspection Operational Guidelines	3,721.00	1%
EFC Workshops	15,341.00	3%
Trade Union Awareness Raising Programs	34,090.00	7%
Labor Tribunal Judges Workshop (Phase III)	16,291.00	3%
<i>Sub-Total Objective 1</i>	<i>69,443.00</i>	<i>15%</i>
Objective 2:		
Trade Union Assessment (Phase III) ²²	1,146.00	0.2%
Objective 3:		
Labor Inspector Manual	4,776.00	1%
LISA Development, Training, Launch	186,368.00	39%
Workshops on LI Policy	8,711.00	2%
Assessment/Training Conciliation & Mediation	25,354.00	5%
<i>Sub-Total Objective 3</i>	<i>225,209.00</i>	<i>47%</i>
Total	474,962.00	100%

The project appeared to balance the use of national, ILO specialists and international experts strategically. Both project managers were senior national staff as opposed to expat chief technical advisors (CTA) and a large number of key consultants were Sri Lankan specialists based in the country. In addition to reinforcing project relevance (national specialists usually have strong knowledge of the national issues and constraints), the use of qualified national experts was a more efficient use of project resources since expat benefits and international travel were not required.

Use of project resources for the implementation of Objective 2 activities on workplace cooperation was not optimal given that the project commissioned two sets of workplace

²¹ The evaluator used information about expenditures provided by the project to produce this breakdown. Expenditures were broken down by calendar year rather than fiscal year so the table does not coincide exactly with Phase II.

²² The project expects its investments for assessment and training on the establishment of a conciliation and mediation unit (\$25k) to contribute to achieving Objective 2 as well.

cooperation training materials/guides²³ that were abandoned before turning to the SCORE methodology. These aborted efforts cost the project time and human resources. In hindsight, and in light of the delays getting new strategies off the ground, it may have been more effective to continue and strengthen the original ADCOR workplace cooperation program rather than start over.

The project was effective in leveraging complementary resources for project implementation from country program funds, other donors and project counterparts:

- ILO country office funds or the ILO core budget funded a review of maternity benefits legislation and gender training for workers (initiated in Phase III). The ILO also allocated its own funds for capacity building activities on gender (approximately US\$20,000) for free trade zone (FTZ) workers specifically. Additionally, the Project Manager acts as an ILO resource person for FPRW issues, providing support for mainstreaming FPRW into other Decent Work Country Programme activities.
- The country office also secured US\$170,000 from the Swedish Development Agency for a complementary 18-month project. The project, “Promoting the Right to Freedom of Association and the Right to Collective Bargaining – Phase II” is a multi-country project with activities in Sri Lanka. At the time of the evaluation, this project had been operational for approximately three months. Planned activities focus on strengthening the legal framework on freedom of association (same as the USDOL project Objective 1) and direct interventions to improve the application of FPRW in the textile and garment sector in Sri Lanka, including factories based in the EPZs. The ILO Geneva Junior Technical Cooperation Officer assigned to this project appears to work closely with the ILO Geneva Senior Technical Cooperation Officer of the Freedom of Association and Collective Bargaining team in order to align project strategies and activity implementation. She has produced a detailed work plan showing the activities that will be funded by Swedish funds. Except for SCORE implementation, which is an activity that will be co-financed (the Swedish project will fund SCORE in two garment factories), planned activities are clearly differentiated but complementary to USDOL-funded activities.

The MOL has allocated its own funding to several project activities. According to project progress reports, the Ministry allocated approximately US\$300,000 for the acquisition of tablet computers for LISA.²⁴ In addition, according to a MOL report given to the evaluator listing project activities, the Ministry allocated approximately 1.25 million Sri Lankan Rupees (US\$10,000) between 2011 and 2014 for various meetings and training workshops on topics such as the labor inspection guide, the labor inspection policy action plan, and labor inspector training using modules prepared by the project.

²³ The ADCOR materials were developed in Phase I but the midterm assessment found they needed to be improved. Early in Phase II, consultants developed one guidebook for workers and another for employers, neither of which were validated or used in actual training. The project was initially delayed waiting for feedback from Geneva on these materials and then opted for SCORE in light of its previous success in Sri Lanka.

²⁴ Actual financial contributions by the GSL have likely increased since it recently procured an additional lot of tablet computers and is equipping its district and field offices with internet connections. However, the evaluator does not have budget figures for the former.

3.5 EFFECTIVENESS OF MANAGEMENT ARRANGEMENTS

Finding #8: The ILO country office, regional specialists and Geneva-based program officers provided adequate support and consultants were used strategically, but the project management arrangements might have been more effective with additional staff to handle the large number of planned activities and manage unforeseen problems.

Project Management

The project's delays in delivering many of its planned outputs suggest that one full time project manager may not have been sufficient to advance all three project components with multiple sub-components at one time, especially with a fairly large number of unanticipated problems that needed to be managed.

There were two project managers during Phase II;²⁵ both were sufficiently qualified for the job. While the project managers have different strengths, stakeholder interviews indicated that both are respected for their levels of knowledge, experience and commitment and no suggestions were made for improvement. Speaking of the original Project Manager, a MOL representative noted that communication with him was excellent and that he came to the Ministry at least once a week to discuss project progress. One trade union representative likewise indicated appreciation for his level of engagement with them, especially during the implementation of worker awareness raising programs. Key informants within the ILO indicated that he was very knowledgeable on freedom of association and collective bargaining and was excellent at engaging and obtaining buy-in for project objectives from key stakeholders. The present Project Manager is a senior ILO Technical Cooperation staff member based in Sri Lanka with over ten years of experience on a variety of projects in Sri Lanka including projects to combat child labor, promote youth employment and employment policy development. She is well-known to project counterparts, who expressed confidence in her ability to lead Phase III. She indicated that it would be useful for her to receive additional training on freedom of association and collective bargaining.

Consultants

The project has engaged numerous national experts to elaborate project training materials and guides, some who previously held relevant, senior level positions within the government. For example, the consultant who worked on the labor inspector policy and guidebook was a retired senior official from the Department of Labour and the individual engaged to deliver training for Labor Tribunal Presidents (early Phase III) was a former Sri Lankan Supreme Court Judge. The project experienced management challenges with its IT contractor(s) hired to develop LISA and deliver training but succeeded in keeping the same Project Manager, who changed from one company to another and finally was engaged directly as a consultant. This consultant appeared to be highly committed to the project and maintained an effective working relationship with the MOL despite many project challenges and setbacks.

²⁵ The original Project Manager began his duties at the beginning of Phase I and carried on for most of Phase II. He took up an international position with the ILO on another USDOL-funded project in Bangladesh in July 2014, three months before the end of Phase II.

Support from ILO Management and Experts

The ILO Country Director has participated in many project activities including all Project Advisory Council (PAC) meetings. According to the former Project Manager, he lent his support at critical times to advance the project agenda with stakeholders during Phase II. During the project implementation period, regional or Geneva-based technical experts conducted four technical support missions to the project.²⁶ The Geneva-based FPRW branch focal point that provided technical support and oversight for project implementation was well informed regarding the project challenges and achievements when interviewed by the evaluator, despite being responsible for backstopping a total of eighteen projects.

Support from the Donor

US Embassy representatives have participated in project events at key moments demonstrating their support for project objectives. For example, the US Ambassador took part as guest of honor when LISA was launched in April 2013. The Geneva-based ILO focal point and the USDOL representative in charge of the project participated in two monitoring missions in Sri Lanka to evaluate and contribute to the Phase II and III strategies. According to one key informant, this type of active collaboration between the donor and the implementing organization during project implementation is unusual and seems to have contributed to a supportive working relationship that served the project's interests. Examples include midterm review discussions to establish the HR managers' network as a capacity building initiative (see **Finding #10**) and incorporation of an inspection checklist in the LISA OSH module (see **Finding #7**).

3.6 EFFECTIVENESS OF PROJECT INTERVENTIONS

Component One: Strengthening the Legal Frameworks on FPRW

Finding #9: Slow progress on filling gaps in Sri Lanka's legal framework was largely beyond the project's control. The project's level of technical support appeared adequate.

Two factors kept the project's interventions from being effective. The first was the strongly divergent positions held on the issue of freedom of association and collective bargaining, which blocked progress. The EFC position is embodied in its proposed three-part "Workplace Relations Act" which would replace the Industrial Disputes Act to cover grievance and disputes procedures, freedom of association, recognition of trade unions/workers' organizations, unfair labor practices and offences and penalties. Trade unions, which had not been willing to discuss the proposal in direct negotiations, object to provisions it includes on what trade unions may or may not do to put pressure on employers, including on the right to strike. The right to strike in particular is a topic on which there is strong divergence in employer and trade unions views;

²⁶ During the calendar years 2012-2014, two missions were conducted by the Senior Specialist for Employers Activities ILO based in New Delhi (ACTEMP), one mission was conducted by a Senior Labor Administrator and Labor Inspection Specialist, ILO/Geneva and one by the project focal point within the FPRW branch, ILO/Geneva.

the latter was the topic of written debate between a trade union and an employers' organization in "the Sunday Times" in October 2012.²⁷

During discussions in the PAC meeting on March 25, 2015 and during the stakeholder workshop for this evaluation, one trade union representative, although reiterating that he did not agree with the provisions of the Workplace Relations Act, said he thought it was time to reopen dialogue on the issue. This was picked up by the ILO FPRW Project Manager who proposed to organize a tripartite workshop for this purpose in the near future.

The second issue adversely affecting project effectiveness was slow uptake for legal reform measures within the MOL. More comprehensive revision of labor legislation seemed to have been put on a back burner by the MOL during Phase II. Project progress reports explained the delays as related to the availability of MOL leaders to lead the process because of big events like the Commonwealth Heads of Government meeting in 2013 and other pressing issues.

Finding #10: Because of delays in implementing workplace cooperation activities, the project did not contribute to new models of cooperation within EPZ enterprises. The trade union awareness raising programs and the HR managers may contribute to strengthening labor rights in the EPZs by improving factory human resource management practices and increasing trade union membership.

According to BOI statistics, the number of strikes in EPZs has decreased since the project started but it is unlikely there is a cause and effect relationship with the relatively limited project interventions in the zones. Trade union awareness raising programs were guided by their own capacity building resources²⁸ and appeared to focus on making a case for trade union membership, based on participant focus group feedback. The CIWU also delivered leadership training to a group of 60 workers who showed potential to organize other workers. A number of workers from this group said that the training helped them to feel like they were able to stand up to their employers when they felt their rights were being violated. Trade union leaders reported that the activities helped them to increase their membership and overall presence in the target EPZs. Additional support for similar types of activities is planned by ILO in Phase III.

The EFC delivered training on labor laws to 110 HR managers and 10 BOI industrial relations officers in the EPZs using its own guidebook in 2013. According to the original Project Manager, the EFC supports a network of over 400 HR managers across Sri Lanka; its lawyers provide advice on how to manage labor disputes in ways that fully comply with national labor laws. One of the objectives of networking EPZ-based HR managers was to integrate them into this larger network as a means to promote greater consistency in the ways laws are applied in the zones.

Feedback from a focus group of participants in this training from the Katunayake EPZ was positive. The participants said they appreciated the opportunity to discuss how to apply labor

²⁷ See <http://www.sundaytimes.lk/121007/business-times/trade-unions-urge-amendments-to-law-permitting-right-to-strike-14850.html> and <http://www.sundaytimes.lk/121014/business-times/is-there-a-right-to-strike-15768.html>

²⁸ The evaluator was not able to ascertain for certain whether any ILO guidebooks were used by the trade unions in their activities. It was reported in project progress reports that the Project Manager made a presentation at some of the events.

laws in real life situations and asked for more specialized training on OSH. They highlighted that there is a shortage of labor in the EPZ and therefore they have a strong motivation to be perceived as good employers by existing and prospective employees. They also reiterated feedback given during the project's midterm review: for them, the opportunity to network with other HR managers was the most valuable contribution of the project's capacity building initiative. They said that they are now in regular contact and that this allows them to share solutions to common challenges such as the best ways to provide appropriate worker transportation and work place meals or to avoid/solve workplace disputes. According to one stakeholder, the network enabled greater consistency among HR professionals in dealing with wage payment and termination issues. The HR managers in Kantunayake described their network as a collective mechanism to manage employers' interests for better human resource management. The EFC said that their involvement in this and other project activities has helped them to attract new EPZ enterprise members to their organization.

Component Two: Workplace Cooperation

Finding #11: The roles and functions of employee councils as opposed to trade unions remain a point on which trade union partners, employers and the BOI have differing perspectives and opinions. The project did not try to resolve these differences but focused on ensuring that trade unions are able to function effectively in the EPZs alongside employee councils.

The project did not attempt to strengthen the employee council system or work with the BOI to amend its operational guidelines on the councils to meet CFA and CEACR observations in Phase II. It did produce a guidebook on "Conditions of Employment, Labour Standards and Rights at Work" but this resource appears not to have been used to date, although the project plans to use it as the basis for the previously discussed course to be delivered by the University of Colombo. It did contribute toward efforts to combat anti-union practices in the EPZ at the policy level (the discussions on unfair labor practices) and to build the capacity of trade unions to organize effectively at the EPZ level through its support for trade union awareness raising activities.

According to MOL statistics, there are 265 enterprises in the EPZs, 110 employee councils, 34 trade union branches and only three collective agreements in force in the EPZs.²⁹ Clearly not all EPZ enterprises have worker participation mechanisms, whether using the employee council or trade union model, and so there is work to be done on the issue. According to the workers and employers consulted, the effectiveness of employee councils to represent worker interests varies. In the factory visited by the evaluator, there seemed to be very good worker/employer collaboration through the council mechanism, a perspective shared by a worker from another factory owned by the same company in Koggala, who was interviewed in a trade union office (although she was not a trade union member). Other workers said they did not feel the council gave them sufficient leverage to get their demands met by employers. During the project implementation period, the ILO Industrial and Employment Relations Department commissioned a working paper on "Emerging Trends in Employee Participation in Sri Lanka"

²⁹ Taken from "Labour Relation Situation in EPZ," a report provided by the MOL

(January 2013) featuring five case studies from Sri Lanka that includes insight into current practices and could be used to guide future project interventions.³⁰

Both employers and trade union representatives believed additional training for trade union members and leaders would contribute to improving worker representation. Employers believed well-trained union members would be better negotiating partners, avoiding problems like the need for management to negotiate with rival trade unions separately within one enterprise. Trade union members believed they need more support to improve their strategies for recruiting new members, to fight unfair labor practices and to deal with emerging challenges like the growth in contract labor from manpower agencies. Participants in worker focus groups also felt it was important for international buyers and consumers to put pressure on enterprises to respect unionized workers' rights.

Component Three: Labor Administration Reform

Finding #12: The project may have helped to overcome the issue of access for labor inspectors to factories in the EPZs. Project interventions to strengthen labor inspection such as computerization may contribute to resolving other issues limiting inspector efficacy in the future but it is too early to know for sure.

Access to EPZ factories by labor inspectors was raised as a problem at the outset of the FPRW project. According to the MOL and BOI, inspectors have always had access to EPZ factories but there appears to have been a time when unannounced inspections were not possible. According to the original Project Manager, at one time labor inspectors were required to provide two weeks advanced notice of an inspection and to coordinate their actions closely with the BOI industrial relations officers located in the EPZs. The MOL and BOI agreed that this is no longer the case. Labor inspectors, like all visitors, still must check in with the BOI at EPZ gates but as long as they are carrying their identification, they are let in and no advanced notice is required. In addition, labor inspectors working in EPZ-based mediation centers are likewise mobilized to conduct factory inspections with no prior notice required. According to the ILO, project-supported discussions with the BOI led to these changes and resulted in a clearer understanding of the roles of MOL labor inspectors and BOI industrial relations officers. Workers participating in evaluation focus groups confirmed that their factories were visited by labor inspectors. The MOL did not specify the role of the project in facilitating the change.

Based on stakeholder interviews, the problem that trade union leaders, workers and employers see with labor inspection is its lack of transparency and the system's slow response to complaints. These are issues that the project is addressing through its labor administration reform policy, although it is too soon to assess its effectiveness since even the most advanced reform measure, computerization, is still in its early stages of implementation on the ground.

The MOL used its own financial resources to train 200 labor inspectors using the labor inspector modules updated by the project in the second quarter of 2013. The project's contribution to the materials appeared timely because the Ministry added new inspectors to its ranks who needed

³⁰ According to the working paper preface, the original FPRW Project Manager contributed his technical assistance for the research.

training. Project-supported LISA training reached a diverse cross section of MOL labor inspectors, clerical staff and other officials and was focused on teaching participants to use the application. According to the IT consultant, it was necessary to deliver unplanned initial training on basic computer skills for many labor officers because of deficits in their IT literacy. Labor inspector feedback on LISA and the training on the system was very positive but they noted that more training was needed. With regard to its effectiveness, the project completed training on the complaints module and a large backlog of complaints has been entered into the system by trainees. The IT contractor highlighted, however, that some labor offices were not entering new complaints into the system and that MOL leaders needed to follow up with these offices to make sure the system was being used.

Gender

Finding #13: The project did not have an explicit gender strategy for most of Phase II. When the current Project Manager took over late in Phase II, she introduced strategies to discourage gender discrimination and promote equality in EPZ workplaces by bringing in training materials and a code of conduct developed in another project to address issues such as sexual discrimination and harassment in the workplace.

In August 2014, the project supported a training program for female trade union leaders covering topics including collective bargaining, freedom of association and preventing/addressing gender based violence and sexual harassment in the workplace. Gender issues were also mainstreamed into the awareness activities carried out by trade unions. In the first quarter of Phase III, 620 workers were reached with an awareness raising campaign on gender based violence using a Code of Conduct to prevent sexual harassment in the workplace.

The gender composition of workers in the EPZs is weighted in favor of women and overall workers' awareness raising programs should have reached more women than men, although gender disaggregated data on participants was not reported in project progress reports until the last quarter of Phase II (July-September 2014).³¹ To the extent that trade union awareness raising activities were used to recruit new members and develop leadership among workers, the project may also have contributed to strengthening women's leadership in the unionizing process. To confirm this, additional research would be necessary. Project support for modifications to maternity benefits legislation also addressed an issue of primary concern to women workers.

3.7 IMPACT ORIENTATION AND SUSTAINABILITY, INCLUDING EFFECTIVENESS OF STAKEHOLDER ENGAGEMENT

Component One: Strengthening the Legal Frameworks on FPRW

Finding #14: The project had a clear strategy to form strong institutional partnerships so that its capacity building services could be sustained beyond project implementation.

³¹ According to the new Project Manager, project partners have now been trained to report gender disaggregated data and a matrix for such reporting has been provided.

Delays in the project's implementation of labor law training for MOL inspectors, trade union members and other labor officials was due in part to project efforts to find an appropriate partner to sustain the activity.³² The project could have hired consultants directly and delivered the training to meet its targets but it selected to wait until it found a partner that could not only deliver but sustain the program. Although this had negative consequences on project efficacy in meeting key targets, it was a good sustainability strategy. One stakeholder suggested a similar strategy might be used for the human resource manager training supported by the project. He noted that many HR managers receive their training from the Sri Lanka Institute of Personnel Management and that the project might consider collaborating with the Institute as a means to ensure the sustainability of its capacity building activities for HR managers.

Project collaboration with the EFC on its Compliance plus program and SCORE was likewise a means to reinforce project sustainability through a strong institutional partnership. According to the EFC, SCORE will be offered post-project as a business service within the EFC so that it can be sustained through beneficiary contributions as well as by future donor funding, should this be available.

Component Two: Workplace Cooperation

Finding #15: In Phase II, the project did not succeed in fostering significant direct dialogue between the BOI and trade unions, or the trade unions and employers, in the EPZs. Worker facilitation centers, which were established in Phase I of the project, are not used by the trade unions for their activities.

According to one trade union leader, there is still a lack of trust between the trade unions and employers; in his perspective, anti-union "behaviors" had not changed significantly within the EPZs. Employers' groups interviewed as part of this evaluation likewise expressed frustration that, in their view, trade union practices perpetuate a mode of industrial relations that is conflict- rather than cooperation-oriented. There were no project supported activities at the EPZ level that required substantial interaction between worker and employer groups, which limited opportunities for these activities to contribute to fruitful dialogue. Employer training activities were coordinated by the BOI while project-supported trade union awareness raising activities were organized independently.

It can be argued that by offering support for trade union recruitment strategies (i.e. the workers' awareness raising programs), the project is contributing toward making it necessary for the BOI and enterprises within the EPZ to deal directly with trade unions, and that over time this could lead to better cooperation and communication. It could also be argued that project support may actually lead to more short term conflict, as workers become more vocal. Similarly, project support for HR manager capacity building and networking may lead to improved dialogue and reduced conflict at the enterprise level or it could strengthen the employer

³² The Sri Lanka labor law guide was also to have been used to train 50 trade union officers as paralegal specialists and then used to train and advise 5,000 EPZ workers in legal clinics. To replace NILS as the training institution for this activity, the project negotiated with the University of Colombo to take on management of the course. To date, this has not yet been formally agreed upon although advanced discussions have occurred. The guide is now being revised to fit the needs of the new course format.

position and make them less willing to compromise. At this time, there is not enough evidence to draw any firm conclusions.

Component Three: Labor Administration Reform

Finding #16: The blueprint for reform contained in the MOL's draft labor inspection policy and LISA are the main elements that the project developed during Phase II that could/should be sustained beyond the life of the project. There are a number of issues that the MOL needs to address in order to effectively institutionalize computerization.

Although the labor inspection policy and related action plan (called the corporate plan in Sri Lanka) were not validated during Phase II, there was significant discussion and debate on the proposed changes within the MOL. Impetus to formalize the reform may have slowed in Phase II for a variety of reasons including the MOL's focus on computerization, the time required to deal with unexpected resistance from labor inspectors, and later, and the 2014 presidential elections and resulting change of government. However, the vision for reform within the MOL appears to be intact.

Political uncertainty related to upcoming parliamentary elections may make important policy changes difficult to implement in 2015. However, it may still be possible to make progress on some of the recommendations proposed by ILO experts for improving labor administration, for example establishing a mediation unit and strengthening the M&E of labor inspection through LISA implementation. Phase II project activities to strengthen the Collective Bargaining and Social Dialogue Unit, promote workplace cooperation and resolve disputes through conciliation and mediation mechanisms in the EPZ were few, but groundwork was laid for more progress in Phase III. The project assessment on establishing a specialized mediation unit was well done; it presented the case for having the capability for mediation within the MOL and offered clear and practical options for how this might be implemented, which are currently being considered. There seems to be political will to move forward on some of its recommendations such as separating the inspection and mediation function within the Ministry, identifying and training a small group of labor inspectors to be mediators, and piloting mediation procedures to close unresolved industrial disputes and/or to work in a limited number of EPZs. In addition, the MOL reported that it has asked the Ministry that deals with inspector wage and allocation issues to address inspector grievances highlighted during Phase II.

LISA implementation is advanced but many measures still need to be taken to institutionalize computerization. Improved MOL capacity for labor inspection M&E was embedded in the application's reporting and monitoring module. Although most of the application design and development work is complete and the labor officer training program is ongoing, there are other technical issues that need to be dealt with in Phase III. There currently is no strategy for assuring system maintenance and support after the ILO contract with the IT service provider ends. Consideration needs to be given to outsourcing at least part of the application and hosting maintenance and to establishing capacity for IT support within the MOL. At the field office level, internet bandwidth and budget allocations for communication and IT maintenance are inadequate in light of new LISA-related requirements. At the time of the evaluation, both the manual and computerized systems were still being used at the field level, creating more work for those involved. The labor field offices are waiting for official instructions from the MOL to

switch to the new system. When the order does come, MOL leaders at both the national and field levels need to verify that the system is being used as planned using the monitoring tools provided within LISA and provide support to resolve issues that may be causing slow uptake. There are also reported inefficiencies in the training program since currently trainees are required to travel to Colombo while it would be easier and more practical for the trainers go to the field offices (see **Recommendation #5**).³³

³³ Immediately following the evaluation fieldwork, the ILO raised this issue with the MOL and it has been agreed that the project will support field level training in the future.

IV. MAIN CONCLUSIONS

The FPRW project's use of participatory approaches that included holding regular discussions with stakeholders, organizing consultation workshops and conducting in-depth needs assessments was effective in mobilizing stakeholder engagement in the project. These practices reinforced its relevance and stakeholder ownership by fitting project strategies within stakeholder priorities. In particular, the project management did a good job aligning project support with MOL priorities and ways of operating, which should foster a high degree of ownership for the resulting products and contribute to the sustainability of initiatives such as the computerization of labor inspection processes. The project's focus on embedding its capacity building programs in institutional partnerships was likewise a good sustainability strategy.

LISA is the main element that the project developed during Phase II that could/should be sustained beyond the life of the project. The lion's share of the Phase II project budget for activities were spent on the application and additional project support for its institutionalization is necessary in Phase III. The effectiveness of LISA to enable greater efficiency, more rigor and enhance transparency in inspection processes is dependent on getting the system fully up and running; i.e. getting full acceptance of LISA by inspectors, completing the training of system users at various levels, giving adequate attention to technical issues affecting implementation like access to the internet in labor offices, and putting in place adequate IT equipment, system maintenance and support services.

The link between LISA implementation and project support for broader reforms within Sri Lanka's legal framework on FPRW and labor administration was important. The integration of activities to influence policy and practice are among the elements that make the project's design relevant. Although achieving proposed legal and policy reforms are largely beyond the project's control, it has contributed effectively through various stakeholder workshop, its analysis and recommendations contained in the labor inspection assessment report, the proposed updates to labor inspection circulars, the labor inspector handbook, updated labor inspection training modules and the diagnostic on the labor administration's use of mediation and conciliation.

The project's subject matter – freedom of association and collective bargaining – remain contentious issues in Sri Lanka, especially at the level of the EPZs. Views of employers and trade union leaders on the state of worker representation within the EPZ are sharply different and the openness of some tripartite partners to dialogue is limited. The project's approach to these divergent perspectives has tended to be balanced while upholding ILO principles. For example, through its support for worker and employer education programs, the project likely strengthened trade union engagement in EPZs and also increased the number of EPZ enterprises within the EFC's membership. The project conducted activities in the EPZ with trade unions and employers separately, which limited the opportunities for these activities to contribute to fruitful dialogue among ILO constituents. The potentially negative consequences of the latter on consensus building were compounded by delays getting planned capacity building on workplace cooperation in the EPZ off the ground in Phase II.

Weaknesses in project implementation and effectiveness were the project's M&E procedures and reporting and the delivery of constituent training activities, where many targets were

missed. In addition, although the project produced some good capacity building resources, among them the practical guide on Sri Lankan labor law, these were not fully capitalized by the project or its partners in Phase II.

Overall, the project's management arrangements were effective. Human resources at various levels of the ILO were engaged in project implementation and contributed toward achieving project outcomes, with balanced use of national, international and ILO specialists. Overall, the project team maintained positive relations with all stakeholders and engaged in positive collaboration with the project donor, especially for the design of Phases II and III.

V. LESSONS LEARNED AND GOOD PRACTICES

Good Practice 1: Computerizing Labor Inspection – the Labor Information System Application

Supporting the computerization of labor inspection processes in Sri Lanka, known as LISA, is a project good practice that already has been viewed with interest by other countries in the region and is in the process of being replicated in the Philippines.

LISA is a mobile application and web-based information system for:

- Scheduling labor (general and OSH) inspections and court appearances;
- Tracking and managing complaints;
- Reporting on inspection visits using standard forms;
- Tracking key performance indicators for the labor field office and department, such as the number of inspections carried out, the number of complaints and court cases closed; and
- A digital library of reference materials for labor inspectors.

The following is a link to a short video produced by the ILO on the application: http://www.ilo.org/asia/info/public/features/WCMS_353256/lang--en/index.htm.

A potentially very useful feature of the application is its database of enterprises eligible for inspection. The database records general information about the enterprise as well as its inspection history. This feature may eventually be used to categorize enterprises and prioritize which factories are inspected and which are eligible for self-reporting or alternative types of inspection. Since the MOL labor field offices do not have sufficient personnel to inspect all enterprises, the capacity to make intelligent choices about where to focus resources is important. For example, according to one stakeholder, one of the toughest inspection resource allocation challenges faced by administrators is determining how much to commit to compliance verification through follow-up inspections. Better planning may also free up MOL labor inspectors' time for other important tasks such as enterprise education programs and/or to reach enterprises in the non-formal sector of the economy.

Based on Sri Lanka's experience with LISA to date, the following conditions seem to be important for its successful implementation:

- Commitment and vision from leadership on performance improvement;
- Consultations with users on features, including which are the key performance indicators the system monitoring tools need to be able to track;
- Adequate change management strategies and oversight at the field level;
- Adequate support, training and basic infrastructure at both the national and field levels; and
- Agreement on how to standardize processes and procedures so that the system reflects the forms and processes that labor inspectors are required to use.

Potential Outcomes

LISA design has potential to improve labor inspection efficiency by standardizing and streamlining labor inspection processes and procedures. It should make labor inspectors' jobs easier by eliminating stages in the reporting process and add value to their job, including how they are perceived as professionals. For managers and supervisors, it will make problem areas, like complaint backlogs, easier to identify, enabling more effective decision making and priority-setting. Unlike other kinds of policy changes, the computerization of labor inspection processes should translate quickly into changes in practice at the field level.

Lessons Learned

As previously described, the introduction of LISA was met by resistance from MOL labor inspectors. Their resistance did not appear to be related to the use of the system itself but rather because it took place in a context in which the fundamental duties and expectations of labor inspectors were being reevaluated by the Ministry with support from the ILO. As a result, it seemed timely for them use the opportunity to discuss their working conditions (inspection quotas, salary and allocations for travel) and status (grade levels within the public service, professional development opportunities). The lesson learned is that computerization of labor inspection processes cannot be taken up in isolation from other issues influencing labor inspector performance and motivation.

Good Practice 2: Leadership Training for Young Trade Union Leaders

Another project good practice was supporting trade unions to conduct worker awareness raising activities in the EPZs as a recruitment strategy. The practice contributed to putting the principle of freedom of association into practice in the target EPZs. Project technical progress reports (TPR) indicated that some training participants have been elected to workplace employee councils and that the training has contributed to establishing at least one trade union office within an EPZ factory. The training has also been used as a forum to formulate worker demands prior to a collective bargaining agreement negotiation process with another EPZ employer.

Four trade unions received grants from the project for worker awareness raising activities. One trade union, the CIWU, used an approach that was different to the large scale meetings organized by other project partners. It started by identifying a group of young union leaders and developing their leadership skills. The approach was relevant because many EPZ workers are young people coming from rural areas and although most have a basic education, they need more confidence, more awareness of how to approach problems constructively and better communication skills to become effective trade union activists. To date, the CIWU training intervention has been fairly limited - it covered topics such as team work, communication and networking during two day training sessions. The approach, if refined and intensified, seems a potentially effective means to grow trade union membership. By reinforcing content on negotiation and mediation, the approach may also be used promote less conflict-oriented approaches to defending worker rights in the EPZs.

Three trade unions were supported by the project to introduce a session on sexual harassment in the workplace and gender-based discrimination in their awareness raising programs conducted in the last quarter of Phase II and first quarter of Phase III. The session capitalized on

the ILO-EFC Code of Conduct on sexual discrimination, which was developed in a previous project. In addition, one trade union, the FTZGSEU, also organized a three day residential training on international labor standards, collective bargaining and gender discrimination in the workplace for trade union leaders, 40% of whom were women. The project encouraged the more gender-sensitive approach to its trade union partners as a means to help them attract more women to trade unions and to address sexual harassment in the workplace, both of which are important issues that merit attention.

Necessary Conditions

The conditions that are necessary to implement this practice include:

- A compelling case for trade union membership that resonates with young EPZ workers, and with women workers in particular;
- A clear vision of the skills and attributes of effective union organizers;
- Skilled trainers and coaches who work with identified leaders over an extended period of time; and
- Appropriate times and places for training so that both men and women can participate in awareness raising and capacity building activities. The project found that women are less likely to attend multi-day, residential training than single day events.

Potential Outcomes

The potential outcome of the leadership building approach is to strengthen the base for the trade union movement within the EPZ by developing a cadre of well-trained union organizers. Likewise, by implementing strategies designed to attract more female workers, there is potential that over time women's leadership within the trade union movement will be strengthened.

Lessons Learned

Strong leadership is important in any movement. The trade unions recognize that they are challenged to attract and develop young union leaders. To overcome the challenge, trade unions need to invest in building young workers' leadership capacity. To overcome the barriers that limit women's participation in trade union activities, trade unions need explicit strategies to make trade union membership more relevant to female workers.

VI. RECOMMENDATIONS

Recommendation #1 (ILO and MOL): The project should resume and transparently track progress on labor code reform initiatives building on work already carried out by the MOL in 2012. The project should clearly identify and track priority CEACR and CFA recommendations on which it is focused in its progress reporting. Finally, the project should also use its activities to publicize and explain amendments to labor legislation if and when they become law.

With the change of government in late 2014, legal reform has been a stated priority of the current administration. Until midway through fieldwork for this evaluation (March 2015), the Ministry of Labour was fused with the Ministry of Justice. The General Secretary of the Ministry of Justice and Labour (which was split on March 23rd) expressed commitment to working on the simplification of the labor code from 58 pieces of labor legislation down to six. She reiterated her commitment to this effort even after the Ministry of Justice was split from Labour, according to the ILO Project Manager. Project management has stated that they are planning on restarting legal framework improvement efforts, beginning with an external review of the labor code in the next quarter.

During the evaluation stakeholder workshop, the Director General of the EFC pointed out that there is trade union and employer agreement on a number of other needed labor legislation changes that have not yet advanced to the amendment stage, including lifting restrictions on night work for women, instigating a five day work week and raising the minimum age for employment from 14 to 16. It may be useful to begin with these issues where there is already tripartite agreement.

Recommendation #2 (ILO, MOL and Trade Unions): In addition to the paralegal training program now planned to be delivered by the University of Colombo, project management and its trade union partners should revisit its strategy on how the course will translate into better legal services for workers in EPZs.

In the original Phase II strategy, the project was to support the establishment of trade union-run legal clinics, potentially using the workers' facilitation centers located in proximity to the EPZ gates as a base for this activity. The legal clinic concept was dropped and replaced by more general trade union awareness raising activities, presumably because planned paralegal training did not occur. Now that the course appears to be close to its launch, it is important to discuss and make a plan on who will be trained and how they will capitalize their training in favor of EPZ workers. Questions to be discussed include: Will paralegal services be delivered through individual trade union offices? Will such services also be offered in MOL EPZ mediation centers? How will the legal knowledge and skills of young union activists who have more frequent contact with workers be improved through the course?

Recommendation #3 (ILO): The project should attempt to organize bipartite awareness raising programs on labor rights in the EPZ, possibly in the form of a booklet to be distributed in the zones, as a means to bring workers and employers together to discuss and find the key principles and messages on which they agree.

Although there are obvious reasons for separate worker/employer labor rights education programs, in Phase II the lack of cooperation and discussion between workers and employers on labor rights training programs may have had the unintended consequence of keeping the two groups in their respective camps. At this stage in project implementation, it could be advantageous for the project to propose a joint activity – such as a communication campaign – bringing together employers’ and workers’ organizations. ADCOR expressed an interest in leading such an activity.

Recommendation #4 (ILO): In addition to the planned SCORE implementation, the project should revisit its capacity building strategy on workplace cooperation for trade union representatives in Phase III. The need for workplace cooperation programs seems to be most acute among the program’s trade union partners and small and medium size enterprises.

In focus group discussions with workers in the EPZ, the evaluator observed that project-supported trade unions rely heavily on highlighting cases of workplace conflict as a tool to mobilize workers to join their organizations. Most of the more vocal participants in focus groups cited many of the same incidents in the EPZ in which they felt workers had been treated unjustly by their employers. According to these focus group participants, the most compelling case for trade union membership was to increase their leverage over employers, who, in their view, only take workers’ grievances seriously if under pressure from organized workers. This conflict-oriented approach used by trade unions was in contrast with the approach that at least some EPZ employers seem to be implementing,³⁴ which is based on more cooperative models of enterprise organization. In an imperfect world, there will always be cases of confrontation between workers and employers, and trade unions have an important and clear role to play in such situations. However, in Phase II, the project was to have assisted trade unions leaders and workers to promote strategies of good industrial relations that take into consideration new management approaches within enterprises. Because of Phase II delays in implementing workplace cooperation capacity building programs, this has not been done yet.

At the time of the evaluation, a relatively small scale pilot experience with SCORE was the sole workplace cooperation capacity building activity on the project’s agenda. This program is unlikely to reach a large number of trade union leaders.³⁵ Therefore, it would be useful for the project to consider other strategies to reach larger numbers of trade union leaders/members on the topic of workplace cooperation. The project might consider some combination of policy level support for trade unions regarding strategic directions and EPZ-based training on leadership, mediation and conciliation for potential or emerging leaders within the trade union movement.

On SCORE, the project should focus its resources on reaching smaller enterprises within the EPZs that may not have resources for extensive manager capacity building programs; this is the evaluator’s understanding of the project’s intention.

³⁴ The evaluator visited one factory in Kandy that had made worker participation a core principle in its management approach. In a separate interview, a female worker in Koggala who was employed by the same enterprise group confirmed that workers in her factory were able to get their issues addressed using cooperative modes of interaction.

³⁵ The Phase II plan had been to train 30 trade union leaders and through them reach 2,000 workers in the EPZs. SCORE, contract, has set an objective to pilot workplace cooperation strategies in 8 EPZ enterprises.

Recommendation #5 (MOL): The MOL should establish a special task force on LISA implementation to quickly and effectively address outstanding issues that are affecting the deployment and effective use of the labor inspection application.

Based on focus group discussions with LISA users in Colombo and Kandy and discussions with the IT consultant, the following is a preliminary list of issues the task force needs to look into and resolve:

- Upgrading internet plans in labor offices. Currently bandwidth is insufficient and is making data transmission to the central server difficult.
- Increasing budgets for IT maintenance and related expenditures in labor offices. The evaluator suggests that the MOL outsources certain aspects of LISA maintenance, including application upgrades and hosting, since it will be difficult to recruit qualified IT experts for regular employment. Professionally-managed and hosted cloud-based solutions have proved effective elsewhere.
- Establishing LISA IT support mechanisms at national and field office levels.
- Reviewing training plans and strategies. The evaluator suggests that MOL decentralize training and empower early adopters among MOL labor inspectors and other clerical staff at field level to support training activities.
- Discussing, coming to consensus, and informing the labor offices about when its paper based reporting systems may be dropped. The evaluator suggests that transitional double workloads (when both systems are active at the same time) should be short.
- Establishing effective feedback loops and “rapid response” mechanisms for dealing with new LISA problems as they arise. It should be expected that numerous issues will arise since the application has yet to be deployed on a large scale.

Recommendation #6 (MOL): In order to optimize the LISA’s potential to make labor inspections more effective and efficient, the MOL should review and implement complementary recommendations in the ILO labor inspection assessment report related to labor inspector status and professionalism.

Any information management system tool is only as good as the people who use it to make and implement decisions. There are many exciting possibilities for how LISA can improve labor inspection processes, but most of these depend on establishing new modes of management within the labor administration. The following are some of the relevant recommendations contained in the project labor inspection assessment:

- Streamline the MOL Department of Labour management structure to improve coordination, planning, evaluation and supervision.
- Professionalize and improve the status of labor inspectors through training programs and by addressing anomalies in their wage structure and allowances.
- Improve reporting and data analysis through the use of tools such as quantified annual plans, improvement of targets and indicators, evaluation of outcomes of the inspections, etc. Discuss and come to consensus with MOL labor inspectors and other officials on key

performance indicators for the MOL field office. The evaluator suggests that the ILO consider bringing in outside assistance to support this process.

Recommendation #7 (MOL): The MOL should differentiate complaints related to freedom of association from other types of complaints. More broadly, the MOL should work on strategies to differentiate protocols for identifying and addressing labor legislation violations to focus on the worst offenders.

The first suggestion comes directly from a senior trade union leader. He suggested that complaints related to anti-union practices should not be treated using the same mechanisms as wage or benefits disputes by the MOL. He cited cases where delays in getting a hearing on violations of the principle of FOA effectively extinguished budding trade union activities. He emphasized that in FOA cases, delays favor the employer. Because freedom of association is a fundamental principle and a cornerstone of the country's industrial relations policy, an expedited process seems to make sense.

The second point relates to recommendations from the final report of the Study to Analyze and Update Data Collection Methods in Labor Inspection Systems in Sri Lanka, which noted that the Department of Labour needs to develop new protocols to differentiate how it deals with factories that are covered by regular, independent compliance audits and have no record of violations from factories with a record of frequent violations.

Recommendation #8 (ILO): The project should catalogue project reports, guides and other resources and make them available as online resources.

The evaluator met individuals in Sri Lanka carrying out independent research or initiatives who would benefit from access to project assessments, reports and capacity building resources. Before the project closes, project management should make sure that all appropriate reports and resources are available online, either on the ILO website or relevant partners' websites. The project should consider translating resources that target workers and employers (mainly the course book "Conditions of Employment, Labour Standards and Rights at Work") into local languages to make it more accessible.

Recommendation #9 (ILO): The project should strengthen its monitoring and evaluation systems by reviewing its existing indicators for relevance and then following up on the status of its output and outcome indicators in its progress reporting.

USDOL requires reporting of targets and actuals twice per year using a data tracking table. This is stipulated in the applicable Management Procedures and Guidelines that USDOL and the ILO have in place. To improve project management and comply with the above referenced requirement, the evaluator suggests that the project create a matrix of its main output and outcome indicators and use it to track/update its achievements. A model of such a matrix is included in **Annex 1**. USDOL program and/or M&E personnel should provide assistance and coaching as required to project personnel. For example, it would be useful to provide initial guidance and feedback on how to formulate appropriate indicators and targets.

Recommendation #10 (ILO): Use Phase III to consolidate and/or scale already existing initiatives, especially activities under the labor administration strengthening objective.

The evaluator would caution against introducing many new approaches in Phase III with relatively little time remaining and many existing project strategies only partially implemented. Given existing good levels of cooperation between the donor and the ILO, it would be useful and timely for them to confer and agree on priorities for Phase III at this time. The two parties should update the project logical framework, activities and work plan and agree upon realistic targets to be incorporated into the project M&E matrix.

ANNEX 1: OVERVIEW OF PROJECT PROGRESS

IO	Output	Activity	Status
<p><u>Immediate Objective 1:</u></p> <p>Legal framework more in conformity with international labor standards</p>	<p>1.1 Additional legal provisions drafted to bring selected labor laws and circulars in line with international labor standards (ILS)</p>	<p>1.1.1. Continue to provide technical advice to the legal task teams to review pending labor laws or circulars not fully in conformity with ILS</p>	<p>Eight committees from the Department of Labour were formed to review the existing labor laws and its compliance with ILS. Review of legislation of 6 Acts: (1) Industrial Disputes Act, (2) Termination of Employment Act (3) Employee Provident Fund Act (4) Wages Boards Ordinance (5) Shop and Office Act, and (6) The Maternity Benefits Ordinance. (Phase I)</p> <p>Committee recommendations were to be reviewed and then passed on to the legal department and amendments drafted.</p> <p>A national consultant reviewed the existing operational guidelines for labor inspectors in relation to all labor legislation and proposed modifications and updates (work concluded Sept 2013).</p> <p>These have not yet been taken up for review by the MOL and the National Labour Advisory Council (NLAC);</p>
		<p>1.1.2 Continue to conduct technical advisory sessions to support the legal task teams to amend or draft labor law provisions in conformity with ILS</p>	<p>With NORMES funding, ILO conducted a special review of maternity rights. (ILO core budget)</p>
		<p>1.1.3 Continue to conduct advisory sessions to facilitate the tripartite discussion and endorsement of new legal provisions by the National Labour Advisory Council.</p>	<p>The Ministry of Labor held six National Labor Advisory Council (NLAC) meetings within the year 2013. In each meeting the matter of unfair labor practices was taken up for discussion, but agreement on the provisions could not be reached. Two</p>

IO	Output	Activity	Status
			workshops were organized in Nov. 2013, one with employers, one with Trade Unions. At an impasse, the issue was sent to the Presidential Secretariat but no action has been taken to date.
	1.2 The training capacity of national constituents strengthened	1.2.1. Produce a guide on labor laws for labor officials and workers	The guide was produced by a local consultant in 2012 and reviewed and validated in 2013.
		1.2.2 Using the guide, train at least 100 trainers from national institutions and trade unions on labor laws and ILS.	No training of trainers delivered to date. Training was initially to be delivered by NILS but was delayed by a change in leadership. Trade Unions agreed to run the training themselves but then the option of having a formal course offered by the Faculty of Graduate Studies (FGS) of the University of Colombo was taken up. The original guide is currently being revised by the original consultant to fit new delivery strategy.
		1.2.3 Continue to support employers' organizations to conduct training on labor laws for their constituents	Seminar for 30 HR managers and 10 BOI Industrial Relations division delivered by EFC in August 2013. Training on labor laws to Human resource managers in the Katunayake and Biyagama EPZs in March 2014. 42 women and 38 men were reached. The training was focused on the application of relevant laws in real life situations based on case study reviews and problem analyses.
		1.2.4 With the trade unions trained on labor laws, support the establishment of legal clinics in trade unions facilitation centers and offices. These legal clinics will provide training and	No legal clinics established. Activity was to build on training of Trade Union paralegals which has been delayed.

IO	Output	Activity	Status
		advice on labor laws to workers	
	1.3 More labor officials, workers and employers gained a better understanding on labor laws and ILS	1.3.1 Continue partnerships with national training institutions to train at least 500 labor officials and social partners on labor laws and ILS. Training will be provided with the support of the trainers trained by the project and using the above mentioned guide on labor laws	This training has not been delivered. There does not appear to be a strategy in place to replace this activity.
		1.3.2 Support trade unions legal clinics to train and advice at least 5000 workers on labor laws	Through an alternative strategy, the Project supported 4 TU to conduct an awareness raising campaign on labor laws and workplace cooperation to stimulate EPZ workers' community to actively pursue freedom of association by joining trade unions. Nearly 3000 workers were reached during Phase II.
		1.3.3. Carry out training for at least 50 trade unionists on evidentiary rules and procedures in national tribunals and conciliation and mediation mechanisms	This training is pending the establishment of the paralegal course for trade union members. While this activity is still planned in phase III, no clear implementation timeline has been developed.
<p><u>Immediate Objective 2:</u></p> <p>Institutions and processes for labor-management relations, including those at the enterprise level, strengthened.</p>	2.1 Workplace cooperation is used by trade unions to advance the implementation of workers' fundamental rights	2.1.1 Based on ILO's manuals on workplace cooperation, train at least 30 trainers from workers' organizations on workplace cooperation and its linkages with fundamental rights at work	<p>An international consultant developed materials for a workplace cooperation program (end of Phase I). These were reviewed by ILO Workers Activities group (ACTRAV) and the Employer's Activities Group (ACTEMP) but not validated. (Q1&2 FY12/13)</p> <p>Project manager took decision to implement a short version of the SCORE program as an alternative strategy. The MOL agreed to support implementation with its own resources but progress stopped with problems</p>

IO	Output	Activity	Status
			<p>identifying trainers.</p> <p>Early in Phase III, the project decided to pilot SCORE in partnership with the EFC and CIMA. The launch was on March 31, 2015.</p>
		<p>2.1.2 With the trainers trained, design and implement a strategy to reach out and train at least 2000 workers on workplace cooperation and its linkages with workers' fundamental rights.</p>	<p>This activity has been cancelled. Some of themes may have been addressed, albeit lightly, in Trade Union awareness raising activities (see 1.3.2)</p>
	<p>2.2 Workplace cooperation is used by employers' organizations to promote human resources management in line with labor rights and better prepared to introduce changes at the workplace</p>	<p>2.2.1 Based on ILO's manuals on workplace cooperation, train at least 100 trainers from employer's organizations on workplace cooperation and its linkages with human resources management</p>	<p>This activity was not implemented. It appears to have been cancelled.</p>
		<p>2.2.2 With the trainers trained, design and implement activities to reach out and train at least 250 human resources managers on workplace cooperation. For these activities, at least one third of the members of the Human Resources' Managers Network created by the project will be trained.</p>	<p>This activity was not implemented. Some planned themes may have been addressed in legal framework training delivered to HR managers (see 1.2.3)</p>
		<p>2.3 Services and tools developed to enhance the capacity of the Collective bargaining and social dialogue unit (CBS unit) to promote sound labor management relations, workplace cooperation and collective bargaining.</p>	<p>2.3.1 Based on ILO's tools on collective bargaining, train at least 100 labor officials on how governments can promote sound industrial relations and collective bargaining</p>

IO	Output	Activity	Status
		2.3.2 Following the above mentioned training, conduct a participatory analysis with labor officials on the capacity of the CBS unit to promote collective bargaining and promote sound industrial relations. The analysis will conclude with recommendations to develop the capacity of the said unit.	This activity was not implemented.
		2.3.3. Support the implementation of some of these recommendations	This activity was not implemented.
		2.3.4 Based on ILO tools on workplace cooperation, train at least 200 labor officials on sound industrial relations and workplace cooperation in line with fundamental rights	This activity was not implemented.
		2.3.5 Following the above mentioned training, develop a specialized program on workplace cooperation with the tools and the necessary expertise to train and advice enterprises on the implementation of workplace cooperation in line with fundamental rights.	This activity was not implemented. It was to have been delivered via planned training of trainers for SCORE implementation. The current strategy is to implement SCORE through the EFC.
		2.4 An increased number of enterprises adopt, with the support of the project and its partners at the level of the MoJLR, measures to improve or introduce workplace cooperation	2.4.1 Selected at least 15-20 enterprises to participate in the workplace cooperation program developed by the CBS unit. Done with EFC and CIMA.
	2.4.2 Train the managers, workers, and genuine workers representatives of these enterprises on workplace cooperation.	Same as above.	

IO	Output	Activity	Status
		The number of people trained will depend on the size of the enterprises	
		2.4.3 Facilitate, in each enterprise, the adoption of a set of measures to improve or introduce workplace cooperation	Same as 2.4.1.
		2.4.4 Support the CBS unit to provide regular advice and support on workplace cooperation to the enterprises trained. 2.4.5 Produce a short report with the results and challenges of the workplace cooperation program.	The role the CBS unit will have to support SCORE implementation is not clear. A limited number of labor inspectors will be invited to participate in SCORE training.
Immediate Objective 3: Strengthen labor administration for its effective intervention to promote sound labor-management relations, prevent and solve disputes and ensure compliance with labor regulations	3.1 The capacity of the labor inspectorate to improve compliance with national labor legislation strengthened.	3.1.1 Carry out a labor inspection assessment with a particular emphasis on training and policy issues	The Sri Lanka labor administration and inspection needs assessment was carried out in Feb/March 2012 by an ILO expert and consultant. The expert also trained a group of 28 Labor Inspectors during his mission (Phase I)
		3.1.2. Based on the audit's recommendations, develop a sustainable training strategy for labor inspectors	During September 19-21, a workshop was organized for the MOL senior management and trade unions to discuss the 17 assessment recommendations. The workshop was facilitated by ILO experts from Labour Administration Unit in Geneva.
		3.1.3 Using the training strategy, train at least 200 labor inspectors on topics identified by the training strategy.	207 participate in Labor Inspector TOT conducted by MOL w/ own resources Q2 FY 13/14
		3.1.4 Based on the audit's recommendations, develop a policy on labor inspection.	Workshop on Labor Administration and Inspection Sept. 2012 3 Workshops on Labor Inspection Policy October 2012 (8 days total)

IO	Output	Activity	Status
		3.1.5 Support the implementation of additional recommendations made by the assessment.	<p>Labor Inspection guide developed by national consultant.</p> <p>Guide discussed in MOL workshops in Jan and Sept. 2012 and December 2013.</p> <p>Guide included in LISA digital library as reference.</p>
		3.1.6 Install a computerized labor inspection system in 20 selected field enterprises.	<p>Application designed, developed by IT contractor.</p> <p>The LISA system was launched in April 2013.</p> <p>Extensive training program in progress.</p>
	3.2 The CBS unit is in a better position to resolve labor disputes through conciliation and mediation.	3.2.1 Based on ILO tools, conduct a diagnostic on the institutional capacity of the labor administration to use mediation and conciliation to resolve labor disputes. The diagnostic will have recommendations for the establishment of specialized mediation and conciliation services	Diagnostic exercise conducted and report issued by International Consultant in Q1 FY 14/15 (Phase III)
		3.2.2 Based on the above recommendations, support the establishment of specialized conciliation and mediation services.	Discussions are ongoing.
		3.2.3 Train selected labor officials on key concepts, skills and techniques on conciliation and mediation using practical cases. Technical advice might also be provided to accompany labor officials to resolve some labor disputes through mediation or conciliation.	Tripartite Labor Dispute Training delivered by FMCS in Oct. 2014 (Phase III, funded by USDOL) ³⁶

³⁶ This activity also contributes toward achieving workplace cooperation (IO2)

ANNEX 2: EVALUATION TERMS OF REFERENCE

TERMS OF REFERENCE

for the
Independent Final Evaluation (Second Phase)
Of the
Promoting Fundamental Principles and Rights at Work
Project
in
SRI LANKA

Cooperative Agreement Number:	IL-19527-09-60-K
Financing Agency:	U.S. Department of Labor
Grantee Organization:	International Labour Organization
Dates of Project Implementation:	October 2012 - September 2014
Type of Evaluation:	Independent Final Evaluation
Evaluation Field Work Dates:	March 16 - 30, 2015
Preparation Date of TOR:	January-February 2015
Total Project Funds from USDOL	
Based on Cooperative Agreement:	US \$1,402,500

Vendor for the Evaluation Contract:



Sistemas, Familia y Sociedad
Consultores Asociados

ACRONYMS

ADCOR	Association for Dialogue and Conflict Resolution
BOI	Board of Investments in Sri Lanka
CBS	Collective Bargaining and Social Dialogue
CEACR	ILO Committee of Experts on the Application of Conventions and Recommendations
CFA	Committee on Freedom of Association
CIMA	Chartered Institute of Management Accountants
COR	Contracting Officer's Representative
CV	Curriculum Vitae
EFC	Employers Federation of Ceylon
EPF	Employment Provident Fund
EPZ	Export Processing Zone
FPRW	Fundamental Principles and Rights at Work
FTZGSEU	Free Trade Zones & General Services Employees Union
GSP	Generalized System of Preferences
ILAB	USDOL International Labor Affairs Bureau
ILO	International Labour Organization
ILS	International Labor Standards
LISA	Labor Inspection System Application
MoJLR	Ministry of Justice and Labor Relations
NATURE	National Association for Trade Unions Research and Trade Education
NILS	National Institute for Labour Studies
NLAC	National Labour Advisory Council
OTLA	Office of Trade and Labor Affairs
PMP	Performance Monitoring Plan
SFS	Sistemas, Familias y Sociedad
TAC	Division of Technical Assistance and Cooperation
TOR	Terms of Reference
TPM	Team Planning Meeting
TPR	Technical Progress Report
TUA	Trade Union Act
USDOL	U.S. Department of Labor

I. BACKGROUND AND JUSTIFICATION

USDOL - OTLA

The Office of Trade and Labor Affairs (OTLA) is an office within the Bureau of International Labor Affairs (ILAB), an agency of the U.S. Department of Labor (USDOL). OTLA's mission is to implement trade-related labor policy and coordinate international technical cooperation in support of the labor provisions in free trade agreements; to develop and coordinate Department of Labor positions regarding international economic policy issues and to participate in the formulation and implementation of U.S. policy on such issues; and to provide services, information, expertise, and technical cooperation programs that effectively support the international responsibilities of the U.S. Department of Labor and U.S. foreign labor policy objectives.

Within OTLA, the Division of Technical Assistance and Cooperation (TAC) provides technical assistance to improve labor conditions and respect for workers' rights internationally. TAC works with other governments and international organizations to identify assistance that countries may require to improve the labor conditions of their workers. TAC currently funds over 20 active technical cooperation projects across the globe that provide technical assistance to improve worker rights, livelihoods and labor law compliance. Since 1995, TAC has funded programs in more than 72 countries addressing a wide range of labor issues.

Project Context³⁷

Sri Lanka is a democratic country with a market-based economy that over the past few years has overcome the shocks of a civil war and moved from a low to middle income country. The sectoral composition of the economy relies mainly on agriculture, the service sector and manufacturing. For many years, the United States has been Sri Lanka's biggest market for garments, taking almost 50% of total garment exports. Despite the steady level of economic growth in Sri Lanka, high levels of poverty and unemployment remain a concern.

Sri Lanka has ratified the eight core ILO conventions on the Fundamental Principles and Rights at Work (FPRW) and thus appears to be committed to respecting those commitments in national law and practice. While the Ministry of Justice and Labor Relations (MoJLR) has strengthened its compliance with FPRW in recent years by implementing a number of programs to improve the Sri Lankan workplace, the Government has received comments from the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) and the Committee on Freedom of Association (CFA) on the country's application of the principle of freedom of association and the right to collective bargaining. Many of these comments were focused on anti-union practices in Export Processing Zones (EPZs) such as restrictions on the right to organize, limitations on the right to strike, and restrained government action against anti-union discrimination and unjust dismissals.

³⁷ Adapted from ILO *FPRW in Sri Lanka Final Project Document*, ILAB *Technical Cooperation Project Summary and ILO/USDOL FPRW Mid Term Assessment*

Under national legislation there are protections for trade unions both within and outside the export processing zones. The Constitution of Sri Lanka recognizes the fundamental right to organize and join trade unions and the country has ratified the two fundamental ILO Conventions on freedom of association and the right to collective bargaining.³⁸ Under the *Trade Union Act* (TUA No. 14, 1935) the right to form and join a trade union is a right of every citizen, and provides for the rights, immunities and governance of a trade union. Formation of a trade union requires the endorsement of at least seven members. An amendment to the *Industrial Disputes Act*, which became operative in December 1999, set out the provisions for employer recognition of a union bargaining agent. This amendment compels mandatory recognition of a union as a bargaining agent where the union has a membership of at least 40 percent of the workforce; further, it defines employer refusal to negotiate with the bargaining agent as an unfair labor practice. The 40 percent threshold, which is considered too onerous by international standards, has been the focus of repeated comments from the CFA.

In Sri Lanka the central authority is the Department of Labor within the MoJLR. The Department is responsible for a number of divisions, each with responsibility for enforcement and compliance in different areas. The inspection of working conditions, work safety and occupational hygiene is undertaken by different inspectors. Sri Lanka has some 400 labor inspectors responsible for general inspection relating to working conditions under various legislations, and another 25 inspectors responsible for inspections. In addition, the Employee Provident Fund (EPF) has 200 field officers responsible solely for ensuring compliance under the EPF legislation.

Overall, the workforce is highly skilled and literacy is widespread in Sri Lanka. Yet, when the project was initially funded in 2009, labor relations in Sri Lanka were especially contentious and Sri Lankan workers faced many challenges in exercising basic workplace rights. Under the first and second phases of this project, labor relations improved significantly as a result of extensive trainings on national labor laws and workplace cooperation.

The FPRW Project in Sri Lanka

In September 2009, the International Labour Organization (ILO) signed an initial Cooperative Agreement with OTLA worth US\$402,500 to implement the Fundamental Principles and Rights at Work (FPRW) project in Sri Lanka. Since then, it has continued to operate for two more phases: the second phase spanned from 2012 to 2014 and the third from 2014 to 2016. Since the beginning of the project, funds received from USDOL have totaled US\$1,402,500, inclusive of phase three. The third project phase is due to close on 30 September, 2016.

During its third phase, the FPRW project seeks to build on the successes of the first two phases by improving sustainability and building labor management relations in the export processing zones. The project is working to raise the awareness and capacity of workers and employers to understand and exercise their rights and obligations in the workplace, increase the effectiveness of the labor administration/inspection systems, promote tripartite dialogue at different levels, and improve the

³⁸ These are the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98).

capacity of the judiciary to process claims related to labor relations. Specifically, three immediate objectives were identified for the second phase and have continued for the third phase of implementation to-date:

Immediate Objective 1: Legal framework more in conformity with international labor standards;

Immediate Objective 2: Institutions and processes for labor-management relations, including those at the enterprise level, strengthened; and

Immediate Objective 3: Strengthen labor administration for its effective intervention to promote sound labor-management relations, prevent and solve disputes and ensure compliance with labor regulations.

The direct target groups for the project are: workers and their organizations (including Free Trade Zones & General Services Employees Union [FTZGSEU]), employers and their organizations (including Employers Federation of Ceylon [EFC] and Board of Investments in Sri Lanka [BOI]), labor ministry officials in charge of labor inspections, worker and employer organizations, Sri Lankan Board of Investment representatives, judges and the labor tribunals.

During the project's second phase, the project activities focused on drafting additional legal provisions to bring selected labor laws and circulars in line with labor standards. The project also helps with implementing modern reporting and case management techniques by upgrading the current computerized system of labor administration. This phase also focused on facilitating the establishment of a conciliation and mediation unit. Mediation and conciliation training has also been provided to tripartite constituents as well as data management system training.

The following logical framework highlights the project's main expected outputs and corresponding activities:

FPRW Project in Sri Lanka: Logical Framework

Development Objective: The project will improve labor relations in Sri Lanka and enhance the potential of enterprises to innovate and compete globally through workplace partnerships, respect for fundamental workers' rights, fostering industrial democracy and make optimal use of human resources.		
Intermediate Objectives	Outputs	Activities
Immediate Objective 1: Legal framework more in conformity with international labor standards	1.1 Additional legal provisions drafted to bring selected labor laws and circulars in line with international labor standards (ILS)	1.1.1. Continue to provide technical advice to the legal task teams to review pending labor laws or circulars not fully in conformity with international labor standards (ILS). 1.1.2 Continue to conduct technical advisory sessions to support the legal task teams to amend or draft labor law provisions in conformity with ILS. 1.1.3 Continue to conduct advisory sessions to facilitate the tripartite discussion and endorsement of new legal provisions by the National Labour Advisory Council.
	1.2. The training capacity of national constituents strengthened	1.2.1. Produce a guide on labor laws for labor officials and workers 1.2.2 Using the guide, train at least 100 trainers from national institutions and trade unions on labor laws and ILS. 1.2.3 Continue to support employers' organizations to conduct training on labor laws for their constituents 1.2.4 With the trade unions trained on labor laws, support the establishment of legal clinics in trade unions facilitation centers and offices. These legal clinics will provide training and advice on labor laws to workers.
	1.3 More labor officials, workers and employers gained a better understanding on labor laws and ILS	1.3.1 Continue partnerships with national training institutions to train at least 500 labor officials and social partners on labor laws and ILS. Training will be provided with the support of the trainers trained by the project and using the above mentioned guide on labor laws. 1.3.2 Support trade unions legal clinics to train and advice at least 5000 workers on labor laws 1.3.3. Carry out training for at least 50 trade unionists on evidentiary rules and procedures in national tribunals and conciliation and mediation mechanisms
Immediate Objective 2: Institutions and processes for labor-management relations, including those at the enterprise level, strengthened.	2.1. Workplace cooperation is used by trade unions to advance the implementation of workers' fundamental rights	2.1.1 Based on ILO's manuals on workplace cooperation, train at least 30 trainers from workers' organizations on workplace cooperation and its linkages with fundamental rights at work 2.1.2 With the trainers trained, design and implement a strategy to reach out and train at least 2000 workers on workplace cooperation and its linkages with workers' fundamental rights.

	<p>2.2 Workplace cooperation is used by employers' organizations to promote human resources management in line with labor rights and better prepared to introduce changes at the workplace</p> <p>2.3 Services and tools developed to enhance the capacity of the Collective bargaining and social dialogue unit (CBS unit) to promote sound labor management relations, workplace cooperation and collective bargaining.</p> <p>2.4. An increased number of enterprises adopt, with the support of the project and its partners at the level of the MoJLR, measures to improve or introduce workplace cooperation</p>	<p>2.2.1 Based on ILO's manuals on workplace cooperation, train at least 100 trainers from employer's organizations on workplace cooperation and its linkages with human resources management.</p> <p>2.2.2 With the trainers trained, design and implement activities to reach out and train at least 250 human resources managers on workplace cooperation. For these activities, at least one third of the members of the Human Resources' Managers Network created by the project will be trained.</p> <p>2.3.1 Based on ILO's tools on collective bargaining, train at least 100 labor officials on how governments can promote sound industrial relations and collective bargaining.</p> <p>2.3.2 Following the above mentioned training, conduct a participatory analysis with labor officials on the capacity of the CBS unit to promote collective bargaining and promote sound industrial relations. The analysis will conclude with recommendations to develop the capacity of the said unit.</p> <p>2.3.3. Support the implementation of some of these recommendations</p> <p>2.3.3 Based on ILO tools on workplace cooperation, train at least 200 labor officials on sound industrial relations and workplace cooperation in line with fundamental rights.</p> <p>2.3.4 Following the above mentioned training, develop a specialized program on workplace cooperation with the tools and the necessary expertise to train and advice enterprises on the implementation of workplace cooperation in line with fundamental rights.</p> <p>2.4.1 Selected at least 15-20 enterprises to participate in the workplace cooperation program developed by the CBS unit. Done with EFC and Chartered Institute of Management Accountants (CIMA).</p> <p>2.4.2 Train the managers, workers, and genuine workers representatives of these enterprises on workplace cooperation. The number of people trained will depend on the size of the enterprises.</p> <p>2.4.3 Facilitate, in each enterprise, the adoption of a set of measures to improve or introduce workplace cooperation.</p> <p>2.4.4 Support the CBS unit to provide regular advice and support on workplace cooperation to the enterprises trained.</p> <p>2.4.5 Produce a short report with the results and challenges of the workplace cooperation program.</p>
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<p>Immediate Objective 3: Strengthen labor administration for its effective intervention to promote sound labor-management relations, prevent and solve disputes and ensure compliance with labor regulations</p>	<p>3.1. The capacity of the labor inspectorate to improve compliance with national labor legislation strengthened.</p> <p>3.2 The CBS unit is in a better position to resolve labor disputes through conciliation and mediation.</p>	<p>3.1.1 Carry out a labor inspection assessment with a particular emphasis on training and policy issues.</p> <p>3.1.2. Based on the audit’s recommendations, develop a sustainable training strategy for labor inspectors.</p> <p>3.1.3 Using the training strategy, train at least 200 labor inspectors on topics identified by the training strategy.</p> <p>3.1.4 Based on the audit’s recommendations, develop a policy on labor inspection.</p> <p>3.1.5 Support the implementation of additional recommendations made by the assessment.</p> <p>3.1.6 Install a computerized labor inspection system in 20 selected field enterprises.</p> <p>3.2.1 Based on ILO tools, conduct a diagnostic on the institutional capacity of the labor administration to use mediation and conciliation to resolve labor disputes. The diagnostic will have recommendations for the establishment of specialized mediation and conciliation services</p> <p>3.2.3 Based on the above recommendations, support the establishment of specialized conciliation and mediation services.</p> <p>3.2.4 Train selected labor officials on key concepts, skills and techniques on conciliation and mediation using practical cases. Technical advice might also be provided to accompany labor officials to resolve some labor disputes through mediation or conciliation.</p>
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II. PURPOSE AND SCOPE OF EVALUATION

As per ILO evaluation policy and USDOL Management Procedure Guidelines, OTLA-funded projects are subject to independent and external final evaluations. An independent interim evaluation of the FPRW in Sri Lanka project was conducted in October 2011. The final evaluation of the second phase, corresponding to January 2012 to December 2014 is due in March 2015. USDOL has contracted Sistemas, Familias y Sociedad to undertake this evaluation, which is intended as a summative, outcome-focused evaluation to determine the extent to which anticipated outcomes have been produced. The evaluation is also intended to identify effective practices, mechanisms and partnerships and assess the prospects for sustaining them beyond the life of the project.

In practical terms this is a hybrid evaluation, combining both formative and summative elements. In one sense it may (for practical purposes) function as an interim of the 3rd phase of implementation, yet it also needs to serve as a final evaluation of Phase II in order to allow ample time for sustainability aspects to be properly addressed in the final phase. So in this sense, it is a hybrid with elements of both a midterm and final.

Final Evaluation Purpose and Scope

The overall purpose of this final evaluation is to ascertain what the project has or has not achieved; how it has been implemented; how it is perceived and valued by target groups and stakeholders; whether expected results are occurring (or have occurred) based on performance data; the appropriateness of the project design; and the effectiveness of the project's management structure. However, one of the most important purposes of this evaluation is to assess the potential for the sustainability of the interventions and results undertaken during the project and identify concrete steps the project might take to help ensure sustainability. Finally, the evaluation will investigate how well the project team managed project activities and whether it had in place the tools necessary to ensure achievement of the outputs and objectives.

The scope of the evaluation includes a review and assessment of all outcomes and activities carried out under the USDOL Cooperative Agreement with the ILO. The evaluation will focus data collection primarily on selected project documents and reports and interviews with key project personnel, partners, and stakeholders in Sri Lanka. The project will be evaluated through the lens of a diverse range of international and national stakeholders that participate in and are intended to benefit from the project's interventions.

The evaluation will focus on the areas of project relevance, effectiveness, efficiency, impact and sustainability. Specifically, the evaluator should examine:

- The validity of project design, objectives, strategy, and assumptions;
- Progress made in achieving project immediate objectives;
- Stakeholder buy-in, support, and participation in the project;
- Barriers and opportunities to successful implementation;
- Where activities have been particularly successful, the reasons for successful implementation;

- Intended and unintended effects accrued to the target groups;
- Potential sustainability of project activities;
- Incorporation of the interim evaluation feedback and recommendations into project strategy; and
- Risk analysis in project design and implementation, and the extent to which the project responded effectively to emerging risks and challenges.

The evaluation will assess the positive and negative changes produced by the project – intended and unintended, direct and indirect – as reported by respondents. The final report should provide recommendations for possible changes that could be made to the implementation arrangements of the project during its third phase or to be included in the design of a similar project that may be implemented in the future. The evaluation should also identify effective models of intervention that will serve to inform future projects and policies in Sri Lanka and similar environments elsewhere, as appropriate.

Intended Users

The primary stakeholders of the evaluation are USDOL, ILO, the Government of Sri Lanka and the constituents in Sri Lanka. The ILO, the tripartite constituents and other parties involved in the execution of the project would use, as appropriate, the evaluation findings and lessons learned. The evaluation findings, conclusions and recommendations will also serve to inform stakeholders in the design and implementation of subsequent projects in the country and elsewhere as appropriate.

The final evaluation serves as an important accountability function for USDOL and ILO. It should be written as a stand-alone document, providing the necessary background information for readers who are unfamiliar with the details of the project, as the evaluation report will be published on the USDOL website.

Evaluation Questions

In general, the evaluator’s opinions on the following two questions should be woven throughout the observations, conclusions and recommendations:

- What good practices can be learned from the project that can be applied to the FPRW Sri Lanka project and in similar future projects?
- What should have been different, and could have been avoided?

This final evaluation will focus on the validity of the project’s design, the relevance of the project’s services to the target groups’ needs, the project’s efficiency and effectiveness (which is broken out into several sub-themes), the impact of the results, and the potential for sustainability. These criteria are explained in detail below by addressing their associated questions.

Additional questions may also be analyzed as determined by the stakeholders and evaluator before the fieldwork begins. The evaluator may also identify further points of importance during the mission that may be included in the analysis as appropriate.

Validity of the project design

1. To what extent was the project design logical and coherent? Were the objectives/outcomes, targets and timing clearly established and realistically set? Assess the project objective to revise the labor inspection system. Was this objective realistic and valid?
2. How appropriate and useful are the indicators described in the project document in assessing the project's progress? Is the project's performance monitoring plan (PMP) practical, useful, and sufficient for measuring progress toward achieving project objectives? How is the gathered data used? How could it be used better?

Relevance and strategic fit

3. To what extent were the project's immediate objectives consistent with the needs of key stakeholders including workers, employers, labor ministry officials in charge of labor inspections, worker and employer organizations, Sri Lankan Board of Investment representatives, judges and the labor tribunals.? Were appropriate needs assessments or diagnostics conducted at the inception of the project? Have the needs of these stakeholders changed since the beginning of the project in ways that affect the relevance of the program?
4. Was there tripartite agreement on the changes needed to bring labor law into full compliance with ILO principles of freedom of association and the right to collective bargaining? Was a roadmap for changes developed? How collaborative or inclusive was the process?

Project progress and effectiveness

5. Is the project on track to complete the project targets according to schedule? If not, what have been the obstacles to achievement both in terms of factors that the project is able to influence and external factors beyond its control?
6. How effectively have project resources been used in reaching the milestones to date?
7. How effectively has the project engaged stakeholders in project implementation? How effective has the project been in establishing national ownership? What is the level of commitment of the government, the workers' and employers' organizations to, and support for, the project? How has it affected its implementation? Provide analysis of the project's involvement with the ADCOR Trust, NATURE, NILS, the BOI, and MoJLR, NLAC, and the EFC. Were efforts at coordination/collaboration effective? Why or why not?

Efficiency of resource use

8. Have resources (funds, human resources, time, expertise, etc.) been allocated strategically and efficiently to achieve outcomes? How might they have been allocated more effectively?

Effectiveness of management arrangements

9. Was the project adequately staffed? What are the key strengths of the technical team responsible for the project's interventions? What are the areas for improvement?
10. To what extent did management capacities and arrangements put in place support the achievement of results?
11. Did the project governance and management facilitate good results and efficient implementation?

Effectiveness of project interventions

12. Are there external factors influencing the delivery of project services? Have there been any changes in the accessibility of labor inspectors to all workplaces in the project targeted areas, i.e. within or outside the EPZs? Has the problem of carrying personal identification documents during inspections been resolved?
13. What improvements has the project made towards minimizing conflict and settling disputes in the industrial environment in general, and in the EPZs in particular? How have labor rights in the EPZ's been addressed or improved through the project's interventions?
14. What specific issues related to female workers have been addressed as part of the program and has gender equality been adequately addressed in relation to all three components? Has the project supported women's leadership and gender equality in the unions, unionizing process, workplace cooperation, law reforms and revisions proposed to the 6 Acts? How do female labor inspectors perceive the Labor Inspection System Application (LISA) in terms of work load and the work-life balance? What can the project do better in terms of ensuring gender is well mainstreamed, based on lessons learned to date?
15. What are the challenges to worker participation, and how might they be overcome as the project transitions into its sustainability and exit strategy phase? Have the roles and functions of Employees Councils been adequately distinguished from the roles and functions of trade unions? Have operational guidelines been developed to strengthen the Employee Council System?
16. What was the nature of training received and what evidence is there that it has been effectively applied? Were the training services provided relevant? What are the areas for improvement? Please include your assessment of the quality and effectiveness of: a) the module based training material and training strategy, b) the training given to 20 BOI enterprises, and c) trainings given to middle level and junior management supervisors in EPZ enterprises, d) the training for labor inspectors; and e) training for labor judges.
17. Have guidelines been developed on labor dispute resolution for use by workers, employers, and labor officials? Was the BOI manual on labor standards and employment relations revised or amended to meet CFA and CEACR Observations? What, if any challenges, arose in producing these outputs?

Impact orientation and sustainability, including effectiveness of stakeholder engagement

18. What was the nature of the commitment from national stakeholders, including the Government of Sri Lanka, the labor movement, and the private sector? At what level do stakeholders show ownership of the project and how does this affect sustainability? How has the relationship been handled by the project in general and in times of crisis? What are opportunities for greater engagement?
19. Has the project communicated effectively with national stakeholders? Do the stakeholders feel that their concerns have been sufficiently addressed?
20. To what extent has the project effectively leveraged the dialogue forums for trade unions operating in the EPZ's? Have they been successfully established? If so, has their existence led to regular interaction with BOI officials on issues relevant to workers?
21. How might the program's services need to be adjusted in the third phase in light of the project ending in 2016? Assess the effectiveness of the bipartite and tripartite dialogue forums established in the EPZs. Are these fora likely to function and remain relevant/effective once the project ends?
22. Have the targeted number of enterprises (20) established a labor-management relations process? If so, provide details of the challenges and opportunities presented thus far, and their potential to sustain improved relations beyond the life of the project.
23. What are the key elements that the project developed during this time that could be sustained beyond the life and the context of the project (e.g. capacity transferable to the MoJLR, trade unions or other target groups and partners)?
24. How effective were project strategies and related activities to strengthen the Collective Bargaining and Social Dialogue Unit to promote workplace cooperation and resolve disputes through conciliation and mediation mechanisms in the EPZ?
25. Did (and if so how?) the computerized labor inspection system increase the capacity of the labor inspectorate to improve compliance with national labor legislation?

III. EVALUATION METHODOLOGY AND TIMEFRAME

A. Approach

The evaluation fieldwork will be qualitative and participatory in nature. Qualitative information will be obtained through field visits, interviews and focus groups as appropriate. Opinions coming from stakeholders will improve and clarify the use of quantitative analysis. The participatory nature of the evaluation will contribute to the sense of ownership among stakeholders.

Quantitative data will be drawn from project documents including the Technical Progress Reports (TPRs) and other reports to the extent that it is available. For those indicators where the project is experiencing challenges, a brief analysis will be included in the results.

The following principles will be applied during the evaluation process:

1. Methods of data collection and stakeholder perspectives will be triangulated to the greatest extent possible.
2. Gender and cultural sensitivity will be integrated in the evaluation approach.
3. Although a consistent approach will be followed in each project site to ensure grounds for a good qualitative analysis, the evaluation will incorporate a degree of flexibility to maintain a sense of ownership of the stakeholders. Additional questions may be posed that are not included in the TOR, while ensuring that key information requirements are met.

B. Final Evaluation Team

The evaluation team will consist of:

1. The international evaluator: Ms. Sandy Wark
2. An interpreter fluent in necessary languages will travel with the evaluator and assist during her work in different regions.

One member of the project staff may accompany the team to make introductions. This person will not be involved in the evaluation process and will not attend the evaluators' meetings or interviews with key informants.

The international evaluator will be responsible for developing the methodology in consultation with Sistemas, Familias y Sociedad (SFS), USDOL, and the project staff; assigning the tasks of the interpreter during the field work; directly conducting interviews and facilitating other data collection processes; analyzing the evaluation material gathered; presenting feedback on the initial findings of the evaluation during the national stakeholder meeting; and preparing the evaluation report.

The responsibility of the interpreter in each provincial locality is to ensure that the evaluation team is understood by the stakeholders as far as possible, and that the information gathered is relayed accurately to the evaluator.

C. Evaluation Methodology

The evaluation will be carried out through a desk review and visits to Sri Lanka for consultations with relevant officials of the ILO Colombo Office, the project team, constituents, the US Embassy as well as other key stakeholders.

The evaluation shall draw on six methods: 1) review of documents, 2) review of operating and financial data, 3) interviews with key informants, 4) field visits, including focus group discussions, 5) meetings with stakeholders, and 6) post-fieldwork conference calls.

1. Document Review

The evaluator will review at least the following documents before conducting his/her mission to the field.

1. Project Document
2. Progress reports to USDOL
3. Interim Evaluation Report
4. Reports from activities
5. Logical Frameworks and Performance Monitoring Plan (PMP)

2. Question Matrix

Before beginning fieldwork, the evaluator will create a question matrix, which outlines the source of data from where the evaluator plans to collect information for each Terms of Reference (TOR) question. This will help the evaluator make decisions as to how he/she is going to allocate his/her time in the field. It will also help the evaluator to ensure that s/he is exploring all possible avenues for data triangulation and to clearly note where their evaluation findings are coming from. The question matrix shall be forwarded by the evaluator to SFS before start of field work.

3. Team Planning Meeting

The Evaluator will conduct by phone a team planning meeting (TPM) with the USDOL and ILO/FPRW. The objective of the TPM is to reach a common understanding among the Evaluator, the USDOL and ILO regarding the status of the project, the available data sources and data collection instruments and the program of meetings.

4. Interviews with Stakeholders

Interviews will be held with as many project stakeholders as possible. Technically, stakeholders are all those who have an interest in a project, for example, as implementers, direct and indirect beneficiaries, employers' and workers' organization representatives, community leaders, donors, and government officials. For the Sri Lanka project, this includes but is not limited to the following groups:

1. USDOL Project Manager in Washington, DC (by phone)
2. ILO/FPRW staff and other relevant HQ staff
3. ILO Project Staff based in Sri Lanka
4. Director and relevant officials of the ILO Colombo Office
5. Selected individuals from the following project's beneficiaries or partners group in Sri Lanka:
 - Relevant staff from the Government
 - Relevant representatives from employers and workers' organizations
 - Employers and workers trained or assisted by the project.
 - US Embassy

Depending on the circumstances, these meetings will be one-on-one or group interviews. The exact itinerary will be determined based on scheduling and availability of interviewees. Meetings will be scheduled in advance of the field visit by the project staff, coordinated by the designated project staff, in accordance with the evaluator's requests and consistent with these terms of reference. The evaluator should conduct interviews with beneficiaries and stakeholders without the participation of any project staff.

5. Field Visits

The evaluator will visit a selection of project sites. The final selection of field sites to be visited will be made by the evaluator. Every effort should be made to include some sites where the project experienced successes and others that encountered challenges. During the visits, the evaluator will observe the activities and outputs developed by the project. Meetings will be scheduled in advance of the field visits by the ILO project staff, in accordance with the evaluator's requests and consistent with these terms of reference.

6. Post-Field Meeting

Upon completion of her mission, the evaluator will provide a debriefing by phone to USDOL on the preliminary findings, as well as the evaluation process.

D. Sampling, Site Selection and Data Collection Methodology

Criteria for selecting project intervention zones

The evaluator will visit three Export Processing Zones (EPZs) from among the EPZs where the project intervenes. The selection of the EPZ should satisfy the following proposed criteria:

1. The EPZ should host a representative sample of the various enterprise sectors and types on enterprises which are implanted in project targeted EPZ (textile, electronics, etc.).
2. Should enable the evaluator to interview relevant field level stakeholders (managers of trade union facilitation centers, representatives of workers' councils, EPZ employers' association, and labor officials).
3. Should enable the evaluator to conduct focus group discussions with participants in all of the main project interventions including project supported Trade Union (TU) training of trainers and TU awareness raising/training activities for workers on their fundamental rights and workplace cooperation, project capacity building for worker councils, project capacity building for employers' organizations targeting EPZ enterprise human resource managers and other managers on improving workplace cooperation strategies, participants in labor official training at the EPZ level and users of Labor Inspection Systems Application.
4. Inclusion of a cross-section of EPZ level partners considered by the project to be doing well and not so well in terms of capacity building efforts and engagement in the project.

Criteria for sampling interviewees/beneficiaries:

Workers and Employers:

1. In each EPZ site visited, the evaluator will meet with workers who have directly or indirectly participated in the project. The sample will include workers with and without trade union affiliation (to reflect the various approaches in place to promote workplace cooperation ie workers councils and trade union activities). The sample should also ensure that both men's and women's and older and younger workers' perspectives are solicited.
2. A cross-section of enterprise managers will be met in each EPZ, including those who have taken up project services and those who have not.

Local government, implementing partners and other stakeholders:

1. Key staff of ILO and its implementing partners who have key implementation responsibilities under the project.
2. Representatives of social partners to be interviewed will be those with whom the project directly interacts at both the National and EPZ level.
3. Representatives of other development partners working on FPRW issues with whom the project has interacted or intends to interact in the EPZs.

Data collection methods:

The data collection methods will comprise a combination of individual interviews and focus group discussions with representatives of all key stakeholders, including direct and indirect beneficiaries and implementing partners. The evaluation instruments will comprise a set of question guides for individual interviews and focus group discussions per stakeholder group that will be developed by the evaluator prior to the field visit to address the evaluation questions. These guides will allow a degree of flexibility to respond to issues that arise during the field work.

In interviews and conversations with EPZ workers and enterprise representatives, small group methods will be used, using interactive methods that enable participants to share their perspectives. Effort will be made to ensure that the confidentiality of participants is protected so that they can be encouraged to freely share their impressions of the project and project outcomes in the workplace. Meetings with workers in particular will need to be scheduled ahead of time (including identifying the participating workers) to secure permission from their employer if they need time off from regular work and to arrange an appropriate location for the discussion.

A national level stakeholder workshop will be held with a wide range of stakeholder representatives as described further below. The agenda of the meeting will be developed in consultation with ILO and confirmed during the first week of the evaluation. Group discussion guides will be developed by the evaluator and appropriate stakeholder groupings will be determined in consultation with ILO.

Data will also be collected from the TPRs and other project documents including any internal review reports made available to the evaluator as part of the document review to address the evaluation questions.

E. Ethical Considerations and Confidentiality

The evaluation mission will observe utmost confidentiality related to sensitive information and feedback elicited during the individual and group interviews. To mitigate bias during the data collection process and ensure a maximum freedom of expression of the implementing partners, stakeholders, communities, and implementing partner staff will generally not be present during interviews. However, implementing partner staff may accompany the evaluator to make introductions whenever necessary, to facilitate the evaluation process, make respondents feel comfortable, and to allow the evaluator to observe the interaction between the implementing partner staff and the interviewees.

F. Stakeholders Meeting

The stakeholder workshop will take place on March 30, 2015. This meeting will be conducted by the evaluator to provide feedback on and validate initial evaluation results. It will bring together a wide range of stakeholders, including the implementing partners and other interested parties. The agenda of the meeting will be determined by the evaluator in consultation with project staff. The list of participants to be invited will be drafted prior to the evaluator's visit and confirmed in consultation with project staff during fieldwork. The exact program for the workshop will be decided jointly with the senior project staff during the first week of the evaluation.

The stakeholder workshop will be used to present the major preliminary findings and emerging issues, solicit recommendations, and obtain clarification or additional information from stakeholders, including those not interviewed earlier. The presentation will concentrate on good practices identified at the time of the evaluation, lessons learned and remaining gaps as identified by all the stakeholders. The role of the evaluator is to analyze and represent the viewpoints of the various individuals and documents consulted. The evaluator will use their experience from similar evaluations to share and enrich understanding of the information gathered during the evaluation.

G. Limitations

The evaluator may not have enough time to visit all project sites. As a result, the evaluator will not be able to take all sites into consideration when formulating their findings. All efforts will be made to ensure that the evaluator is visiting a representative sample, including some that have performed well and some that have experienced challenges.

This is not a formal impact assessment, therefore (lacking rigorous experimental methods) the evaluator should take care when describing links between the project's interventions and observed results to avoid attribution without supporting evidence. Findings for the evaluation will be based on information collected from background documents and in interviews with stakeholders, project staff, and beneficiaries. The accuracy of the evaluation findings will be determined by the integrity of information provided to the evaluator from these sources and the ability of the latter to triangulate this information.

Furthermore, the ability of the evaluator to determine efficiency will be limited by the amount of financial data available. A cost-efficiency analysis is not included because it would require impact data which is not available.

H. Timetable

The tentative timetable is as follows. Actual dates may be adjusted as needs arise.

Task	2015 Date(s)
Draft TOR submitted to USDOL	Mon, Jan 19
Evaluator submits Methodology to SFS	Mon, Jan 26
Evaluator submits List of Stakeholders/Interviewees for ILO feedback	Mon, Jan 26
Input received from USDOL and ILO on Draft TOR	Mon, Feb 9
Logistics Call	Fri, Feb 20
Evaluator submits Question Matrix to SFS	Mon, Feb 23
SFS submits Question Matrix to USDOL	Wed, Feb 25
Cable Clearance Request sent to USDOL	Mon, Feb 23
Evaluator interviews USDOL	Wed, March 4
TOR Finalized	Fri, March 6
Finalized Field Itinerary and Stakeholder List for Workshop	Mon, March 9
Contract signed by Evaluator	Mon, March 9
Fieldwork	March 16-27
Stakeholders Meeting	Mon, March 30
Post-fieldwork Debrief Call with USDOL	Mon, April 6
Draft Report sent to SFS for quality review	Mon, April 13
Draft Report to USDOL and ILO for 48 hour review	Mon, April 20
Draft Report sent to USDOL, ILO and stakeholders for comments	Wed, April 22
Comments due to SFS	Wed, May 6
Revised Report sent by Evaluator to SFS for quality review	Tues, May 12
Revised Report sent to USDOL	Fri, May 15
Approval from USDOL to Copy Edit/Format Report	Fri, May 22
Final Report sent to USDOL	Fri, May 29

IV. EXPECTED OUTPUTS/DELIVERABLES

Ten working days following the evaluator's return from fieldwork, a first draft evaluation report will be submitted to SFS. The report should have the following structure and content:

- I. Table of Contents
- II. List of Acronyms
- III. Executive Summary - providing a brief overview of the evaluation including sections IV-IX and key recommendations (5 pages)
- IV. Background and Project Description, including Context (1-2 pages)
- V. Evaluation Objectives and Methodology- including the list of Evaluation Questions and

Intended Audience (3-4 pages)

- VI. Evaluation Findings, including: (15 pages)
 - Findings – Answers to each of the evaluation questions, organized around the TOR key areas, with supporting evidence included
 - Conclusions – interpretation of the facts, including criteria for judgments
- VII. Main Conclusions - a summary of the evaluation's overall conclusions (1-2 pages)
- VIII. Lessons Learned and Good Practices (1-2 pages)
- IX. Recommendations - identifying in parentheses the stakeholder to which the recommendation is directed (1-2 pages)
 - Key Recommendations – critical for successfully meeting project objectives and judgments on what changes need to be made for future programming
 - Other Recommendations – as needed
- X. Annexes, including but not limited to:
 - An overview of project progress
 - TOR
 - Question Matrix
 - List of documents reviewed
 - List of interviews, meetings and site visits
 - Stakeholder workshop agenda and participants

The total length of the report should be approximately **30 pages** for the main report, excluding the executive summary and annexes.

The first draft of the report will be circulated to OTLA and ILO for a 48 hour review. This initial review serves to identify and correct potentially sensitive information and/or inaccuracies before the report is released for formal, detailed comments. Then the draft report will be officially submitted to OTLA, ILO, and key stakeholders individually for a full two week review. Comments from stakeholders will be consolidated and incorporated into the final report as appropriate, and the evaluator will provide a response to OTLA, in the form of a comment matrix, as to why any comments might not have been incorporated.

While the substantive content of the findings, conclusions, and recommendations of the report shall be determined by the evaluator, the report is subject to final approval by ILAB/OTLA in terms of whether or not the report meets the conditions of the TOR. **All reports, including drafts, will be written in English.**

V. EVALUATION MANAGEMENT AND SUPPORT

SFS has contracted with Sandra J. Wark to conduct this evaluation. The Evaluator is responsible for conducting the evaluation according to the TOR. She will:

- Finalize and submit the TOR
- Review project background documents
- Review the evaluation questions and refine the questions, as necessary
- Develop and implement an evaluation methodology (i.e., surveys, conduct interviews, review documents) to answer the evaluation questions, including a detailed discussion of constraints generated by the retrospective nature of this evaluation methodology and data collection and how those constraints could be avoided in future projects
- Conduct planning meetings/calls, as necessary, with USDOL and ILO
- Decide composition of field visit interviews to ensure objectivity of the evaluation
- Present verbally preliminary findings to project field staff and other stakeholders as determined in consultation with USDOL and the ILO
- Prepare an initial drafts (48 hour and 2 week reviews) of the evaluation report and share with USDOL and ILO
- Prepare and submit final report

USDOL is responsible for:

- Drafting the initial TOR
- Reviewing CV of the proposed Evaluator
- Providing project background documents to the Evaluator (responsibility is shared with ILO)
- Obtaining country clearance
- Briefing ILO on upcoming visit and work with them to ensure coordination and preparation for evaluator
- Reviewing and providing comments of the draft evaluation report
- Approving the final draft of the evaluation report
- Participating in the post-trip debriefing
- Including USDOL Evaluation Contracting Officer's Representative (COR) on all communication with evaluator(s)

ILO is responsible for:

- Reviewing the TOR, providing input, as necessary, directly to the evaluator, and agreeing on final draft

- Providing project background materials to the evaluator
- Preparing a list of recommended interviewees
- Scheduling meetings for field visit and coordinating in-country logistical arrangements
- Reviewing and providing comments on the draft evaluation reports
- Organizing and participating in the stakeholder debrief
- Including USDOL program office on all communication with evaluator

SFS is responsible for:

- Finalizing the TOR with input from USDOL, the ILO and the Evaluator
- Circulating the report to USDOL, ILO/FPRW and the ILO Colombo Office to collect their comments
- Providing quality assurance for the evaluation
- Providing logistical and administrative support to the evaluator, including travel arrangements (e.g. plane and hotel reservations, purchasing plane tickets, providing *per diem*) and all materials needed to provide all deliverables
- Providing the management and technical oversight necessary to ensure consistency of methods and technical standards

ANNEX 3: EVALUATION QUESTION MATRIX

FINAL EVALUATION FOR FPRW IN SRI LANKA	
Evaluation Question	Source of Data
Validity of the Project Design	
<p>1. To what extent was the project design logical and coherent? Were the objectives/outcomes, targets and timing clearly established and realistically set? Assess the project objective to revise the labor inspection system. Was this objective realistic and valid?</p>	<p>1. Document review of:</p> <ul style="list-style-type: none"> • Project Document • Project PMP • Project work plan • Project TPRs • Report on Project Audit of Inspectorate • Draft policy on inspectors <p>2. Stakeholder interviews</p> <ul style="list-style-type: none"> • Interviews with Ministry of Labor officials, Inspectorate • Interviews with project management <p>To determine: objectives set, how they were set, achievements, shortfalls, constraints, next steps</p>
<p>2. How appropriate and useful are the indicators described in the project document in assessing the project's progress? Is the project's performance monitoring plan (PMP) practical, useful, and sufficient for measuring progress toward achieving project objectives? How is the gathered data used? How could it be used better?</p>	<p>1. Document review of:</p> <ul style="list-style-type: none"> • Project Document • Project PMP • Revised Project Logframe <p>2. Interview with project management:</p> <p>Describe the project monitoring plan and implementation? How was it established? How was it used? What tools did the project use to collect information on its performance and outcomes?</p> <p>What constraints did the project experience in tracking its performance (example, how did it track and verify how many/who was trained in various training programs?)</p> <p>What constraints did the project experience in tracking/verifying its outcomes? <u>Triangulate with project implementing partners (i.e. organizations that delivered training).</u></p> <p>Were there key pieces of information that the project needed for management/decision making that it was not able to access?</p> <p>3. Interview with donor: Do you feel the information you received from the project gave you an adequate picture of its progress and outcomes? What additional information would you have liked to receive?</p>
Relevance and Strategic Fit	
<p>3. To what extent were the project's immediate objectives consistent with the needs of key stakeholders including workers, employers, labor ministry officials in charge of labor inspections,</p>	<p>1. Document review:</p> <p>Various Assessment Reports (inspectorate audit, study and assessment of CBU)</p>

<p>worker and employer organizations, Sri Lankan Board of Investment representatives, judges and the labor tribunals.?</p> <p>Were appropriate needs assessments or diagnostics conducted at the inception of the project?</p> <p>Have the needs of these stakeholders changed since the beginning of the project in ways that affect the relevance of the program?</p>	<p>2. Interviews with Main Stakeholders:</p> <ul style="list-style-type: none"> • Government: MOLMP (CGL, Inspectorate, CBS Unit) • Employers: EFC, BOI, FTZMA • Trade Unions: List TBD w/PM- Free Trade Zone General Service Employees Union (FTZGSEU) and Commercial and Industrial Workers Union (CIWU) Progress Union, Sri Lanka Nidahas Sevaka Sangamaya (SLNSS), National Trade Union Federation (NTUF) <p>What have been the major challenges and opportunities facing your organization in relation to promoting good labor- management relations, facilitating social dialogue among social partners, improving working conditions and enhancing productivity?</p> <p>Did (and if so how) the project provide assistance to address these? What project activity was the most relevant to your needs? Which was the least relevant?</p> <p>What more could the project have done to help you?</p> <p>Were you consulted on the design of Phase II? How? Was your feedback taken into consideration (triangulate with stakeholder comments recorded in mid-term review doc)</p> <p>Were you consulted during for the following major project products and/or diagnostic exercises:</p> <ul style="list-style-type: none"> • Development of the Guide on labor laws for labor officials and workers • Participatory Analysis of Collective Bargaining Unit Capacity • Labor Inspection assessment (training and policy issues) • Diagnostic on labor administration use of mediation and conciliation
<p>4. Was there tripartite agreement on the changes needed to bring labor law into full compliance with ILO principles of freedom of association and the right to collective bargaining?</p> <p>Was a roadmap for changes developed?</p> <p>How collaborative or inclusive was the process?</p>	<p>1. Project TPRs</p> <p>2. Interview with project management, social partners including NLAC rep</p> <p>How did the project establish its objectives on which additional legal provisions (laws, circulars) it should focus its technical assistance under component 1? Who was involved? Were there tripartite consultations?</p> <p>Was a plan and process put in place to achieve changes?</p> <p>What happened? What achievements? What shortfalls? What constraints?</p>
<p>Project Progress and Effectiveness</p>	
<p>5. Is the project on track to complete the project targets according to schedule? If not, what have been the obstacles to achievement both in terms of factors that the project is able to influence and</p>	<p>1. Document review</p> <ul style="list-style-type: none"> • Phase II Logframe • Phase II Work plan (if it exists for Phase II) • Phase II PMP (if exists for Phase II)

external factors beyond its control?	<ul style="list-style-type: none"> • Project TPRs • Comparison of plan with actual achievements <p>2. Interviews with key representatives of social partners, project management</p> <p>Confirm analysis of achievements/shortfalls, request views on why some targets were not achieved (internal project factors and external factors)</p> <p>3. Background research on relevant social, political, economic events in Sri Lanka during Phase II implementation</p>
6. How effectively have project resources been used in reaching the milestones to date?	<p>1.Document Review</p> <ul style="list-style-type: none"> • Project budget • Project financial reports • Major Activity or Sub grant datasheets/budgets <p>2. Interview with project management on staffing, use of national consultants, use of international consultants, contributions from other sources, leveraging collaboration with other projects with similar goals</p>
7. How effectively has the project engaged stakeholders in project implementation? How effective has the project been in establishing national ownership? What is the level of commitment of the government, the workers' and employers' organizations to, and support for, the project? How has it affected its implementation? Provide analysis of the project's involvement with the ADCOR Trust, NATURE, NILS, the BOI, and MOL, NLAC, and the EFC. Were efforts at coordination/collaboration effective? Why or why not?	<p>1. Document review: Project TPR</p> <p>2. Interviews with organizations listed in question:</p> <ul style="list-style-type: none"> • Meeting with relevant TU • Meeting with ADCOR trust, NATURE, NILS, BOI, EFC, MOL, NLAC <p>What was your role in the project? What were the mechanisms used by the project to elicit your engagement in project implementation? How effective were these? How could project management have done better?</p>
Efficiency of Resource Use	
8. Have resources (funds, human resources, time, expertise, etc.) been allocated strategically and efficiently to achieve outcomes? How might they have been allocated more effectively?	Same as question 6.
Effectiveness of Management Arrangements	
9. Was the project adequately staffed? What are the key strengths of the technical team responsible for the project's interventions? What are the areas for improvement?	<p>1. Interview with project management, with donor, with ILO regional director and ILO/Geneva technical oversight on project management structure, roles and responsibilities.</p> <p>Were roles clearly defined? Were technical and administrative support services to project manager adequate? Was communication/coordination within the ILO adequate?</p> <p>What were the main project implementation challenges?</p>

	<p>What if anything would managers do differently based on Phase I and Phase II experiences?</p> <p>How did various project management components contribute to achievements, addressing problems, overcoming constraints?</p>
10. To what extent did management capacities and arrangements put in place support the achievement of results?	Same as question 9 above.
11. Did the project governance and management facilitate good results and efficient implementation?	<p>1. Interviews with main social partners:</p> <p>What were strengths and weaknesses of project management during Phase II? Was project implementation sufficiently flexible to be able to deal with unforeseen events? Were the needs and perspectives of all social partners considered when taking decisions about the project direction?</p> <p>How did ILO international experts contribute to project results? Did the project fully leverage national institutions and experts?</p> <p>What could other projects learn from this one in terms of management practices?</p> <p>2. Interview with donor:</p> <p>What were strengths and weaknesses of project management during Phase II? What could other projects learn from this one in terms of management? What could the ILO have done better?</p> <p>What has been your role in various phases of project implementation? How were you involved in the design of subsequent project phases?</p> <p>Were you adequately informed by project management about progress and strategies for dealing with unforeseen challenges and opportunities?</p>
Effectiveness of Project Interventions	
12. Are there external factors influencing the delivery of project services? Have there been any changes in the accessibility of labor inspectors to all workplaces in the project targeted areas, i.e. within or outside the EPZs? Has the problem of carrying personal identification documents during inspections been resolved?	<p>1. Document review</p> <ul style="list-style-type: none"> • Project TPRs • Background material on major social, economic, and political events in Sri Lanka. How did these affect stakeholder commitment to project implementation. How did events external to the project affect labor relations in Sri Lanka (ex. Ansel strike, elections) <p>2. Interviews</p> <p>ILO Director:</p> <p>Please provide an overview of challenges in the country operating environment during project implementation period. Has there been political and economic stability? Effect of elections and political change over?</p> <p>What are the main variables influencing labor relations in</p>

	<p>Sri Lanka? How does the FPRW project fit within the overall decent work strategy in Sri Lanka?</p> <p>Project Manager:</p> <p>What are the challenges with proposed reforms to the Sri Lankan system for labor inspection? How effective have project downstream activities been in the EPZs?</p> <p>What has changed during Phase II? What hasn't changed?</p> <p>Question about labor inspectors.</p> <p>Social partners:</p> <p>What is the history of labor inspection in EPZ? What weaknesses were identified by social partners? Have these been addressed? How has the project contributed?</p>
<p>13. What improvements has the project made towards minimizing conflict and settling disputes in the industrial environment in general, and in the EPZs in particular? How have labor rights in the EPZs been addressed or improved through the project's interventions? Has the project in any way lent itself to supporting women's leadership in the unions or in the unionizing process? What specific issues relating to women workers have been addressed as part of the program?</p> <p>Was this by design or not?</p>	<p>1. Document review: project document, project TPR, project and/or other ILO/USDOL assessments of labor relations in EPZ , other relevant research on labor relations in EPZ</p> <p>2. Interviews</p> <p>Project Manager:</p> <p>How effective have project downstream activities been in the EPZs? What has changed during phase II? What hasn't changed?</p> <p>Has project influenced the quality of labor inspection in EPZs? If so, how? If not, what are the constraints?</p> <p>Social partners:</p> <p>What is the history of labor relations in EPZ? How effective have project downstream activities been in the EPZs?</p> <p>What has changed during Phase II? What hasn't changed?</p> <p>Has the project been able to balance its objectives to promote enterprise competitiveness and respect for FPRW in the EPZs?</p> <p>Did the project integrate gender considerations in its strategy? Did this result in any changes for women trade unionist? For women workers?</p>
<p>14. What are the challenges to worker participation, and how might they be overcome as the project transitions into its sustainability and exit strategy phase? Have the roles and functions of Employees Councils been adequately distinguished from the roles and functions of trade unions? Have operational guidelines been developed to strengthen the Employee Council System?</p>	<p>1. Focus group with EPZ workers, including employee council members.</p> <p>Are worker views taken into consideration in EPZ factories? What mechanisms are used for enabling worker/employer dialogue on improving working conditions and/or factory productivity?</p> <p>What is an example of effective dialogue in an EPZ factory? What is an example where dialogue has been absent?</p> <p>What is the role of the TUs? What is the role of the ECs?</p> <p>2. Focus group with EPZ employers engaged in project:</p> <p>How have you been involved in the project? Has it been</p>

	<p>useful? What outcomes?</p> <p>Explain the HR network and how it works? Has it been sustained in phase II? Is it likely to be sustained in Phase III and beyond? Has it contributed to workplace cooperation in EPZ enterprises? How?</p> <p>2 .Interviews with TU reps and employer organization managers based in EPZ:</p> <p>What are the main mechanisms in place for bipartite dialogue in EPZs? Has the project strengthened these? What more needs to be done that can be done by the project in its final phase to have a sustainable impact of labor relations in the EPZ?</p> <p>For TU, what is the role of the TU Facilitation centers in the EPZ? What has the project done to strengthen the role played by these centers to protect workers' rights, strengthen bipartite dialogue and promote workplace cooperation?</p> <p>BOI:</p> <p>Explain the role and function of an employee council? What has the project done to strengthen employee councils in Phase II of the project? Have operational guidelines to strengthen the system been developed?</p> <p>How is the project supporting implementation? What more could it do? How does the role of the TUs compare with the role of the ECs in promoting good industrial relations? (triangulate by asking same question to employers and TUs)</p>
<p>15. What was the nature of training received and what evidence is there that it has been effectively applied? Were the training services provided relevant? What are the areas for improvement? Please include your assessment of the quality and effectiveness of: a) the module based training material and training strategy, b) the training given to 20 BOI enterprises, and c) trainings given to middle level and junior management supervisors in EPZ enterprises, d) the training for labor inspectors; and e) training for labor judges.</p>	<p>1. Discussion with people involved in designing and delivering relevant training programs or if not available (some might be international consultants) project management to explain the process and outcomes of developing/revising training materials on the labor code and workplace cooperation. Vision for module based training material and strategy vs. progress/achievements to date.</p> <p>2. Focus group discussion with participants of trade union "awareness raising" campaigns in one or more EPZ (Katuna, Biyagama, and/or Koggala).</p> <p>3. Focus group discussions with:</p> <ul style="list-style-type: none"> • EPZ enterprise HR network representatives • Trade union participants of para legal training • Inspectors who participated in inspector training • If TOT model used, focus group with trainers but also interviews/discussions with persons who were trained by trainers <p>Was there training in Phase II for labor judges?</p> <p>What was the training about? What was good about the training? What could have been better?</p>

	<p>Have you been able to use anything that you learned in the training in the workplace? How? What kind of additional support would you need to be able to apply what you learned?</p>
<p>16. Have guidelines been developed on labor dispute resolution for use by workers, employers, and labor officials? Was the BOI manual on labor standards and employment relations revised or amended to meet CFA and CEACR Observations? What, if any challenges, arose in producing these outputs?</p>	<p>1. Review relevant docs:</p> <ul style="list-style-type: none"> • Guidelines on labor dispute resolution (if they exist in this form) • CFA and CEACR Observations (available online) • BOI manual on labor standards and employment <p>2. Interviews:</p> <p>Project management:</p> <p>Please explain project approach to strengthening labor dispute resolution? Did work go as planned to strengthen MOL capacity for mediation and conciliation for dispute resolution? Has this reached the EPZs?</p> <p>If they are available interview persons who worked on A/R guidelines, manual or observations.</p> <p>BOI:</p> <p>Explain the role and function of an employee council? What has the project done to strengthen employee councils in Phase II of the project?</p> <p>Have operational guidelines to strengthen the system been developed? How is the project supporting implementation? What more could it do?</p> <p>Has the BOI revised its manual on labor standards and employment relations since the initiation of the FPRW project? If so, how? If not, does it have plans for this?</p>
<p>Impact Orientation and Sustainability, including Effectiveness of Stakeholder Engagement</p>	
<p>17. What was the nature of the commitment from national stakeholders, including the Government of Sri Lanka, the labor movement, and the private sector? How has the relationship been handled by the project in general and in times of crisis? What are opportunities for greater engagement?</p>	<p>1. Document review: Conduct background research to try to identify any issues which could possibly influence project implementation/stakeholder commitment (trade negotiations, international supply chain issues, consumer movements) in a significant way</p> <p>Project TPR (especially section on problems/proposed solutions)</p>
<p>18. Has the project communicated effectively with national stakeholders? Do the stakeholders feel that their concerns have been sufficiently addressed?</p>	<p>2. Interviews with main social partners and project management. Individual or Focus Group interviews with members of Tripartite Advisory Committee, Tripartite Learning Committee (the former were referred to in the midterm review, not sure if they were active in Phase II) Triangulate with project management evaluation of its collaboration and communication with these committees and the main entities that are part of the committees</p> <p>How did the project interact with them? What were the key mechanisms used for communication? Were they kept informed on project progress?</p>

	<p>Did these committees provide a forum for expressing their concerns? Were they able to use these to contribute to setting project priorities and strategies? Were there other forums used to do this?</p>
<p>19. To what extent has the project effectively leveraged the dialogue forums for trade unions operating in the EPZ's? Have they been successfully established? If so, has their existence led to regular interaction with BOI officials on issues relevant to workers?</p>	<p>What are dialogue forums? Facilitation centers for trade unions on the premises of the BOI? Something else?</p>
<p>20. How might the program's services need to be adjusted in the third phase in light of the project ending in 2016? Assess the effectiveness of the bipartite and tripartite dialogue forums established in the EPZs. Are these fora likely to function and remain relevant/effective once the project ends?</p>	<p>1. Interviews with main social partners and project management. Triangulate views.</p> <p>What has the project started or accomplished that you think is important to continue and sustain in phase III and beyond?</p> <p>How likely do you think that national level activities will continue (examples labor code reform? Strengthening labor inspection? Strengthening role of MOL in collective bargaining, labor dispute resolution)</p> <p>What are the opportunities to replicate field level (i.e. EPZ based) training/capacity building programs? What is required to continue training/capacity building activities for employers/workers? Who needs to be involved and committed for this to be feasible?</p>
<p>21. Have the targeted number of enterprises (20) established a labor-management relations process? If so, provide details of the challenges and opportunities presented thus far, and their potential to sustain improved relations beyond the life of the project.</p>	<p>1. Document review: Project TPR and/or reports on EPZ employer activities.</p> <p>2. Focus group of EPZ employers engaged in project:</p> <p>How have you engaged in the project? What training? Training usefulness? What other kinds of activities?</p> <p>Please explain project work with the HR network? Has it contributed to workplace cooperation in EPZ enterprises? How?</p> <p>What else is planned to strengthen labor relations management?</p>
<p>22. What are the key elements that the project developed during this time that could be sustained beyond the life and the context of the project (e.g. capacity transferable to the MoLMP, trade unions or other target groups and partners)?</p>	<p>1. Document review</p> <ul style="list-style-type: none"> • Sustainability strategy presented in PRODOC • Project progress report discussion on sustainability • Comments on sustainability in mid-term review <p>2. Stakeholder Interviews/focus groups</p> <p>To all project stakeholders:</p> <p>Which project achievements (example, dialogue mechanisms, training programs, reforms in law and practice) merit your organization's efforts to sustain after the project? Why?</p> <p>What has the project done to date to promote the</p>

	<p>sustainability of its relevant actions/achievements? What are the risks/constraints to these (mechanisms, programs, reforms) being sustained?</p> <p>What can/should be done in the final project phase (Phase III) to mitigate risks and overcome constraints?</p>
<p>23. How effective were project strategies and related activities to strengthen the Collective Bargaining and Social Dialogue Unit to promote workplace cooperation and resolve disputes through conciliation and mediation mechanisms in the EPZ?</p>	<ol style="list-style-type: none"> 1. Document Review: Project TPR, relevant consultant reports 2. Focus group discussion with key informants within CBU
<p>24. Did (and if so how?) the computerized labor inspection system increase the capacity of the labor inspectorate to improve compliance with national labor legislation.</p>	<ol style="list-style-type: none"> 1. Document review: System Needs assessment, design documents 2. Demo of system 3. Focus group discussion with users
<p>25. Is the gender dimension adequately addressed by the project in relation to all three components e.g. how sensitive to substantive gender equality in the world of work are the law reforms/revisions to the 6 Acts proposed? Has workplace cooperation provided for female participation specifically or as a matter of chance? How do women labor inspectors perceive LISA – more work, less work especially in meeting the perennial challenge for work-life balance?</p>	<ol style="list-style-type: none"> 1. Document review- gender in strategy, in reporting 2. Interviews: integrate as cross-cutting element in relevant interviews and focus groups <p>Did both genders benefit equally from project interventions? What are the differences? What could have been done differently?</p>
<p>26. What can the project team do better in terms of ensuring that gender is well mainstreamed into the work we plan to do under the project, based on lessons learned to date (also the good practices).</p>	

ANNEX 4: LIST OF DOCUMENTS REVIEWED

1. Advance Certificate Course, Conditions of Employment, Labour Standards and Rights at Work, (Draft), ILO Colombo Office, December 2012.
2. Briefing on ILO Office Work, Donglin Li, ILO Country Director for Sri Lanka and the Maldives, March 16, 2015
3. Decent Work Country Program Sri Lanka 2013-2017 International Labour Organization
4. USDOL Comments on Sri Lanka Phase II project log frame
5. Emerging Trends in Employee Participation in Sri Lanka, ILO Working Paper No. 46, Shyamali Ranaraja, January 2013
6. Establishing a Specialist Mediation Unit within the Ministry of Labour and Labour Relations of Sri Lanka, Clive Thompson, 24 December, 2014.
7. Field Guide for Labour Inspectors, Department of Labour Sarath Ranaweera, Daya Senarathne, Norton Fernando, Edited by Upali Athukorala. International Labour Organization, 2011.
8. ILO Programs in Department of Labour 2010-2015, Work completed under the “Declaration” project (provided to evaluator by the Sri Lanka Ministry of Labour.”
9. ILO/USDOL Mid Term Assessment
10. “Labour Inspection Policy 2013: Effective Labour Inspection for Achieving Equity and Economic Growth in Sri Lanka” (Draft 12 October 2012)
11. Labour Relations Situation in EPZZ as of 30 June 2014 (report on Employee Council, Trade Union Branches, Cooperative Agreements in EPZ provided by the Sri Lanka Ministry of Labour)
12. Labour Standards & Employment Relation Manual, Board of Investment of Sri Lanka, July 2010.
13. LISA Project Notes, Shiham Thabreez, Lisa Project Consultant, 17 March, 2015.
14. “Promoting decent work in export processing zones (EPZs) in Sri Lanka,” A. Sivananthiran, 2007.
15. “Promoting Fundamental Principles and Rights at Work in Sri Lanka” Final Project Document
16. “Promoting Fundamental Principles and Rights at Work in Sri Lanka” Phase II Log Frame.
17. “Report to the International Labour Organization – Colombo Office on the Workshops conducted for Companies in the Export Processing Zone” Association for Dialogue and Conflict Resolution.
18. Sri Lanka FPRW Project Advisory Council Minutes 15 August, 2014 and 7 November 2014.

19. Study to Analyse and Update Data Collection Methods in Labour Inspection Systems in Sri Lanka, final report.
20. Technical Progress Reports, “Promoting Fundamental Principles and Rights at Work in Sri Lanka” ILO, all reporting periods from July-September 2011 to September-December 2014.
21. Workplace Relations Act (Draft Act), provided by the Employers Federation of Ceylon
22. Work plan FPRW (Phase III) & FOACB projects - 2015

ANNEX 5: LIST OF INTERVIEWS, MEETINGS AND SITE VISITS

Date	Time	Meeting
16 th March 2015	10.00-10.30 am	ILO Country Director – Sri Lanka and Maldives, National Program Coordinator, Senior Program Officer, Program Assistant
	11.00-11.30 am	Project Manager
	12.00-01.00 pm	Lunch with Country Director
	2.30-3.30 pm	former Sec. MOLLR former General Commissioner of Labor
	3.30-4.30 pm	ILO consultant for Labor Inspector Guidelines
17 th March 2015	10.00-10.30 am	Deputy Director General – Employers Federation of Ceylon
	1.30-2.30 pm	Director Industrial Relations Assistant Director Legal Sri Lanka Board of Investments
	3.00-4.00 pm	General Secretary of the Free Trade Zone General Services Employees Union (FTZGSEU)
	5.00-6.00 pm	Focus group discussion participants in FTZGSEU worker education programs
18 th March 2015	8.30-10.30 am	Sec. Ministry of Justice and Labour Relations and Dept. of Labour team (including National Institute for Labour Studies and Collective Bargaining and Social Dialogue Unit)
	10.30-11.00 am	Minister of Justice and Labour Relations
	2.00-3.30 pm	LISA consultants. Followed by a focus group of LISA trainees and users.
19 th March 2015	9.00-9.45 am	ADCOR Consultant
	10.00-11.00 am	General Secretary, NATURE Project Coordinator for TU at CIWU
	2.00-3.00 pm	General Secretary SLNSS
20 th March 2015	9.00-11.30 am	Field visit to the Kandy North and Kandy South labor offices to meet LISA users and trainees.
	11.30-1.30 pm	Field visit- Factories to be identified by LISA consultant.
	1.30-2.30 pm	Lunch
21 st March 2015	7.00-9.00 pm	Meeting with Trainee TU leaders - CIWU
23 rd March 2015	11.30-12.30 pm	Skype call with Former National Program Coordinator
	2.00-3.00 pm	Meeting with Chairman, Free Trade Zone Manufacturers Association

24 th March 2015	5.00 pm onwards	Focus group discussion with HR managers, Kantunayake EPZ
25 th March 2015	10.00-10.30 am	Meeting with Minister of Plantation Industries/General Secretary LJEWU and NTUC
	11.00-12.00 pm	Deputy Commissioner of Labour Consultant, American Solidarity Center
	2.00-3.00 pm	Project Advisory Meeting (PAC)
26 th March 2015	7.30-8.30 am	Meeting with Director of the Judges Institute
	09.30-10.30 am	Meeting with Economic Officer – US embassy in Sri Lanka
	11.00-12.00 pm	Meeting with Chairperson of the BOI
27 th March 2015	5.00 pm onwards	Visit to the Koggala FTZ Focus group with women workers organized by FTZGSEU

ANNEX 6: STAKEHOLDER WORKSHOP AGENDA AND PARTICIPANTS

**External Independent Final Evaluation
Promoting Fundamental Principles and Rights at Work
Stakeholders' Meeting
30 March 2015**

Program

0900h - 0930h	: Registration of participants
0930h - 0935h	: Welcome and introduction to the workshop by Country Director, ILO office for Sri Lanka and the Maldives
0935h - 0940h	: Opening Remarks (Donor) by Economic Officer, Embassy of the United States for Sri Lanka and the Maldives
0940h - 0945h	: Opening Remarks (Trade Union) by General Secretary, SLNSS
0945h - 0950h	: Opening Remarks (Employer) by Director General, EFC
0950h - 0955h	: Opening Remarks (Government) by Secretary, MOL
0955h - 1025h	: Presentation of objectives of the evaluation and preliminary evaluation findings by Ms. Sandy Wark, Independent External Evaluator
1025h - 1040h	: Tea break
1040h - 1130h	: General stakeholder comments facilitated by Ms. Sandy Wark, Independent External Evaluator
1130h - 1230h	: Session on Good Practices and Lessons Learned facilitated by Ms. Sandy Wark, Independent External Evaluator
1230h - 1300h	: Session on recommendations facilitated by Ms. Sandy Wark, Independent External Evaluator
1300h - 1305h	: Summary by National Program Coordinator – ILO FPRW (Declaration) project
1305h	: Lunch

List of Invitees		
Designation	Organization	Attended
Evaluator	USDOL	YES
USDOL	USDOL	NO
FPRW Geneva	ILO	NO
Sec MOL	MOJLR	NO
Senior Assistant Sec. MOL/Head of NILS	MOJLR	YES
CGOL	MOJLR	NO
MOJLR Consultant - legal affairs	MOJLR	YES
Head of the Social Dialogue	MOJLR	NO

List of Invitees		
Designation	Organization	Attended
Unit		
ILO Consultant	LISA	YES
ILO Consultant	LISA	YES
ILO Consultant	LISA	YES
DG Employers Federation	EFC	YES
Dep. DG Employers' Federation	EFC	YES
Executive - Human Resource	EFC	YES
Consultant SCORE	SCORE SP	YES
Consultant ADCO	ADCOR	NO
Director, Industrial Relations	BOI	YES
Assistant Director, Legal	BOI	NO
Economic Officer	US Embassy	YES
Economic Specialist	US Embassy	NO
General Secretary	FTZGSEU	NO
General Secretary	SLNSS	YES
General Secretary	LJEWU	NO
Project Coordinator for TU	CIWU	YES
General Secretary	NATURE	NO
General Secretary	Progress Union	NO
HQ consultant for LISA		NO
HQ consultant for LISA		NO
Head of NIOSH	MOJLR	NO
	MOJLR (4)	NO
ILO Consultant		NO
Country Director	ILO	YES
Senior Program Officer	ILO	YES
Evaluation focal point/PA	ILO	NO
Program Assistant	ILO	YES
National Program Coordinator	ILO	YES
	ILO (3)	YES
	MOL- IR	YES
Deputy Commissioner of Labour	MOL	YES
	MOL (4)	YES
Translator		YES