

Final Performance Evaluation

Building the Capacity of the Philippines Labor Inspectorate



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ATTENTION

Lili Bacon, Contracting Officer's Representative
Bureau of International Labor Affairs
200 Constitution Avenue, NW
Washington, DC 20210

SUBMITTED BY

IMPAQ International, LLC
10420 Little Patuxent Parkway
Suite 300
Columbia, MD 21044
(443)256-5500
www.impaqint.com

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Final Performance Evaluation of *Building the Capacity of the Philippines Labor Inspectorate*
Evaluation Report (Final)

AUTHORS

Ramon Balestino, Lead Evaluator
Dorothy Mae Albiento, Evaluation Specialist

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This report describes in detail the final performance evaluation of the *Building the Capacity of the Philippines Labor Inspectorate* project (BC-PLIP). Fieldwork for this evaluation was conducted in June 2019. IMPAQ International, LLC (IMPAQ) conducted this independent evaluation in collaboration with the project team and stakeholders and prepared the evaluation report according to the terms specified in its contract with the United States Department of Labor. IMPAQ would like to express sincere thanks to all the parties involved for their support and valuable contributions.

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LIST OF ACRONYMS

| | |
|------------|---|
| ALU | Associated Labor Unions |
| AO | Administrative Order |
| APL-Sentro | Alliance of Progressive Labor–Sentro ng Nagkakaisa at Progresibong Manggagawa |
| BC-PLIP | Building the Capacity of the Philippines Labor Inspectorate Project |
| BWC | DOLE Bureau of Working Conditions |
| DO | Department Order |
| DOLE | Philippines Department of Labor and Employment |
| ECOP | Employers' Confederation of The Philippines |
| FAQ | Frequently Asked Question |
| FFW | Federation of Free Workers |
| FGD | Focus Group Discussion |
| GLS | General Labor Standards |
| GoP | Government of the Philippines |
| HR | Human Resource |
| ILAB | USDOL Bureau of International Labor Affairs |
| ILO | International Labour Organization |
| IO | Immediate Objective |
| IT | Information Technology |
| KII | Key Informant Interview |
| LLCO | Labor Law Compliance Officer |
| LLCS | Labor Law Compliance System |
| M&E | Monitoring and Evaluation |
| MIS | Management Information System |
| MoA | Memorandum of Agreement |
| NTIPC | National Tripartite Industrial Peace Council |
| NTUC | National Trade Union Congress |
| OSH | Occupational Safety and Health |
| OTLA | Office of Trade and Labor Affairs |
| PAC | Project Advisory Committee |
| PMP | Performance Monitoring Plan |
| PMS | Performance Monitoring System |
| RBM | Results-Based Management |
| SIO | Sub-immediate Objective |
| TEC | Tripartite Executive Committee |
| TUCP | Trade Union Congress of the Philippines |
| USDOL | United States Department of Labor |

EXECUTIVE SUMMARY

The Philippines is emerging as one of Asia's most significant economic actors. Connected to this macro-economic reality its labor sector, whose laws, regulations, and systems need to keep pace with the country's economic expansion. The Philippine's Department of Labor and Employment (DOLE) is responsible for providing labor protection services to approximately one million legal entities that employ more than 40 million workers across 17 regions. Complementing DOLE's labor efforts and policies is the Philippine tripartite system (i.e., DOLE, trade unions, and employers), which is highly functional, clearly organized, and legally grounded.

In response to this context, the United States Department of Labor (USDOL) directed resources to a project aiming to strengthen DOLE's Labor Law Compliance System (LLCS) and to support trade unions and employers to improve their members' knowledge of labor rights and obligations. In December 2014, the International Labor Organization (ILO) signed a three-year, \$1 million cooperative agreement with USDOL's Bureau of International Labor Affairs (ILAB) to implement the *Building the Capacity of the Philippines Labor Inspectorate* project (BC-PLIP). The project had two modifications—the second of which was a \$250,000 cost-extension that moved the project's close date to August 31, 2019.

BC-PLIP's development objective is "Improved workplace compliance with national labor laws." Two immediate objectives (IOs) support this development objective: IO 1, "Effectiveness of labor inspection conducted by LLCOs [labor law compliance officers] is improved," and IO 2, "Effectiveness of worker and employer engagement in the LLCS [Labor Law Compliance System] is improved." The major project beneficiaries and partners of BC-PLIP are DOLE for IO 1 and trade unions and employers—via the Employers Confederation of the Philippines (ECOP)—for IO 2.

USDOL ILAB, through its Office of Trade and Labor Affairs (OTLA), contracted IMPAQ International, LLC (IMPAQ) to conduct a final evaluation of the BC-PLIP project. The evaluation effort took place between June and August 2019. The results of this evaluation can be used to guide future programming efforts that seek to increase the capacity of labor inspectorates and social partners and, in turn, improve labor conditions and relations.

Summative Findings

The findings address the five key evaluation questions listed in the terms of reference. The questions are grounded in the USDOL evaluation criteria: relevance, efficiency, effectiveness, impact, and sustainability. BC-PLIP findings will be presented according to each evaluation question; for questions 1 and 4, the following scale was utilized to rate progress: ***low, moderate, above moderate, or high.***

Question 1. To what extent has the project achieved its theory of change?

- The Development Objective (*Improved workplace compliance with national labor laws*) cannot be assessed given a lack of results and indicators.
- IO 1 (*Improved effectiveness of labor inspection conducted by LLCOs*) is evaluated at an *above moderate* level of achievement.
- IO 2 (*Improved effectiveness of worker and employer engagement in the LLCS*) is evaluated at an *above moderate* level of achievement.

BC-PLIP has performed very well during its five years despite a slow start and limited financial resources. The project has taken full advantage of a conducive implementing environment, maximized work with tripartite partners, and leveraged DOLE and corresponding donor resources. Not meeting all indicator end targets and the lack of consistent and high-quality performance monitoring plan (PMP) data kept the project from achieving the highest possible ratings. Nonetheless, the project has made important contributions to the effectiveness, efficiency, and democratization of the Philippine labor inspectorate system. In this respect, it has made significant progress toward achieving its theory of change.

Question 2. Did the project cause unintended effects?

BC-PLIP generated unintended, beneficial effects for each key partner.

- **DOLE:** (1) Increased investment in labor rights and inspection; (2) Regional reflection and parallel efforts; (3) Identifying labor market trends and information; and (4) Utilization of management information system (MIS) data by other government bureaus and agencies.
- **Trade Unions:** (1) Inter-union collaboration; (2) Improvements in union services and advocacy; and (3) Improved relationship with DOLE.
- **ECOP (Employers):** (1) Improvement in ECOP services; and (2) A higher level of legitimacy and multiplier effects.

Question 3. What were key factors that facilitated and limited results achievement?

Facilitating Factors: (1) Philippines enabling environment; (2) Early and consistent stakeholder input; (3) Customized trainings and cascading the information; (4) Organizational development approach to IO1; (5) Compliance and receptivity of private sector; and (6) Implementor and USDOL dedication and knowledge.

Limiting Factors: (1) BC-PLIP project design and available resources; (2) Start-up delay; (3) Monitoring and evaluation (M&E) gaps; (4) Regional labor inspection capacity; (5) Finite capacity and resources of unions and ECOP; (6) Administrative Order (AO) 164 challenges.

Internal factors dominated the facilitation of BC-PLIP results achievement, while internal and external factors were equally responsible for limitations.

Question 4. What is the likelihood that project activities and results will continue absent USDOL resources?

BC-PLIP's sustainability potential—or likelihood that its major activities and results will continue after USDOL funding ends—is as follows:

- The Development Objective (*Improved workplace compliance with national labor laws*). The evaluation cannot assess sustainability for this result as it has no corresponding results. Indicators or activities.
- IO 1 (*Improved effectiveness of labor inspection conducted by LLCOs*). The probability of sustaining IO 1 activities and results is high.
- IO 2 (*Improved effectiveness of worker and employer engagement in the LLCS*). The probability of sustaining IO 2 activities and results is above moderate.

The overall probability that the benefits of BC-PLIP's outcomes will continue without the assistance of USDOL is evaluated as *above moderate*.

Question 5. What were the lessons learned, promising practices, and emerging trends?

The key lessons and promising practices learned from project implementation as well as current trends in Philippines labor context are as follows:

Lessons Learned. (1) Investing in data over long-term and facilitate ownership; (2) Power of Government of the Philippines (GoP) partnership; (3) Tripartite engagement and participation; (4) Importance of risk management for dismissals; (5) Early planning for sustainability and scale; (6) Multi-faceted work at local level; (7) Project design and initial indicators; (8) Importance of continuous incremental investment; and (9) M&E focus and consistency.

Promising Practices: Regional performance monitoring system; DOLE MIS; Business process reviews to strengthen MIS; ECOP virtual help desk; Trade union monitoring network; and Leveraging bipartite and tripartite bodies.

Emerging Trends: (1) Ending contracted labor and regularizing employment; (2) Case Management; (3) Occupational Safety and Health (OSH); (4) Alternative Dispute Resolution; (5) Compliance is a priority for multinational corporations; (6) Power of the MIS; (7) Supply chain inspections.

Recommendations

Nine recommendations are presented for consideration for future USDOL programming in Philippines or, as relevant, in other countries aiming to strengthen their national inspection system or key tripartite actors within it.

- 1. Focus strategically on regions.** In the Philippines, there is great need for future investment and programmatic focus on increasing the effectiveness and efficiency of inspection at the regional level. At least three decentralized programming options exist:
 - **Option 1: Balanced Model**, focusing on priority regions who possess stronger and more challenged regional offices;
 - **Option 2: Need-Based Model**, focusing on a priority group of regional offices; and
 - **Option 3: 17 Administrative Regions Model**, focusing on specific, tailored interventions across all regions.
- 2. Build on promising practices and address trends and needs in the Philippines.** There are priority areas that should be given programmatic consideration in future labor inspection projects, including: regional MIS use; building inspector capacity in specialized industries; concretizing OSH compliance in the workplace; a DOLE review of AO-164; replication and scale of good BC-PLIP trainings; building capacity in supply chain inspections; operationalizing case management approach; strengthening DOLE HR system; and building in-house MIS capacity.
- 3. Take a long-term approach to improve labor inspection in the Philippines.** USDOL should avoid short-term, intermittent programming and time gaps for labor inspection projects in the Philippines. Instead, it should engage in long-term planning and programming to maximize available and future resources to achieve success at the regional and field-office levels.

- 4. Conduct organizational development to strengthen unions and employer associations.** Considering the organizational development work of IO 1, USDOL could replicate a similar approach with unions and employer associations. An approach based on iterative assessment, planning, testing, and action could strengthen these organizations in a purposeful and strategic way.
- 5. Implement strategies to mitigate the risk of dismissals.** In project design and management, project implementers should be required to identify mechanisms that will ideally prevent or limit negative effects associated with strengthening labor rights, compliance or enforcement. For example, to limit staff dismissals, they could implement alternative dispute mechanisms or adapt tools such as “Do No Harm,” a concept used to maximize assistance in conflict scenarios by limiting negative repercussions.
- 6. Ensure M&E Rigor from project design to close.** The evaluation revealed numerous M&E challenges that should have been better managed by both ILO and USDOL. For each actor, the evaluation team recommends:
 - **USDOL:** more focused M&E support and technical input at project design and implementation is needed. USDOL may also wish to consider dedicating its M&E staff to specific projects (in teams with project managers).
 - **ILO:** more project resources and efforts on M&E. An important aspect of this is using best practice frameworks for indicator design. More attention and resources should also be given to hiring, training, and sustaining local M&E coordinators and support staff.
- 7. Consider a USDOL results-based management refresh.** USDOL ILAB could benefit from a capacity building refresh on results-based management (RBM). It is highly recommended that USDOL considers a refresh on the following RBM elements: developing sound results frameworks and theories of change; identifying and selecting indicators; developing, using and managing performance monitoring plans; results-based project management; and designing effective and efficient evaluations.
- 8. Build sustainability into project design.** Beyond new USDOL requirements that implementers focus on sustainability during implementation, consideration of sustainability must also be integrated into USDOL projects.
- 9. Initiate a USDOL project design review committee.** To better facilitate relevant USDOL project design and ensure that its theories of change are of the highest quality, USDOL should designate a project design review committee (i.e., composed of internal and external members close to the project, issue, or country), responsible for vetting and strengthening a given project’s theory of change and its corresponding results framework.

1. CONTEXT AND PROJECT DESCRIPTION

1.1 Labor Context in the Philippines

The Philippines is emerging as one of Asia's most significant economic actors. Robust public and private investment, sound public policies, and a favorable global economic environment have allowed strong gross domestic product (GDP) growth rates (projected at 6.7 percent in 2019), which are forecasted to continue into the near term.¹ Driving this growth are key domestic industries that include agriculture, forestry and fishing, manufacturing (including mining, construction, electricity, gas, and water), services, and trade.²

Connected to this macro-economic context is the Philippine labor sector, whose laws, regulations, and systems need to keep pace with the country's economic expansion. The Philippines Department of Labor and Employment (DOLE) is responsible for providing labor protection services to approximately one million legal entities that employ more than 40 million workers across 17 regions.³ Its efforts are grounded in the Labor Code, enacted in 1974, which stands as the touchstone law governing employment practices and labor relations in the Philippines. Under DOLE's Bureau of Working Conditions (BWC), the current labor inspectorate has the mandate to strengthen the enforcement powers under the Labor Code to secure a higher level of compliance with labor laws and ensure continuity and sustainability at the workplace.⁴

The May 2016 election had a significant effect on the Government of the Philippines' (GoP) Labor Law Compliance System (LLCS) and labor law compliance officers (LLCOs), which were put in place by the previous Aquino administration. Newly elected president Rodrigo Duterte dramatically shifted the emphasis of the labor inspectorate from compliance to enforcement. This included renaming the LLCS as "Labor Inspection Program" and LLCOs as "labor inspectors." The Duterte administration also issued Department Order (DO) 183-17, entitled "Revised Rules on the Administration and Enforcement of Labor Laws Pursuant to Article 128 of Labor Code". Concretely, the change also encompassed: (1) the issuance of new labor inspector guidelines, which permitted unannounced visits, eliminated certificates of compliance, and imposed more stringent consequences for refusal of entry or denial of access; (2) new agency-wide performance indicators that emphasized enforcement; and (3) a proposed occupational safety and health (OSH) bill, that required tools and training for labor inspectors to its enforcement.

The labor inspection program is operationalized in DOLE's regional offices by a cadre of labor inspectors who are given authority to conduct inspections of all private establishments (including their branches and workplaces) in their regions. Regional offices, through their labor inspectors, enforce labor laws and social legislation⁵ through three major efforts: routine inspection, complaint inspection, and OSH investigation. At the discretion of the DOLE Secretary of Labor and Employment, special inspections may also be conducted, as necessary.⁶

¹ IMF Country Report No. 187/287, Philippines, September 2018. Asian Development Bank, Asian Development Outlook 2019, April 2019.

² Philippine Statistics Authority, "Economic Statistics", www.psa.gov.ph, accessed July 1, 2019.

³ *Building Capacity of the Philippines Labor Inspectorate* Project Document, p. 8.

⁴ DOLE, DO-183, "Revised Rules on the Administration and Enforcement of Labor Laws Pursuant to Article 128 of Labor Code: Section 1, Objective 1, p. 1.

⁵ Such laws seek to promote the social welfare. In the Philippines Labor Code, they are articulated in Book IV, that covers health, safety and welfare benefits.

⁶ For further information on BWC's labor inspection program, see <http://bwc.dole.gov.ph/labor-inspection>.

Complementing DOLE's efforts and policies is the Philippine tripartite system,⁷ which is highly functional, clearly organized, and legally grounded. The first member of the tripartite structure is the GoP, which has four tripartite bodies: (1) consultative bodies at the national and local levels, (2) policy-making bodies, (3) quasi-judicial groups, and (4) quasi-legislative bodies.⁸ Key among these bodies is the National Tripartite Industrial Peace Council (NTIPC), legally established by DOLE in 1990. The NTIPC is DOLE's key consultative and advisory body; its mandate is to formulate proposals and recommendations on labor, economic, and social concerns and to monitor full implementation of and compliance with labor laws and accords.⁹ The NTIPC is composed of 20 labor and 20 employer representatives, who are appointed by the President of the Philippines through a nomination process. GoP representatives are called on as issues arise.

The second member of the tripartite structure is labor. Philippine trade unions are classified as either public or private sector unions. As of December 2017, a total of 17,424 unions were registered, with more than 1.5 million member workers.¹⁰ Close to 60 percent of unions and their federations are in the National Capital Region (NCR). There are also 137 union federations, whose affiliates comprise 57 percent of all unions.¹¹ The primary focus of these entities includes securing decent work for job seekers and ensuring social protection and job preservation for employed persons. In the past, relationships among unions have been fragmented because of varied political affiliations. This fragmentation has not only limited cooperation and collaboration, but also has restricted broader, more positive effects for union members.

On the final side of the tripartite structure are employers. The Employers Confederation of the Philippines (ECOP) is the umbrella employer organization in the Philippines. Established in 1975, ECOP is the single voice for the business community on important national issues related to employment, industrial relations, labor issues, and related social policies. Its service lines include advocacy, education, and information sharing to promote effective labor management relations, industrial harmony, social justice, and national economic growth.

With this context in mind, the U.S. Department of Labor (USDOL) directed resources to a project that aimed to strengthen DOLE's LLCS and to support trade unions and ECOP to improve their members' knowledge of labor rights and obligations. This project is described in Section 1.2.

1.2 Building the Capacity of the Philippines Labor Inspectorate

In December 2014, the ILO signed a three-year, \$1 million cooperative agreement with the USDOL Bureau of International Labor Affairs (ILAB) to implement BC-PLIP. Though the original timeline of the agreement was December 15, 2014, to December 14, 2017, administrative delays pushed the starting date to September 2015.

BC-PLIP was originally designed to build on the 2012–2014 project *Promoting Freedom of Association and the Right to Collective Bargaining in the Philippines*, which consisted of a \$742,574 grant funded by the US Department of State Bureau of Democracy, Human Rights, and Labor and implemented by the International Labour Organization (ILO). A key intervention was to

⁷ The ILO defines the tripartite structure as ongoing dialogue and cooperation among governments, employers, and workers in the formulation of standards and policies dealing with labor matters.

⁸ See <https://blr.dole.gov.ph/wp-content/uploads/2017/10/tripartismandsocialdialogues.pdf>. Accessed 7/4/19.

⁹ Ibid.

¹⁰ See <https://blr.dole.gov.ph/wp-content/uploads/2014/12/LR-Overview-2017.pdf>. Accessed 7/4/19.

¹¹ Ibid.

support the creation of the digital LLCS management information system (MIS), which was to be developed and rolled out to select regions. However, due to funding and time constraints, the project fell short of building DOLE's capacity, securing needed MIS policies, and developing an accompanying human resource (HR) system to train and recruit inspectors effectively.¹²

In January 2017, the BC-PLIP midterm evaluation¹³ made 10 recommendations, which included:

1. Execute a no-cost extension, as project resources were underspent by nearly 20 percent with less than a year until project close in December 2017.
2. Hire an information technology (IT) advisor to ensure that the LLCS-MIS had adequate technical support.
3. Reduce the originally proposed 34 outputs and 76 indicators.
4. Develop a system to measure learning across the numerous trainings.

Spurred by these recommendations, the USDOL facilitated two project modifications. The first was an eight-month no-cost extension, which pushed the project's close date to August 31, 2018.¹⁴ Key changes in this first modification included revisions to the project design (specifically, strengthening results statements, adding activities, and reducing the numbers of indicators and outputs), work plan, and budget for eight additional months. The second modification was a one-year, \$250,000 cost extension that moved the project's close date to August 31, 2019. Key changes for this second modification included strengthening various output statements, developing additional activities, and revising the project budget for the additional year. Noteworthy, is that the project's major results statements (detailed below) were not changed to best reflect the new administration's emphasis on enforcement.

BC-PLIP's development objective is "Improved workplace compliance with national labor laws." Two immediate objectives (IO) support this development objective: IO 1, "Effectiveness of labor inspection conducted by LLCOs is improved," and IO 2, "Effectiveness of worker and employer engagement in the LLCS is improved." Under each of the IOs are three sub-immediate objectives (SIOs), which are discussed in Section 3.1.

The major project beneficiary and partner of IO 1 is DOLE. For IO 2, there are two major beneficiary groups. The first beneficiary group is trade unions. The project worked with five: Federation of Free Workers (FFW), IndustriALL Global Unions, Alliance of Progressive Labor–Sentro ng Nagkakaisa at Progresibong Manggagawa (APL-Sentro), Associated Labor Unions (ALU), and the Trade Union Congress of the Philippines (TUCP). In September 2018, the project also started working with National Trade Union Congress (NTUC), as it formed in a split from TUCP. The second major group of IO 2 beneficiaries is employers and the project worked with their representative organization, ECOP.

¹² O'Brien, Dan, *Mid-Term Evaluation Report of the Building the Capacity of the Philippines Labor Inspectorate Project*, U.S. Department of Labor, January 2017.

¹³ Ibid.

¹⁴ The following factors were cited as justifying the modification request and approval: (1) an eight-month delay in start-up due to discussions between the ILO and USDOL on the application of the Fly America Act, (2) the change in presidential administrations from Aquino to Duterte, and (3) the need to address LLCS-MIS gaps left by the Department of State project.

2. EVALUATION OBJECTIVES AND METHODOLOGY

2.1 Evaluation Purpose

USDOL ILAB, through its Office of Trade and Labor Affairs (OTLA), contracted with IMPAQ International, LLC, to conduct a final evaluation of the BC-PLIP project. The purpose of this summative evaluation is to provide USDOL with an accounting of the project's performance, achievements, and lessons. The results of this evaluation can be used to guide future programming efforts aimed at increasing the capacity of labor inspectorates and social partners and, in turn, improve labor conditions and relations. Five questions guided the evaluation:

1. To what extent has the project achieved its theory of change?
2. Did the project cause additional or unintended effects?
3. What were the key factors that facilitated and limited results achievement?
4. What is the likelihood project activities and results will continue absent USDOL resources?
5. What are the lessons learned, promising practices, and emerging trends?

2.2 Methodology

A mixed-method approach was used for primary data collection. Secondary data from project documents and reports were also obtained and reviewed. Data from both sources were analyzed and triangulated to bolster the credibility and validity of evaluation findings, conclusions, and recommendations.

Evaluation Schedule and Geographic Scope

The evaluation was conducted between June and August 2019. In June 2019, the evaluation design was solidified and document review commenced. Fieldwork took place in Manila from June 24 through 28, 2019. Data analysis and writing occurred between July 1 and July 30, 2019.

Data Collection

In accordance with the terms of reference, the evaluation team prioritized the five evaluation questions to guide the design of data collection instruments. The team utilized the methods listed below to collect and review data.

- **Project document review.** The evaluation examined proposals, technical progress reports, work plans, evaluation reports, and performance monitoring plans (PMPs).
- **Key informant interviews (KIs).** Interviews were conducted with representatives of diverse stakeholder bodies: ILO, DOLE, trade unions, ECOP, and USDOL.
- **Focus group discussions (FGDs).** The team conducted three FGDs, one each with labor inspectors, union representatives, and ECOP informants.
- **Rapid scorecards.** Rapid scorecards were distributed to all DOLE, trade union, and ECOP informants. The scorecards asked four questions, each soliciting informants' perceptions on attainment of the development objective and IOs. A total of 40 informants completed the rapid scorecards. The response rate was high because informants were asked to complete the scorecards immediately after KIs and FGDs.
- **Stakeholders' workshop.** Presentation of preliminary findings occurred on June 28, 2019, in Manila.

- **USDOL post-evaluation debriefing.** On July 3, 2019, the evaluation team presented preliminary findings and recommendations virtually to a team of USDOL staff (Project Manager and M&E Coordinator) for reactions and recommendations.

2.3 Sample

The evaluation sampling was purposeful and non-random, in that the ILO and USDOL identified and scheduled informants. Table 1 reveals the evaluation sample size; informants were selected from ILO, DOLE, unions, and ECOP.

Table 1. Evaluation Sample

| Informant Orgs. | KIs & Scorecards | | | | | | FGDs & Scorecards | | | | | | TOTAL |
|-----------------------------|------------------|---|-----|---|------|---|-------------------|---|-------------|---|-----------|---|------------------------|
| | USDOL | | ILO | | DOLE | | Labor Inspectors | | Union Reps. | | Employers | | |
| Sex | F | M | F | M | F | M | F | M | F | M | F | M | |
| Number of informants | 1 | 1 | 3 | 2 | 13 | 4 | 3 | 4 | 1 | 6 | 3 | 6 | 47 F: 51% M: 49% |
| Percent of total informants | 4% | | 11% | | 51% | | | | 15% | | 19% | | 100% |

The evaluation reached 47 informants over five days. Of these, 51 percent were GoP employees; 19 percent were affiliated with ECOP; 15 percent were from trade unions (FFW, ALU, TUCP, and IndustriALL Global Unions); 11 percent were from ILO as the implementing partner; and four percent were USDOL staff. There was a gender balance in the total sample, as 51 percent of informants were female and 49 percent were male.

2.4 Data Analysis

Analysis was iterative throughout the evaluation; however, it began in earnest in preparation for the stakeholder workshop held on June 28, 2019. For this event, the team began analyzing the collected data to offer preliminary findings to the convened group for reactions and recommendations. Data were then cleaned and organized in an Excel matrix for each USDOL question. This process enabled content and frequency analyses and facilitated triangulation of data from primary and secondary sources. Quantitative data from rapid scorecard responses were also placed into an Excel document, from which the mean, median, and mode for each question were obtained.

2.5 Limitations

This evaluation had three limitations that warrant acknowledgement.

1. **Sample.** Sample selection was conducted by the implementing partner; this approach leaves open the potential of selection bias.
2. **Geographic scope.** The limited time to collect data prevented inclusion of a larger sample and broader geographic reach; thus, no regions outside of Manila were visited.
3. **Attribution.** As this is a performance evaluation, attributing changes in beneficiary outcomes to BC-PLIP is not possible. Primary and secondary data served as the body of evidence leading to the assessment of project performance—not to the measurement of impact. The accuracy of this analysis depends on the integrity of the primary and secondary information provided.

3. FINDINGS

The findings address the five key evaluation questions listed in the terms of reference. The questions are grounded in the USDOL evaluation criteria: relevance, efficiency, effectiveness, impact, and sustainability.

3.1 Question 1. To what extent has the project achieved its theory of change?

This section reviews achievements against the project's theory of change. The final PMP (submitted to the evaluation team on August 5, 2019) and technical progress reports were key secondary sources for Question 1 findings.

The anticipated results that comprise BC-PLIP's theory of change include a development objective, two IOs, six SIOs, and 19 outputs. Five M&E issues affected BC-PLIP performance. First, the baseline study established initial benchmarks for six of 38 total indicators and was completed more than 2.5 years after project start-up.¹⁵ This has rendered its values unrepresentative of project inception realities and challenged indicator target setting.¹⁶ Second, values for 12 of 38 indicators have not been reported across the project. Beyond endline values, no numerical figures were reported in the PMP for the duration of the project for indicators 2, 3, 4, 8, 11, 12, 13, 18, 21, 22, 25, and 38. Third, even though in 2018 there was a reduction in the number of indicators from 76 to 38, the evaluation team still considers this number to be excessive for the project scope and available resources. Fourth, in August 2018, the M&E officer opted not to continue into the extension period and could not be replaced.¹⁷ Last, a complete PMP was submitted to evaluation team in August 2019 and included endline data from a study that was not ready to share; however, given available information the team had initial concerns regarding the study's approach (rigor), sample size (statistically significant) and methods (bias). Collectively, these issues challenged baseline and target-setting, data collection and reporting, and results achievement and reporting. It also limited the strategic use of the PMP, which, beyond reporting, should be actively used by implementers to support technical, financial, and management adaptations.

Development Objective: *Improved workplace compliance with national labor laws.*

Background

As discussed, the May 2016 election had a significant effect on the GoP's labor inspection system, as President Duterte shifted its emphasis from compliance to enforcement. The Aquino administration's focus enabled employers to comply with labor laws and regulations, which was facilitated through the LLCS and LLCOs. Once Duterte took office, however, new labor priorities took shape. Ending labor-only contracts and OSH in the workplace, were two key campaign promises that would manifest into concrete actions. For OSH, its importance was elevated by numerous workplace accidents, including the Kentext fire in 2015, the Bulacan fireworks accident

¹⁵ The baseline study was completed in March 2018. Its delay was initially due to challenges with the subcontractor. It was further delayed by the recommendation of the midterm evaluation (January 2017) to reduce the number of indicators and strengthen the remaining indicators.

¹⁶ Because they were achieved early in the project or significantly surpassed their target values, the targets for indicators 2, 4, 24, 26, and 36 are considered to be too low.

¹⁷ Project attempted to hire a replacement, but the remaining period (less than one year) made recruitment unsuccessful. In March 2019, a consultant was hired to conduct an endline and best practices study.

in 2016, and the Davao City mall fire in 2017. In response, a number of new labor regulations have been promulgated during the Duterte administration, as shown in Table 2.

Table 2. Key Labor Laws Since 2017

| Regulation or Law # | Summary Description |
|---------------------|---|
| AO 164 | This 2017 AO is entitled "Participation of Legitimate Labor Organizations, Legitimate Workers Associations, Chartered Local, National Union or Federation, Accredited Integrated Professional Organizations/Accredited Professional Organizations, Non-Government Organizations, Employers Organizations in the Assessment of Establishments' Compliance to Labor Laws and Social Legislations." Persons authorized to conduct labor inspections are labor inspectors who are issued "authority to assess." This AO extends that authority to certified members of entities mentioned in the title and allows them to accompany DOLE lead inspectors. In essence, they serve as deputy inspectors during labor inspections. |
| DO 183 | This 2017 department order (DO) is entitled "Revised Rules on the Administration and Enforcement of Labor Laws Pursuant to Article 128 of Labor Code." Its objective is to strengthen the enforcement powers under the Labor Code to secure a higher level of compliance with labor laws and ensure continuity and sustainability at the workplace. |
| RA 11058 & DO 198 | RA 11058 is the 2018 law entitled "Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof." On the one hand, it requires employers to provide safe workplaces and train workers. On the other, it asks workers to be proactive about understanding and preventing or reporting unsafe working conditions. DO 198 operationalizes RA 11058 and further specifies duties and rights, workplace risk classification, OSH programs, required personnel at the workplace, training requirements, joint solidarity and liability, incentives, penalties and liabilities, and enforcement. |
| RA 11210 | This 2019 law, entitled "Expanded Maternity Leave Law," increases the maternity leave period to 105 days, with an option to further extend for 30 days without pay. |
| ILO C 187 | This ILO convention, entitled "Promotional Framework for Occupational Safety and Health Convention," was ratified by the GoP in June 2019. The convention lays out objectives, policies, systems, and programs that each country signatory must achieve. |
| SB-186 | This Senate bill, entitled "Security of Tenure and End of Endo Act", proposes changes to the Labor Code by banning labor-only contracting and illegal employment schemes. ¹⁸ It is one of the legislative priorities of President Duterte. While the bill was approved by the Senate and Congress in May 2019, it was vetoed in July 2019, as it was seen to penalize small and medium sized businesses. |

Development Objective Findings

No indicators were assigned for the development objective, rendering any change unmeasurable. Although the project was aiming to contribute to improving workplace compliance, the extent to which it has done so cannot be confirmed. However, the rapid scorecard survey, which asked informants how well the project improved workplace compliance with national labor laws, provides some data. Table 3 summarizes responses from DOLE, trade union, and ECOP informants.

Table 3. Responses: How well has project improved workplace compliance with national labor laws?

| Partner | Sample (N) | Mean Rating (1 low → 5 high) | Selected Responses |
|-----------|------------|------------------------------|---|
| DOLE | 24 | 4.0 | "Based on latest report on compliance rate, the department is positively and consistently attaining its annual target on labor inspection." |
| Employers | 9 | 3.9 | "Employers became more conscious about compliance and inspection." |

¹⁸ The Endo Act or 5-5-5, aims to make illegal a short-term contracting scheme where employers hire workers for 5 months, then terminate them to avoid fees associated with becoming regular employees.

| Partner | Sample (N) | Mean Rating (1 low → 5 high) | Selected Responses |
|---------|------------|------------------------------|---|
| Unions | 7 | 3.7 | <i>"Implementation should be pushed especially in the regions."</i> <i>"Needs improvement on trainings for labor laws compliance."</i> <i>"Project contributed to regularization of contractual workers and aspects of OSH"</i> |
| Total | 40 | 3.9 (average) | |

IO 1: Effectiveness of labor inspection conducted by LLCOs is improved.

Background

The philosophy grounding the current administration's labor inspection system is based on enforcement, which begins with evidence-based inspections and continues all the way to the judicial system if necessary. The new emphasis on enforcement has not only changed the title of LLCOs to labor inspectors but has also reduced their involvement in conciliation and mediation. As of July 2019, there are a total of 710 labor inspectors, 100 of whom were hired in late June 2019.¹⁹ Current DOLE leadership has aspirations to significantly ramp up the labor inspector workforce by hiring 500 full-time inspectors in the next year and eventually adding 5,000 more inspectors. Beyond current staff shortage issues, inspectors are considered generalists with limited ability to conduct specialized inspections, including those in OSH. Also, because of limited staffing in regional offices and their sheer numbers, inspectors are typically called on to engage in a wide range of tasks outside their duties, including as focal points for livelihoods, sheriffs and hearing officers, mediators, IT focal points, administrators, or labor education trainers. Still, efforts to improve labor inspection must go beyond inspectors and address the effectiveness of the system and include the strengthening of leadership (e.g. regional directors), the HR system, performance management, and MIS. IO 1 took an organizational development approach and focused on these aspects, with emphasis on building capacity and ownership around the MIS.

"Inspection is not just administration and pushing papers. It's about execution all the way through the court system and any corresponding writ of execution."

BC-PLIP Informant, Manila

IO 1 Findings

The current achievements for IO 1 are presented in Table 4.

Table 4. IO 1 Achievements, According to the August 2019 PMP

| Indicator / Output | Base | End Target | Current Achievement | Evaluation Observations |
|---|------|------------|---------------------|-------------------------|
| IO 1 Effectiveness of labor inspection conducted by LLCOs is improved. | | | | |
| 1. Percentage of establishments which corrected deficiencies identified during assessments for: | | | | |

¹⁹ The current number of labor inspectors is inadequate for the estimated 40 million workers in close to one million legal entities in the Philippines. The ILO recommends a minimum inspector-to-worker ratio of 1 to 20,000 for economies in transition such as Philippines. Under this definition, 2,000 inspectors would be adequate in the Philippines context.

| Indicator / Output | Base | End Target | Current Achievement | Evaluation Observations |
|---|-------------|-------------------|---|--|
| (a) General Labor Standards (GLS) | 38% | 50% | 66% compliance, 73% after correction | The end targets for GLS and OSH were surpassed as of late June 2019. From 2015-18, GLS and OSH compliance and correction rates increased, with OSH at a slower pace. Yet, the first and second quarters of 2019 saw a drop in compliance rates after correction due to passage of the OSH law (RA 11058). This prompted an increase in number of entities inspected and an expanded scope of inspections to cover GLS and OSH. Still, at end of project, compliance and correction rates in GLS and OSH increased. |
| (b) OSH | 29% | 40% | 47% compliance, 51% after correction | |
| SIO 1.1 Improved collection and management of labor inspection statistics for better evidence-based and strategic labor inspections and compliance campaigns | | | | |
| 2. Number of annual reports on labor inspection in the Philippines | 0 | 1 | 1 | The end target was reported as achieved in 2016. In 2017, the DOLE Institute of Labor Studies prepared the annual report but did not publish it due to methodology and data quality concerns. BC-PLIP responded to this development by delivering a data appreciation course. Evaluation team believes that the target was set too low. |
| 3. Percentage of regional LLCOs and managers who rate that technical advisory services from DOLE Support Unit on use of LLCS-MIS as "satisfactory": | 65% | 75% | 74% | Although no performance monitoring data have been input into the PMP, the end target was reported as nearly met. The 74 % represents inspectors that answered "Yes" to a survey question as to their satisfaction on use of LLCS-MIS. Still, the evaluation team is concerned about the lack of indicator data points across the project, which could have enabled course corrections and provided valuable feedback for DOLE. |
| 4. Percentage of DOLE offices and associated technical agencies which use and/or integrate data from the LLCS-MIS in policy making and program delivery | | | | |
| Policy development | 15% | 30% | 100% | Although no performance monitoring data have been input into the PMP the end target was reported as being surpassed. The 100% represents positive responses from one FGD of six informants (regional directors and Undersecretary for Labor Relations) as to if they are using MIS for policy development. According to informants, policy is informed by MIS via industries with low compliance rates, regularization data, and OSH. |
| Determining work priorities and designing work plans for targeted assessments | 72% | 80% | 100% | Although no performance monitoring data have been input into the PMP, the endline target was reported as being surpassed. The 100% represents positive responses from one FGD of six informants (regional directors and Undersecretary for Labor Relations) as to if the MIS is informing work priorities and plans. According to informants, the MIS allows rapid information on performance that informs planning. |

| Indicator / Output | Base | End Target | Current Achievement | Evaluation Observations |
|---|-------------|-------------------|----------------------------|---|
| Output 1.1.1 Labor inspection tools are reviewed and revised/developed to improve collection of labor inspection statistics, which at a minimum include information on matters indicated in Article 21 of ILO Convention 81 (Labor Inspection Convention, 1947) and in Part IV of the Labor Inspection Recommendation, 1947 (No.81) | | | | |
| 5. Number of labor inspection tools revised/developed | 0 | 5 | 5 | The end target has been achieved. Tools incorporated into MIS include GLS checklist, illegal contracting and subcontracting checklist, OSH checklist, accident investigation checklist, and draft revision of labor inspection manual. |
| Output 1.1.2 The existing computerized inspection system and database (LLCS-MIS) is upgraded to improve and/or add new features and functions | | | | |
| 6. Number of Computerized inspection system and database (LLCS-MIS) upgraded and fully operational | 1 | 1 | 1 | The end target has been achieved. The project has facilitated numerous improvements to the MIS. The system is now hosted on DOLE servers, completely resourced and managed by DOLE; it allows regional offices to view their region-specific information. |
| Output 1.1.3 LLCS-MIS is successfully transferred to national management, which also includes proper documentation of codes, protocols and procedures, technical manuals, development process, and lessons learned | | | | |
| 7. Number of targeted DOLE personnel that demonstrate improvement in technical skills from pre-to post-training assessments. | 0 | 430 | 13 | The end target has not been achieved. The end target represents the project's initial intent to train all inspectors. The strategy changed, and 13 represents DOLE regional staff trained in 2017 in one project-funded MIS training. In 2018–2019, all MIS trainings were funded by DOLE. The evaluation team was not able to confirm improvement in technical skills. |
| 8. Number of case study on LLCS-MIS developed | 0 | 1 | 1 | Although no performance monitoring data have been input into the PMP, the end target was reported as being met. A draft case study is currently under review by DOLE. |
| Output 1.1.4 LLCS-MIS focal points and officials from DOLE and related technical agencies are oriented on the use of LLCS-MIS data and its use for determining work priorities, social dialogue, and possible inter-agency coordination in the conduct of inspections and labor laws compliance campaigns | | | | |
| 9. Number of targeted government personnel oriented on LLCS-MIS data and statistics. | 0 | 82 | 25 | The end target has not been achieved. The original plan to deliver a 3-day general course to 82 personnel changed to a 3 module, 7-day data appreciation course for select regional staff, reducing the number of staff trained. |
| Output 1.1.5 Results based performance metrics and evaluation system to capture the use of MIS data for effective LLCS implementation is developed | | | | |
| 10. Number of results-based monitoring and evaluation system to assess effectiveness of LLCO implementation is developed | 0 | 1 | 1 | The end target was reported as being met in 2017. Results-based monitoring was integrated into MIS in 2017. The evaluation team did not have time to review the system. One informant said that lack of DOLE IT and statistics personnel limits MIS use. The origin of this challenge is approval from the GoP's Department of Budget and Management. |
| 11. Number of targeted DOLE personnel trained on performance management | 0 | 32 | 136 | The end target was reported in 2017 as surpassed. A 2.5-day results-based management training was delivered to inspection supervisors. Evaluation team believes that the target was set too low and should have focused on knowledge and skills rather than number of people trained. |
| SIO 1.2 Improved labor inspection institutional and legal framework | | | | |
| 12. Number of legal reforms/policy measures | -- | 2 | 2 | The end target has been achieved. The project focused on efforts to align the revised inspection |

| Indicator / Output | Base | End Target | Current Achievement | Evaluation Observations |
|---|-------------|-------------------|----------------------------|--|
| introduced for adoption to align national law and practice with ILO C 81 and C 129 | | | | rules (DO 183) and the new OSH law (RA 11058) with ILO C 81 and C 129. Neither of these conventions has been ratified by the GoP, but the Tripartite Executive Committee (TEC) has recently endorsed C 81. |
| 13. Number of inter-agency Memorandums of Agreement (MOAs) // Collaboration agreements on labor inspection and priority compliance campaigns are forged particularly on serious labor law violations | --- | 2 | 0 | End target has not been achieved. Also, no performance monitoring data have been input into the PMP. According to the project there were factors that limited achievement including competing activity priorities, process issues and limited time and resources. |
| Output 1.2.1 Action plan for the ratification of C 81 and/or C 129 is developed | | | | |
| 14. Number of action plans for the ratification of C81 and/or C129 developed | 0 | 1 | 1 | The end target was achieved in 2018, when an action plan developed by the BC-PLIP Project Advisory Committee (PAC) was presented to the TEC. |
| 15. Number of copies of frequently asked questions (FAQs) to raise awareness/support proposals to align national laws and practice with ILO C 81 and C 129 distributed | 0 | 250 | 0 | A FAQ document has been drafted and approved by BWC. It was used to raise awareness of and support for ILO C 81 discussions in TEC and NTIPC. Given the high level of awareness and support for C 81 from these entities, the project determined to not use resources to reproduce copies of the FAQs for public dissemination. |
| Output 1.2.2 Draft policy on LLCS is revised to address gaps between national laws and practice | | | | |
| 16. Number of tripartite reviewed draft policy measure to improve LLCS implementation | 0 | 1 | 1 | The end target was achieved in 2017. The draft policy measure contributed to revised inspection rules (DO 183) with respect to establishing (a) unannounced inspections and (b) a selection process for workers' representatives, especially in non-union establishments. |
| Output 1.2.3 Draft inter-agency MOAs / collaboration agreements and work plans with relevant government bodies on labor inspection and promotion of compliance, particularly on serious labor law violations | | | | |
| 17. Number of draft inter-agency MOAs / collaboration agreements and work plans with relevant government bodies on labor inspection and promotion of compliance, particularly on serious labor law violations | 0 | 2 | 2 | This indicator has one data point in the PMP on April 2019. According to the project, it has supported two inter-agency collaboration initiatives: (1) DOLE and the Philippine Economic Zone Authority (PEZA); and (2) the OSH law Inter-Government Collaboration and Coordination Committee (IGC3). This indicator is nearly identical to Indicator 13, except for the additional word, "work plans". |
| SIO 1.3 Improved technical competency of LLCOs to undertake functions expected of LLCOs under the LLCS Manual and ILO Conventions No. 81 and No. 129 | | | | |
| 18. Number of targeted DOLE personnel that demonstrate improvement in technical skills from pre-to post-training assessments | 0 | 148 | 159 | The end target was reported as achieved. However, pre- and post-testing data were not made available to the evaluation team, who could therefore not confirm improvement in technical skills. Inspection trainings included accident investigation, core functions, and commercial fishing vessels. |
| 19. Number of specialized inspections in priority areas done | --- | 1360 | 1110 | The end target has not been achieved. |

| Indicator / Output | Base | End Target | Current Achievement | Evaluation Observations |
|--|------|------------|---------------------|---|
| Output 1.3.1 Needs-based training program for DOLE staff (managers, LLCOs, and support staff) to implement the LLCS, including conduct of specialized inspections, is designed and implemented | | | | |
| 20. Number of proposed revised job description for LLCOs developed | 0 | 1 | 4 | The end target has been achieved. Two job descriptions for OSH technical inspectors and two for general inspectors were reviewed and developed, establishing junior and senior staff levels within these inspector positions. |
| 21. Number of training modules for LLCOs developed | 0 | 1 | 1 | The end target has been achieved. The course Advancing Competencies on Core Labor Inspection Functions was offered. |

As discussed, the evaluation team has concerns about the lack of reported data for select indicators as well as potential challenges with the endline study. Still, there has been a sound level of achievement for IO 1 and its three SIOs. For IO 1, there were steady, positive rates of compliance as well as compliance after correction in the first years of the project. However, the passage of the 2018 OSH law prompted an increase in the number of inspections in both GLS and OSH, which resulted in a temporary dip in these numbers in 2019. However, compliance and correction rates in GLS and OSH rebounded, and the IO surpassed its end target values.

For SIO 1.1, the major feature is the strength, flexibility, and functionality of DOLE's labor inspection MIS. Key MIS improvements include the fact that DOLE is now completely resourcing, managing, and hosting its servers, which originally were in Japan. In addition, the system leverages a web-based (cloud) platform for greater integration, and inspectors use tablets for transmission and processing of real-time data. BC-PLIP has also supported the development of two online public platforms to relay concerns, receive feedback on technical issues, and facilitate OSH inspections.

For SIO 1.2, the project has achieved nearly all of its major targets. The political environment in the Philippines and the strong focus on improving the regulatory framework for GLS and OSH have significantly aided the project's efforts under this SIO. Although ILO Conventions 81 and 129 have not yet been ratified, national laws that support them are in place, and C 81 is likely to be ratified soon, as it has been endorsed by the TEC. The only shortcoming under this SIO was the lack of concretized interagency agreements.

For SO 1.3, nearly all targets were reported as being met or surpassed. Achievements include demand-driven inspection trainings (relating to, for example, fishing, and manufacturing) to a portion of inspectors, conducting specialized inspections, and working with DOLE human resources to strengthen job descriptions and job requirements.

"I have been with the labor inspectors for 15 years, and I have been waiting for industry-specific trainings like this. I was so happy."

BC-PLIP Informant, Manila

The rapid scorecard survey asked informants to rate how well the project improved the effectiveness of labor inspections as conducted by labor inspectors. Table 5 summarizes responses from DOLE, trade union, and ECOP informants.

Table 5. Responses: How well has project improved the effectiveness of labor inspections as conducted by the labor inspectors?

| Partner | Sample (N) | Mean Rating (1 low → 5 high) | Select Responses |
|---------|------------|------------------------------|---|
| DOLE | 24 | 4.3 | <p>"Yes, the core labor inspection functions training significantly improved labor inspection outputs."</p> <p>"It [MIS] can easily generate data/reports."</p> |

| Partner | Sample (N) | Mean Rating (1 low → 5 high) | Select Responses |
|-----------|------------|------------------------------|--|
| | | | <i>"Our current pool of labor inspectors is better trained; their competencies are enhanced because of the project."</i> |
| Employers | 9 | 3.6 | <i>"Labor inspectors need to have their capacity increased."</i> |
| Unions | 7 | 3.3 | <i>"The workers or union members are involved in the inspection procedure. Their voices are heard during inspection."</i> <i>"This should be sustained and be regularized in all regions."</i> <i>"Labor inspectors conduct random inspections with the participation of labor representatives."</i> |
| Total | 40 | 3.9 (average) | |

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

Background

In the past, numerous national and regional tripartite bodies in the Philippines had varying levels of capacity and activity. Most, however, did not have access to data or utilize data to plan, inform, or manage their efforts. To bridge this gap, the GoP has tried to facilitate worker and employer engagement in the labor inspection system on two levels. The first is based on AO 164, which allows any certified social partner to participate in labor inspections. The second is drawn from DO 183, which was passed after AO 164 and holds more legal weight. This DO allows enterprise-level employers (i.e., owner, president, vice-president) and employee representatives to participate in inspections. For enterprises with unions, employee representatives are designated by the collective bargaining agreement; rank-and-file employees (ideally from a working committee) should be designated for enterprises without registered unions.²⁰

IO2 Findings

The current achievements for IO 2 are presented in Table 6.

Table 6. IO 2 Achievements, According to the August 2019 PMP

| Indicator | Base | End Target | Current Achievement | Evaluation Observations |
|--|------|------------|---------------------|--|
| IO 2 Effectiveness of worker and employer engagement in the LLCS is improved. | | | | |
| 22. Percentage of social partners who rate engagement level in design and implementation of LLCS as "high" | | | | |
| Workers | 43% | 80% | 24% | End target has not been achieved. Also, no performance monitoring data have been input into the PMP. The 24 % represents union informants (a total of 17) that affirmed in an FGD that their level of engagement in the LLCS has greatly improved. |
| Employers | 30% | 70% | 100% | Although no performance monitoring data have been input into the PMP, the end target was reported as surpassed. The 100% represents confirmation by ECOP's focal person that engagement has greatly improved. Evaluation |

²⁰ DOLE, DO 183 Revised Rules on the Administration and Enforcement of Labor Laws Pursuant to Article 128 of Labor Code, Section 3, Manila, 2017, p. 5.

| Indicator | Base | End Target | Current Achievement | Evaluation Observations |
|---|------|------------|---------------------|--|
| | | | | has concerns about the statistical significance of one informant populating this indicator. |
| SIO 2.1 Stakeholders in selected regions oriented on the LLCS including compliance results and data to guide targeted inspections | | | | |
| 23. Number of collaboration agreements among social partners in pilot areas reached and implemented | 0 | 3 | 10 | The end target has been achieved. Ten strategic compliance plans (not agreements as per the indicator) came out of the strategic compliance planning exercises that supported tripartite work in Regions XII and XI. |
| Output 2.1.1 Stakeholders in pilot regions oriented on the LLCS including compliance results and data to guide targeted inspections | | | | |
| 24. Number of tripartite representatives in pilot regions oriented on LLCS | 0 | 300 | 858 | The end target has been surpassed. Representatives participated in tripartite activities including a labor law compliance summit in 2016, regional inspection orientations, and strategic compliance workshops. Many of these events were co-implemented with DOLE as the key funder for tripartite activities. The evaluation team believes the end target was set too low. |
| Output 2.1.2 Joint-assessment good practice toolkit from tripartite experiences in pilot regions produced and disseminated | | | | |
| 25. Number of joint-assessment good practice compendiums, based on pilot region experiences, produced and distributed | --- | 250 | 1 | End target has not been achieved. Also, no performance monitoring data have been input into the PMP. Project reports that a draft version of the compendium is available. |
| Output 2.1.3 DOLE national and regional managers are capacitated on planning, managing, supporting, and evaluating strategic compliance campaigns | | | | |
| 26. Number of targeted DOLE national and regional managers that demonstrate improved knowledge on planning, managing, supporting, and evaluating strategic compliance campaigns | --- | 16 | 51 | The end target has been surpassed. The training <i>Executive Course for the Strategic Management of Labor Inspectorate</i> , originally targeted to regional directors, brought in more regional staff (associate regional directors and planning officers) and other bureaus, boosting the total to 51. The evaluation team was not able to confirm improved knowledge and believes the end target was set too low. |
| SIO 2.2 Improved participation of workers in the labor Laws Compliance System (LLCS) at the enterprise, regional/ industry, and national levels | | | | |
| 27. Number of targeted workers with improved understanding of workers' rights and related issues | 0 | 120 | 149 | The end target was reported as surpassed. Efforts included training and distributing materials. Trainings originated from BC-PLIP and projects such as the EU-GSP+ Freedom of Association project and to some extent USDOL's SafeYouth@Work Project. The evaluation did not see data verifying improved understanding. |
| 28. Number of trade union partners which implement programs and campaigns to promote labor laws compliance, through their respective trade union monitoring networks | 0 | 5 | 5 | The end target was achieved. ALU and FFW stated they were more proactive in compliance (in partnership with ECOP) instead of waiting for inspections. IndustriALL pushed for the creation of a tripartite council in the garment industry. The BC-PLIP endline study found that IndustriALL, FFW, ALU, TUCP, and NTUC have all integrated compliance into their programs. |
| Output 2.2.1 Needs-based training program for workers on practical workplace-based implementation of LLCS is designed and implemented | | | | |
| 29. Workers' training module developed on | 0 | 1 | 1 | The end target has been achieved. An updated draft taking the new OSH law into account is |

| Indicator | Base | End Target | Current Achievement | Evaluation Observations |
|--|------|------------|---------------------|--|
| practical workplace-based implementation of LLCS | | | | awaiting clearance. The module was provided to all five unions. |
| 30. Number of union leaders trained as trainers | 0 | 30 | 30 | The end target has been achieved. 6 representatives from each of the 5 unions were trained as trainers. According to a project, 83% of trainees continue to be engaged in their respective organizations' work on labor law compliance. |
| Output 2.2.2 Recommendation on workers' representations in the LLCS process is developed | | | | |
| 31. Number of DOLE issuances (Department Order) on Guidelines on workers' representation in assessment activities drafted | 0 | 1 | 1 | The end target was achieved in 2017. Project leaders consider DO 183's clear provision on selection of worker representatives during an inspection to fulfill this indicator. BC-PLIP supported this output with the SafeYouth@Work Project. |
| Output 2.2.3 Trade union monitoring is established to provide support to both unionized and non-unionized enterprises prepare for an assessment, provides feedback to DOLE on enterprise compliance to remediation plans, and conduct campaigns to raise workers' awareness on labor standards and the LLCS | | | | |
| 32. Number of LLCS trade union monitoring and advocacy networks established | 0 | 5 | 5 | The end target has been achieved. Project respondent said that all 5 unions established monitoring and advocacy networks. The strength and effectiveness of the networks could not be confirmed. |
| Output 2.2.4 Worker good practice compendium on LLCS produced and disseminated | | | | |
| 33. Number of worker good practice compendium distributed | 0 | 250 | 1 | End target has not been achieved. Also, no performance monitoring data have been input into the PMP. Project reports that a draft version of the compendium is available. |
| SIO 2.3 Improved knowledge of employers on labor standards and enhanced capacity to engage in the LLCS process at the enterprise, regional/industry, and national levels | | | | |
| 34. Number of targeted employer reps with improved understanding of workers' rights and related issues | 0 | 96 | 109 | The end target was reported as achieved. The project trained employer representatives from ECOP chapters and secretariat staff. The evaluation is not aware of data verifying improved understanding. |
| 35. Number of ECOP Regional Chapters implementing programs to promote labor laws compliance | 0 | 5 | 4 | The end target has not been achieved. A project respondent said that ECOP chapters currently promoting compliance are Zamboanga, Calabarzon, North Luzon, and the central office. ECOP is coordinating with partners in Cebu and DOLE Region VII to ensure compliance. |
| Output 2.3.1 Needs-based training program for employers on practical workplace-based implementation of LLCS is designed and implemented | | | | |
| 36. Employer LLCS training manual developed | 0 | 1 | 1 | The end target has been achieved. LLCS training manual has been approved by ECOP. |
| 37. Number of employer representatives trained as trainers | 0 | 30 | 30 | The end target was achieved in 2017. According to project, 53% of the ECOP trainees continue to be engaged in their respective organizations' work in labor law compliance. |
| Output 2.3.2 Employer good practice compendium on LLCS produced and disseminated | | | | |
| 38. Number of employer good practice compendium distributed | 0 | 250 | 1 | End target has not been achieved. Also, no performance monitoring data have been input into the PMP. Project reports that a draft version of the compendium is available. |

As with IO 1, the evaluation team is concerned about the lack of consistently reported data for IO 2 and potential challenges with the endline study. Still, there have been strong levels of

achievement for IO 2 and its three SIOs. For IO 2, the legal precedents for promoting worker and employer engagement in labor inspections exists in AO 164 and DO 183. However, ILO did not support AO 164 and the regulation has experienced numerous resource, logistical, and implementation challenges that have limited use. DO 183, on the other hand, is supported by the ILO and appears to be a more functional policy that allows worker and employer representatives to be engaged in inspections with fewer drawbacks.

For SIO 2.1, the project achieved nearly all of its end targets, with some being significantly surpassed. The project's SIO 2.1 efforts, which focused on the tripartite system, facilitated compliance plans, trained representatives in labor law compliance (with DOLE), and trained DOLE managers on leading compliance through planning, management, and evaluation.

For SIO 2.2, the project has again achieved nearly all its major targets. SIO 2.2 focuses on building the capacity of trade unions. There were efforts to educate workers and develop tools on workers' rights, labor law compliance, and the new OSH law. Also, 30 trade union members (six from each of the five unions) were trained as trainers, an achievement that, according to ILO, has led to more inter-union collaboration. Although the project facilitated the establishment of five monitoring and advocacy networks, the evaluation team was not able to verify the level of functionality of these networks.

"Trade unions have a shared interest for compliance. They used their networks to observe compliance issues and collaborated with the inspectorate to raise issues and concerns."

BC-PLIP Informant, International

For SO 2.3, nearly all indicator targets were reported as being met or surpassed. SIO 2.3 focused on the ability of ECOP and its regional chapters to engage with the inspection system. As with the trade unions, the project conducted trainings, developed materials, promoted compliance programs in chapters, and trained ECOP staff as trainers.

The rapid scorecard survey asked informants to rate how well the project improved the effectiveness of worker and employer engagement in the labor inspection system. Table 7 summarizes responses from DOLE, trade union, and ECOP informants.

Table 7. Responses: How well has project improved the effectiveness of worker and employer engagement in the labor inspection system?

| Partner | Sample (N) | Mean Rating (1 low → 5 high) | Select Responses |
|-----------|------------|------------------------------|--|
| DOLE | 24 | 4.3 | <i>"The project has provided several and relevant platforms and activities for tripartite players to meet and strategically discuss labor laws compliance and share information and knowledge."</i> <i>"We now have a strong support of tripartite partners in the implementation of our labor inspection program."</i> |
| Employers | 9 | 4.0 | <i>"AO 164 is there to facilitate engagement."</i> |
| Unions | 7 | 4.3 | <i>"It was practiced because it is obliged under the law."</i> <i>"Joint seminar of management and labor to have a common goal on implementing LLCS."</i> <i>"Participation is guaranteed via the AO. However, gaps in the implementation has not maximized the actual engagement."</i> |
| Total | 40 | 4.1 (average) | |

3.2 Question 2. Did the project cause unintended effects?

This section highlights the unintended, beneficial effects generated by the project. These major effects are presented for each tripartite partner.

DOLE

Increased Investment in Labor Rights and Inspection. There has been a real and significant focus on labor rights and inspection by the GoP. This focus is due to a combination of factors that involve the current administration's direction on labor, the strength of the Philippines tripartite relationship, USDOL investment in the country, and BC-PLIP's efforts to cost-share with other US and multilateral donor projects. Collectively, these factors have resulted in the passage of numerous pro-labor laws; significant investment in the MIS; the hiring of new inspectors, with a commitment to a target level of 5,000 inspectors; the creation of new positions such as inspector auditors; realization of a need for specialized, industry-specific inspectors; and momentum to ratify ILO conventions, particularly C 81. **The effect has been positive and complementary: BC-PLIP has facilitated legitimacy, momentum, and technical improvements, while DOLE has significantly enhanced the results and effect of the USDOL investment.** It is rare for a host government to reciprocate investment in a development project in the manner that it has occurred in BC-PLIP; however, this case shows the power of what can happen when one does.

Regional Reflection and Parallel Efforts. The efforts under IO 1 to strengthen the MIS and to refine job descriptions have prompted DOLE to reflect on its regional operations and inspection processes. Resulting project adaptations include providing demand-driven trainings to regional staff and inspectors, such as the data appreciation course and industry-specific trainings; training regional directors and broader segments of regional staff; and incorporating regionally driven enhancements into the MIS, such as templates and specific data units. Also, the work on job descriptions for inspectors has led to parallel DOLE HR efforts to develop job descriptions for positions that support inspectors, such as case managers, administrative support personnel, and inspector auditors.

Identifying Labor Market Trends and Information. DOLE is using its MIS to uncover new—and not very visible—labor trends. In particular, there has been a significant increase of offshore gaming operations, which are permitted in the Philippines as licensed and regulated by the Philippine Amusement and Gaming Corporation. More and more Chinese nationals are immigrating to the country to set up these online casinos. The MIS has helped DOLE organize and analyze key information including who is establishing and operating these enterprises; where they operate (for example, in condominiums or houses); and whether they have licenses and, if so, of what type. In addition, the BWC was able to leverage the MIS checklist to track foreign nationals, not only in gaming but also in the construction industry, another area in which Chinese nationals are starting businesses. DOLE informants expressed that these trends are now more visible due to the MIS and that demand is growing within the GoP to prioritize inspections in these industries.

Utilization of MIS Data by Other Bureaus and Agencies. GoP informants said that information produced by the MIS is being requested and utilized by other GoP bureaus, such as the Bureau of Local Employment, Bureau of Workers with Special Concerns, Bureau of Labor Relations, National Conciliation Mediation Board, and Philippines Overseas Employment Administration. These agencies generally seek compliance data on GLS and OSH. However, these and other agencies also request other data, such as the number of children employed in a certain industry.

Trade Unions

Inter-Union Collaboration. The relationships among the unions have historically been strained. However, numerous tripartite informants stated that collaboration and relationships are improving as a result of the project. According to BC-PLIP technical progress reports, inter-union dialogues, part of the trade union monitoring network trainings, spurred recognition of the need for more

inter-union collaboration at the national level to continue labor reform momentum. There was also awareness that enterprise and regional partnerships to support compliance campaigns can help protect workers from retaliation.

Improvement in Services and Advocacy. Union members stated that BC-PLIP efforts led to improvements in the unions themselves, including the following:

- Improved membership and outreach strategies
- Ability to contribute to the government's efforts to end illegal contracting and subcontracting
- Understanding that the differences among industries require industry-specific tripartite structures
- Ability to leverage DOLE compliance orders on the regularization of workers, thus facilitating "voluntary regularization" processes in enterprises
- Informed advocacy to employers, which in one case led a company to increase its OSH training from two hours to eight as mandated by law

Improved Relationship with DOLE. According to union informants, their relationship with DOLE is now closer and more open, allowing the two parties to discuss policy, implementation, and performance gaps. Union members said that both partners are now more accountable and proactive in working together. Although BC-PLIP is not solely responsible for this improvement, union informants said that it contributed.

ECOP

Improvement in Services. Like union informants, ECOP members stated that BC-PLIP has affected improvements to ECOP services, including the following:

- Improved membership reach and services
- More relevant, tailored, and time-sensitive compliance trainings for employers
- Value-added services such as ECOP's new help desk, trainings, and advisory services

Higher Level of Legitimacy and Multiplier Effects. Because of these improvements, informants said that ECOP enjoys a higher level of legitimacy among employers as the go-to association with respect to compliance, which is the most important issue for employers. To justify this opinion, ECOP informants pointed to company-driven initiatives born out of new ECOP services. One example is a Viber networking group for diverse company representatives who attended ECOP trainings. Another is a group of company representatives who, after an ECOP training, petitioned their company to establish a retirement liability fund for employees.

3.3 Question 3. What were the key factors that facilitated and limited results achievement?

This section identifies facilitating and limiting factors affecting the project's ability to attain results.

Factors Facilitating BC-PLIP Results

Enabling Environment. External environments rarely are conducive to labor rights efforts. However, BC-PLIP's results were facilitated by three major existing conditions. First, the GoP's legal and policy environment has been conducive to the achievement of project results. Though the change in presidential administrations required an initial shift from the compliance certificate

program to enforcement, the new scenario has proven to be optimal for the achievement of project results. Second, DOLE not only has been a highly committed, capable, and supportive partner, but also has contributed significant human and financial resources to achieve and exceed BC-PLIP targets. Third, the tripartite structures and relationships at regional and national levels are strong and legally framed through DOLE. All of these elements are outside the control of the project, but each contributed to a positive and stable implementing context in which to achieve results.

Early and Consistent Stakeholder Input. According to union informants, a major positive factor was that ILO obtained input from unions at the project design stage. For Philippine labor unions, there is a standard operating procedure, whereby projects (regardless of donor) have to gain approval from a national-level Project Monitoring Board if they seek to involve workers or unions. Similarly, the national-level tripartite PAC, chaired by DOLE, provides ongoing counsel and support of BC-PLIP implementation. Union informants identified the PAC as an important facilitator to attaining results.

"There were early consultations about the project, and we made it a point to participate and suggest the structure."

BC-PLIP Informant, Manila

Customized Trainings and Cascading Information. Informants stated that the BC-PLIP training content and approach were crucial to achieving results. Trainings were custom-designed for different stakeholders, such as inspectors, regional directors, the MIS team, and union and ECOP representatives. With respect to approaches, inspectors appreciated the practice-based trainings, in which they visited enterprises or conducted mock inspections. In addition, the approach of holding joint trainings for tripartite members allowed outcomes to go beyond technical learning to include honest discussions and mutual understanding. According to social partners, the other aspect of trainings that facilitated results was their own efforts to share information and replicate trainings. In most cases, each social partner involves staff to tailor curricula which they then delivered through seminars, workshops, and group discussions.

Organizational Development Approach to IO 1. Under IO 1, informants noted the importance of strengthening DOLE's MIS and HR system as a complement to the focus on inspectors that typically occurs in projects like this one. The MIS in particular has been cited as a cornerstone of success; it is the nucleus for high-quality data that informs decision-making. The HR system was critical to clarifying roles and responsibilities as well as prompting the realization that new positions were needed to support inspectors. These organizational development efforts reinforced key management systems responsible for empowering the chain of actors involved in operationalizing the labor inspection system.

"We know that labor inspectors need other actors in the inspectorate system to be strong to really have good implementation; it's not just labor inspectors moving the whole system."

BC-PLIP Informant, Manila

Compliance Receptivity of Private Sector. According to ECOP informants, member companies are diligent about complying with the numerous labor regulations and priorities that continue to come out of the GoP. Despite associated costs, numerous employers are being proactive to ensure compliance. This orientation has produced an implementing context that is conducive to the achievement of results. ECOP and union informants mentioned a number of international and national companies that are committed to compliance. They not only make internal accommodations for employees to attend BC-PLIP trainings but also participate in inspections,

"In the last decade, the battle cry of the employers was the reform of the Labor Code. With the technological advancements and the populist bills being filed by legislators, we have changed the call to pushing for better implementation and enforcement of labor laws."

BC-PLIP Informant, Manila

facilitate independent social audits, or voluntarily regularize contractual employees. Employer informants noted that the climate fostered by DOLE is supportive, collaborative, and instructive, qualities that are prompting similar mindsets in companies.

Implementer & USDOL Dedication and Knowledge. Informants cited that the performance of ILO and its project coordinator facilitated achievement of BC-PLIP results. ILO was particularly successful in engaging and consulting partners, navigating the Philippine labor landscape, supporting key stakeholders, and using a proactive approach to align with and leverage corresponding labor sector projects funded by, for example, USDOL and the European Union. Likewise, the evaluation noted that USDOL's consistent and proactive project management across the life of the project, was an important factor in results achievement, and importantly, the level of sustainability that exists around IO 1's MIS.

Factors Limiting BC-PLIP Results

BC-PLIP Design and Resources. This independent evaluation and ILO's internal evaluations both concluded that the original BC-PLIP project design was overly complex: It consisted of two IOs, five SIOs, and 34 outputs. The expected results went beyond what could reasonably be expected from the US \$1 million and three years allowed for BC-PLIP. DOLE informants noted that the limited financial resources and timeframe hindered broad and deep achievement in, for example, the number of inspectors trained and the variety of interventions implemented, thus contributing to the need for two modifications.

Start-up Delays. A number of factors delayed project start-up and caused initial underspending that necessitated the two modifications. These factors included discussion between USDOL and ILO on the Fly America Act; the Duterte administration's change in focus from compliance to enforcement (DO 183); limited initial buy-in and cooperation from regional directors; and the original design and selection of 76 indicators. Both the independent midterm evaluation and project informants considered this number of indicators to be excessive for the level of BC-PLIP investment and scope, leading to measurement and management burdens.²¹ The reduction in the number of indicators did not occur until July 2018—four years after the original start date. These factors not only delayed achievement of results, but also significantly complicated the performance measurement and management system.

M&E Gaps. The project has experienced M&E challenges with respect to baseline study, indicator selection as well as data collection, analysis and reporting. This was evident in the state of the July 2019 PMP, first submitted to the evaluation. The project has also been without a dedicated M&E officer since August 2018. Finally, the evaluation team has initial questions about the rigor, sample significance and methodology of the recently conducted endline study. Altogether, this has affected the quality and quantity of information collection, management, and analysis, as these tasks have now fallen on the project coordinator. This gap has affected not only the integrity of the PMP and the ability of ILO to report on the project, but also the project's ability to manage for results. Externally, tripartite partners, in particular unions and ECOP, also have limited capacity, resources, and tools to collect and transfer project-driven data.

²¹ O'Brien, Dan. *Independent Midterm Evaluation of the Building the Capacity of the Philippines Labor Inspectorate Project*. U.S. Department of Labor, January 2017.

https://www.dol.gov/sites/default/files/ILO_Philippines_IL_Midterm_Evaluation_Final_Report_without_PII.pdf

Regional Labor Inspection Capacity Challenges.

The project reached the regional level through IO 1 and IO 2 trainings. However, it did not focus on building deep inspection capacity and leadership. Some regions—including the National Capital Region and Regions III and IV—are stronger, with more organizational capacity and active leadership around labor inspection, than others that are still developing, including Mindanao and the southern regions. Informants noted that the regions are still in need of capacity building. Some of the more visible challenges are that inspectors (because of their large numbers) are asked to conduct many tasks that are often outside their roles and responsibilities; that regions have little capacity to collect or analyze information; that not all regional directors support BC-PLIP or are apathetic about inspection; that inspectors are

"You can't speak of the Philippines as a monolith; there are certain parts in the country where inspection systems may need more support."

BC-PLIP Informant, International

"50 percent of the regions that unions are working with in the project are not cooperating. Also, some field office directors and regional directors may not be clear about what their job is. DOLE regional directors are also constantly reassigned/reshuffled."

BC-PLIP Informant, Manila

generalists who do not have knowledge or skills in industries important to the region; and that the MIS is not adequately understood or used. Clearly, the varied organizational capacity and leadership at the regional level has limited more robust achievement of BC-PLIP results.

Finite Capacity and Resources of Unions and ECOP. Both in Manila and regionally, trade unions and ECOP have limited organizational capacity and resources with which to manage, measure, and adapt in the labor inspection system. Informants from both entities confirmed that, although national-level participants have absorbed learning from many project trainings and activities, regional replication has been limited because of finite human and financial resources.

Challenges Around AO 164. While the project did not facilitate or support AO 164, its implementation has experienced unanticipated challenges that have limited IO 2 results. Initially the idea was to build the capacity of social partners and certify employers and workers to accompany inspectors. However, as seen in Table 8, reality has not met initial expectations.

Table 8. Snapshot of Social Partners Involved in Joint Inspections (AO 164)

| Total | Trained | Receiving General Authority | Receiving Inspection Authority | Participated in Inspections as of 6/26/19 |
|-------|---------|-----------------------------|--------------------------------|---|
| # | 230 | 195 | 71 | 50 |
| % | 100 | 98 | 31 | 22 |

Since 2017, when AO 164 was established by the GoP, 50 of 230 individuals trained by BC-PLIP, or 22 percent, have participated in joint inspections of enterprises other than their own. Issues constricting implementation include unanticipated management, training, and logistical costs; the fact that the AO is not endorsed by all social partners or the ILO; the potential for conflict of interest (for example, unions have reportedly used joint-inspections to organize); safety burdens; and potential intellectual property issues. According to ECOP informants, there are also equity issues, in that fewer employer

"AO 164 is a tug-of-war. It was well intentioned, but it's not working."

BC-PLIP Informant, Manila

"...We are using labor inspection as an organizing tool in workplaces where unions are present."

BC-PLIP Informant, Manila

representatives than union members have been trained. Also, the operationalization of AO 164 depends in large part on regional directors. Although the DOLE secretary issues a "general authority to assess," it is the regional directors who issue authority to assess in each

establishment.²² In practice, the regional directors identify, empower, and supervise the social partners as part of the regional inspection teams. It appears that, on the GoP side, this management burden may be restricting implementation of AO 164. On the social partner side, a lack of resources to cover transportation and other variable costs is limiting participation.

3.4 Question 4. What is the likelihood that project activities and results will continue absent USDOL resources?

This section reviews sustainability potential for BC-PLIP results, which initiates from its sustainability plan. The project developed its sustainability plan in May 2017, at the recommendation of the midterm evaluation, and then updated it in March 2018. The plan focuses on six major project components (the SIOs) among the two IOs. For IO 1, these are the MIS, HR interventions, and the institutional framework on labor inspection. For IO 2, the major project components are tripartite collaboration and partnership, participation of workers in the labor inspection system, and improved knowledge of employers on labor standards and capacity to engage in the labor inspection system.

This discussion of sustainability focuses on the development objective, IOs, and SIOs.

Development Objective: Improved workplace compliance with national labor laws. The evaluation cannot assess sustainability because this result has no corresponding indicators and, by default, no activities.

IO 1: Effectiveness of labor inspection conducted by LLCOs is improved. The GLS and OSH laws, which represent the cornerstones of the labor inspection system, are both written to facilitate effectiveness.

- For **SIO 1.1**, ILO and DOLE informants both recognize the strong likelihood that the MIS will continue absent USDOL funds. Reasons include the following: (1) funding for the MIS is included in the OSH law; (2) the infrastructure, cloud hosting, and open-source software are co-managed and co-owned by DOLE; (3) DOLE has MIS-specific unit and staff in place, including MIS regional focal-points; (4) DOLE and other GoP agencies recognize the importance of the MIS; (5) the MIS has gone through numerous iterations and is now embedded in DOLE's work and a user manual, which is updated regularly; and (6) the MIS is also linked with DOLE performance indicator reporting, which are tied to financial resources. There are always threats to MIS sustainability, such as a change in administration or the system's utility and effectiveness at regional levels. However, the global trend of digitalization of data, along with the fact that the GoP has a civil service, solidify the sustainability of the MIS.
- For **SIO 1.2**, the sustainability of the labor inspection system's legal framework is strong. Although ILO Convention 81 has not yet been ratified, its framework is aligned within the GLS and OSH laws, so that it is, to a strong degree, institutionalized in the GoP's inspection regulations.

"We had this realization: what if the project is not here anymore? For example, we didn't have our own servers. So, we allocated funds on the department side to ensure MIS sustainability."

BC-PLIP Informant, Manila

²² DOLE, AO-164, p.3

- For **SIO 1.3**, the level of sustainability of HR management activities and results is not as strong as for the other SIOs, according to respondents. The trainings provided to DOLE are not yet institutionalized at the national level, although they are included in the procurement plans of four regions. Updated job descriptions are still waiting for the approval of the Civil Service Commission. There is risk that, absent BC-PLIP, momentum behind both of these efforts will fade, and the initiatives will disappear.

“Trainings are included in the annual procurement plan at the regional level. But they won’t occur at the level and frequency of BC-PLIP trainings. Sustainability depends on the prerogative and priorities of management in the regions.”

BC-PLIP Informant, Manila

IO 2: Effectiveness of worker and employer engagement in the LLCS is improved. Bipartite and tripartite mechanisms (the Project Management Board that governs union participation, PAC, and NTIPC) and laws (AO 164 and DO 183) lay a strong foundation for worker and employer engagement in the labor inspection system. Because these mechanisms and laws have been institutionalized, the potential for continued engagement is high. Project informants (not including union representatives) expressed the belief that challenges associated with AO 164 threaten its continued implementation.

- For **SIO 2.1**, informants see a strong likelihood that tripartite entities will replicate BC-PLIP compliance events. This is particularly the case in regions with stronger tripartite bodies. Three factors deserve mention. First, the DOLE Bureau of Labor Relations issued a memo to include compliance in the agenda of all regional tripartite councils, and there are relatively strong tripartite structures across the country. Second, select regions (NCR, III, IVA and VII) have replicated trainings on labor standards’ enforcement, while in other regions (XII and XI) tripartite bodies have taken the initiative to develop industry-specific trainings and initiatives. Third, strategic compliance planning is part of the current version of the Inspection Operational Manual in all regional offices, although the manual is awaiting approval by DOLE.
- For **SIO 2.2**, the sustainability of project-driven results to ensure that worker and unions continue to participate in the labor inspection system is positive. In addition to the two regulations discussed throughout this report (AO 164 and DO 183), activities that have a likelihood of continuing include the five trade union monitoring networks, various compliance trainings, and the 6 project trained union trainers in each of the target-unions (30 total). The unions are replicating trainings, albeit on a smaller scale, on the inspection process, GLS, and OSH. They also adopted or tailored various compliance and inspection checklists detailing what to do before, during, and after inspections. In general, union informants stated that project efforts not only positively affected their membership services but also enabled unions to work better together, as identified above under question 2.
- For **SIO 2.3**, the likelihood of sustaining BC-PLIP results is high at the national level but weaker at the regional level. ECOP informants said that, although much of the content of BC-PLIP trainings has been institutionalized into ECOP’s Manila headquarters, more work must be done to decentralize the trainings and campaigns to the regional level chapters. ECOP informants said that the ECOP secretariat is responsible for delivering training at the national level but that ECOP needs to build regional organizational capacity to replicate BC-PLIP results consistently.

3.5 Question 5. What are the lessons learned, promising practices, and emerging trends?

This section discusses key lessons and promising practices from project implementation, as well as current trends in the labor context in the Philippines.

Lessons Learned

BC-PLIP project experiences that should be actively taken into account for any potential future programming are presented below.

Investing in Data Over the Long-Term & Facilitating Ownership. For programs focusing on labor inspection and rights, high-quality data is crucial as the body of evidence upon which relevant policies, processes, and interventions are based. Evidence-based decision-making allows efficiency, effectiveness, and scale. DOLE's MIS has taken more than seven years to develop to a point where it is producing consistent and reliable data. **Thus, a similar achievement requires a long-term investment and strategy, with a concrete plan for local ownership and sustainability.**

Power of Government Partnership. The success generated by BC-PLIP has much to do with the fact that DOLE not only was a willing and cooperative development partner, but also invested in the project. The evaluation team believes that this relationship added significant value to the results of the project and can serve as a model for shared decision-making, investment, and management of activities.

Tripartite Engagement and Participation. Another factor in the project's success was its commitment to equally and consistently engaging workers and employers. Tripartite participation not only was integral to the BC-PLIP approach but also was inherent in the project's results mandate (IO 2). This integration, along with the country's strong tripartite environment and infrastructure, was instrumental in supporting the ability of BC-PLIP to achieve and, in some cases, surpass its targets.

Importance of Risk Management for Dismissals. An ongoing GoP labor priority is ending illegal contracting and subcontracting by regularizing contracts. Evaluation informants identified the risk associated with this effort in terms of a potential increase in the dismissal of workers. Informants mentioned the need for diverse strategies for labor sector projects to mitigate this risk, including: building tripartite capacity in appropriate policies, compliance, and rights; monitoring dismissals with unions and discussing issues in PAC meetings; designing specific indicators on worker dismissals into the MIS and performance monitoring system (PMS); engaging in workplace-level social dialogue to prevent violations pre-inspection or correct them post-inspection; and partnering with other USDOL projects to monitor and mitigate dismissals.

"One of the realities is that there is retaliation from employers. The project worked with the Freedom of Association Project and unions to mitigate this."

BC-PLIP Informant, Manila

Early Planning for Sustainability and Scaling Early. Project informants mentioned that sustainability was built into the design of the project and that purposeful discussions were facilitated with DOLE on how best to sustain the MIS. Still, a formal sustainability plan was not developed until after the midterm evaluation, which is not an optimal point at which to strategically plan for sustainability. A sustainability plan should instead be required at the initiation of any

project as a key management tool and should be connected to the PMP.²³ In addition, the plan should be tracked and updated throughout the project. BC-PLIP updated its sustainability plan once, in 2018, and the plan did spur changes. However, the evaluation team did not see evidence of more robust tracking and adaptations based on the updated plan, particularly regarding SIO 3 and its HR system requirements.

Multifaceted Work at Local Levels. The evaluation scope did not include visits to the regions. Yet, no significant primary or secondary evidence gleaned by the evaluation demonstrates robust roll-out of BC-PLIP to the regional level. To be fair, there were limited project resources, and some priorities, such as MIS and policy efforts, called for focus at the central level. Still, the success of BC-PLIP's efforts must inevitably be realized in the regions. Although a number of trainings and other efforts focused on the regions and their inspectors, there is much work to be done, using diverse approaches.

"For these types of projects, you must work as much as possible at the local level. We can't have efforts isolated at the central level."

BC-PLIP Informant, International

Project Design and Initial Indicators. Numerous informants questioned the initial project design, which in 2014 invested US \$1 million over three years. BC-PLIP required two modifications that injected an additional \$250,000 and extended the end date to August 2019. Although it can be argued that the ambitious project design caused the need for the modifications, there were also other issues that caused delays. One was the 76 indicators that were originally developed by the project, which were not reduced until 2018. The teams for both the independent midterm evaluation and this current evaluation expressed serious concerns about the number of indicators assigned to a US \$1 million project. The large number of indicators indeed caused a management burden that ran across the initial years of the project and continued to limit measurement to the end. Although there is no hard-and-fast rule for selecting and designing indicators, a simple framework to consider includes three components: (1) the indicators are necessary and sufficient to measure results; (2) indicator data can be collected with available human and financial resources; and (3) indicators provide information that is useful for project management.

Importance of Continuous, Incremental Investment. Like all US government agencies, USDOL has limited resources to be prioritized across a set of countries. The Philippines, however, is a case that shows the good that can be done with consistent, incremental investment. Although the flagship success of the project is the MIS, trade unions and ECOP have also benefited and have, in turn, improved their labor practices and services as a result of a modest yet consistent stream of US government funding over the years. The lesson is that, if resources are continuous and strategically targeted, then they will have an effect over time. This is particularly the case in countries that, like the Philippines, have a conducive context, provide a strong enabling environment, and are willing to invest complimentary resources to reach project goals.

M&E Focus and Consistency. Investment in a project's M&E system and corresponding resources (e.g., dedicated permanent and, if needed, short-term staff) should be a strong priority for implementing partners and should take precedence over such activities as duplicative internal midterm evaluations. The evaluation believes that ILO's resource allocation to fund an internal mid-term evaluation was not a good use of resources, particularly considering USDOL is so consistent and rigorous in its independent evaluation efforts. Instead, the evaluation believes strongly that resources should have been invested to ensure that highly effective M&E officers are selected, trained, and retained throughout the life of the project. Otherwise, and as occurred

²³ While a sustainability strategy has always been a requirement of the USDOL proposal process, the 2019 OTLA Management Procedures and Guidelines now require that implementers submit a sustainability plan seven months after award (pp. 6, 11-12).

in BC-PLIP, M&E tasks fall to already burdened coordinators, who do not have the time to perform adequate data collection, analysis, and reporting. M&E should not occupy priority only during reporting periods or evaluations. Instead, this should be the cornerstone of a project's performance management systems and should drive its efforts to manage, adapt and learn.

Promising Practices

A project intervention that was effective in achieving a positive result is considered a "promising practice." The evaluation identified a number of such practices.

Regional Performance Monitoring System.

Between 2018 and 2019, two regional offices (National Capital Region and Region III) have developed PMSs as part of the MIS to enable them to monitor and manage inspectors. Regional directors identified the need for evidence to enable them to understand and support the quality of inspections and the resulting case management process. This quality assurance platform was seen by some regions as urgent, particularly as the DOLE secretary has called for a significant inspector staff-loading effort over the next few years. Currently, the PMS for both regions includes three components: (1) labor inspection results, consisting of real-time information inputted by inspectors during their inspections; (2) monitoring support staff, who act as a technical working group that monitors and evaluates the inspection reports; and (3) case management, which traces cases from report inception to closing (all the way to a court case if necessary). Although this PMS structure has potential as a promising practice, two key challenges should be noted. First, there are (and will be) challenges in getting inspectors to completely buy into the PMS, as it is set up to monitor and evaluate their performance. Second, the scale of the PMS is congruent with the capacity and strength of the regional offices, particularly their ability to use the MIS. Some regions may have the leadership, personnel, and organizational capacity to replicate the PMS, but others may not.

"Before, there wasn't a way that supervisors could track the performance of their inspectors. With the PMS, we can now better understand and manage inspection."

BC-PLIP Informant, Manila

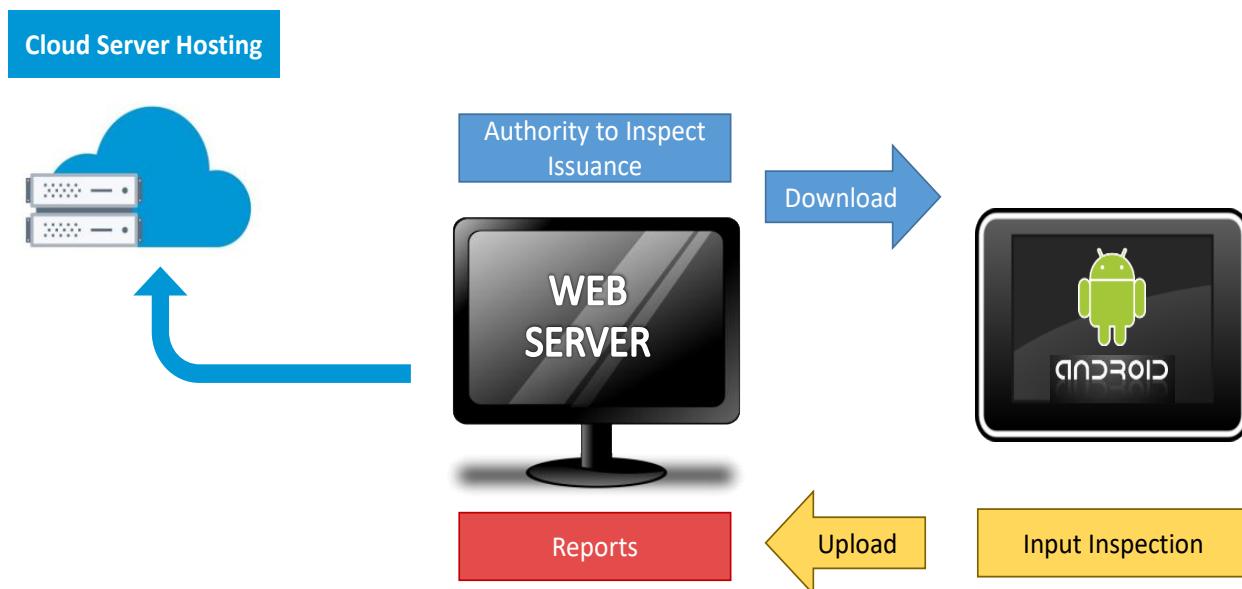
Leveraging Bipartite and Tripartite Bodies. BC-PLIP has done well in leveraging existing entities to enhance project activities, facilitate results, spur ownership and sustainability, and maintain transparency. In particular, the project regularly engaged with three bodies: (1) PAC was engaged through quarterly meetings, not only to serve as a clearinghouse for project activities, but to also help manage risk; (2) 17 regional industrial tripartite peace councils (RITPC) serving as regional partners, provided trainees and inputs to strengthen the inspectorate system, including strengthening the latest version of DO 183; and (3) the NTIPC provided key information to support decision-making in areas such as ratifying ILO Convention 81.

DOLE MIS. One of the central achievements of BC-PLIP was the improvement and sustainability of the MIS as a model system in the GoP.²⁴ This process has taken seven years and has brought the MIS to a point where it is not only a system whose information is sought after across the GoP, but also, according to informants, among labor inspectorates in Asia. It is highly functional, dependable, and can serve as a strong model for countries that desire to bring data and information to the center of their inspection systems. In general, the MIS seeks to support integration of labor standards enforcement processes, guide evidence-gathering efforts during inspection, produce notices of inspection results, and guide decision-making and planning on labor standards enforcement. Through an administrative order, there is a BWC MIS team in-place to co-administer the system and focal points are designated in each regional office. The MIS is

²⁴ ILO is developing a compendium of best practices in which the MIS will be described in a much more detailed manner, perhaps including the costs associated with developing and managing the system.

co-administered with its developer (an external contractor). Hosted on DOLE servers, the web-based system is run on Microsoft Azure, whose public cloud computing platform allows data analytics, virtual computing, storage, networking, and more. Inspectors have tablets with cameras and checklists, which can be populated with or without an internet connection, to allow real-time input and transfer of data (see Figure 1). DOLE fully funds the cost of the MIS cloud hosting, tablets, other equipment, central and regional trainings, and internet subscriptions. There are security protocols on the MIS web application and on the hosting server (Linode). There is a web application designated for senior DOLE staff, a mobile application for labor inspectors, and a public online services platform.²⁵

Figure 1. Simplified Schematic of the LLCS-MIS



Business Process Review to Strengthen MIS. DOLE informants cited using the business process review approach (map the process flow → identify critical success factors → develop a strengthening plan → address issues) each time the MIS was enhanced or adjusted. This review enabled a precise understanding of where and how the MIS technology was being used and bottlenecks that were preventing or limiting its effectiveness. For MIS and IT, this type of assessment methodology can be of particular benefit, as DOLE has discovered.

ECOP Virtual Help Desk. As a result of BC-PLIP, ECOP established a help desk on its website (<https://ecop.org.ph/help-desk/>) in 2016. This online platform provides members and non-members with information on HR management, industrial relations, and OSH. The help desk was initially created to help small companies with compliance issues; it receives an average of 10 queries a week on this topic. ECOP informants noted, however, that, when a new labor law or regulation is passed, traffic and queries increase. Included in the site are FAQs that are continually updated and uploaded from ECOP's website and Facebook page.

²⁵ See <https://inspect.nmgdev.com/>.

Trade Union Monitoring Network. Work under IO 2 has facilitated two trade union monitoring networks: Mactan Export Processing Zone and Cavite Economic Zone. These inter-union networks aim to regularly monitor compliance with GLS and OSH in these special economic zones. This effort is particularly important because special economic zones can have differing legal frameworks designed to encourage investment by national or international companies. Furthermore, monitoring adherence to GLS and OSH laws is crucial. According to union informants, the networks' effects at present are mediocre, because of the differing agendas of participating federations. However, informants stated that participating groups understand the importance of this effort and desire to continue to strengthen it. Thus, this practice is promising as much for its existence as for its potential. Whether the potential manifests itself is in the complete control of the federations involved.

"BC-PLIP also fostered an environment of trust and confidence among the various participating unions. The Trade Union Monitoring Network can be a good practice, which has been established for more than a year."

BC-PLIP Informant, Manila

Emerging Trends

Current or forecasted realities in the Philippine labor sector, which will have lasting effects and warrant consideration for future programming, planning, or implementation are presented below.

Ending Contracted Labor and Regularizing Employment. In late June 2019, the Security of Tenure Bill (House Bill No. 4444), was vetoed by President Duterte; it was considered to be too general and not relevant for small and medium-sized enterprises. Still, since his entry into office, Duterte has made it a priority to prohibit employment contracting in all its forms, including fixed-term employment, and has issued an executive order to that effect. Since 2016, this priority has resulted in a number of shifts in the inspectorate and in BC-PLIP. It has also prompted "voluntary regularization" of workers, in which enterprises establish monthly or quarterly quotas to transition contractual employees to permanent employment.

Case Management. This approach goes beyond considering inspection as a one-time effort with one set of actors. Instead, it sees inspection as a continuum, with a variety of key actors and responsibilities. It begins with an inspection case, which follows a process, needs numerous inputs, and requires follow-up to come to a resolution or conclusion. This case management approach is now important to tripartite actors and to DOLE in particular as its shepherd. According to DOLE informants, the MIS has case management built in, so that it can cover inspection from inception to conclusion. Although this potential is not yet being maximized in the MIS or in DOLE's management approach, the intent is to fully realize it in the near future.

"The entire process of the case can now be covered by the MIS. It is not being used in this way now, but it is designed to capture data that covers the entire inspection case. It will also cover the status of a case that leaves DOLE and moves into the court system."

BC-PLIP Informant, Manila

OSH. Tripartite actors are still coming up to speed with 2018 regulations (RA 11058 and DO 198) to understand specific OSH rules, responsibilities, and rights as well as the implications for enforcement and compliance. For example, the law requires companies to develop an OSH action plan, but many do not have sufficient capacity to do so. Noteworthy is that there is a DOLE inter-agency committee on the OSH law that is responsible for improving access to and quality of OSH in the workplace.

Alternative Dispute Resolution. In the Philippines, inspection cases in the court system take years to resolve and place tremendous resource strain on the system. Thus, it is in the best

interest of all actors to utilize mechanisms to settle disputes outside the courtroom. Union informants identified alternative dispute resolution, social dialogue at the plant level, or collective bargaining as potential mechanisms to reinforce labor enforcement, complement inspection efforts and avoid bringing cases to the court system. Rather than relying solely on inspection, partners can make better use of these alternatives to resolve issues at the enterprise level.

Compliance as a Priority for Multinational Corporations. Informants noted that more and more multinational corporations are undergoing social audits to ensure labor compliance. In the future, it will be important that these audits are part of an enterprise's risk management process and that they are aligned with the latest national laws. The ultimate goal of these independent exercises should be to yield findings that will truly support compliance in a proactive manner that preempts inspection.

The Power of the MIS. Informants mentioned that the MIS now has the power to bring to light previously invisible issues such as child labor, online gaming, and others. Inspectors have the enforcement power to enter any workplace, rescue a child, and issue a work stoppage order in case of imminent danger. In BWC's yearly review of the MIS, eight cases of child labor were identified. Before, data on these cases were hidden at the regional and field offices. Now, information is more transparent, and accountability at the regional and field levels is stronger.

"The MIS now also has the ability to alert us on child labor law violations!"
BC-PLIP Informant, Manila

Supply Chain Inspections. There is increasing focus on labor compliance and inspection in global supply chains, including in the garment industry but also in other complex industries such as fishing and seafood and agricultural products. The supply chains in these industries inevitably touch on informal economies, which present serious labor violations that companies have failed to mitigate or respond to effectively.

4. CONCLUSIONS

The conclusions presented below were reached based on an analysis of the findings for each of the five evaluation questions. For Questions 1 (results achievement) and 4 (sustainability), the extent of progress is reported on a four-point scale: *low, moderate, above moderate, or high*.

4.1 Question 1. To what extent has the project achieved its theory of change?

Five interrelated M&E issues affected Question 1 conclusions. First, the baseline study yielded values more than 2.5 years after the project started. Second, beyond endline values, 12 of 38 indicators were not populated in the project PMP. Third, the currently reduced 38 indicators are still considered excessive for an originally US \$1 million and ultimately US \$1.25 million, project. Fourth, the project did not have an M&E officer for final year. Fifth, a complete version of PMP was submitted late to the evaluation team and populated with data from an endline study that, although not reviewed, may have potential weaknesses with respect to rigor, statistical significance of sample, and methods. Collectively, these issues challenged target setting, baseline and final data collection, reporting, results achievement, and strategic use of the PMP.

The BC-PLIP theory of change is summarized as follows:²⁶ *If LLCOs have a better understanding of the labor law and improved skills for carrying out joint-assessments And If the LLCS is strengthened to better capture and manage data on workplace compliance to improve its evidence-based inspection planning, And If employers and workers have improved understanding of their rights and obligations under the labor law and on how to meaningfully engage in the joint-assessments Then the effectiveness of joint-assessments, LLCO advisory services and LLCO enforcement at the workplace level will improve AND employers will be in a better position to comply with the law voluntarily; workers will be in a better position to advocate for their rights directly with the employer or through the LLCS system; and LLCOs will be more effective in changing employer behavior to comply with the labor law whether through persuasion or the force of law, thus resulting in improved working conditions for workers in the Philippines.*

The evaluation team considers the theory of change to be overly complex and ambitious for a US \$1.25 million project. Also, it is perhaps no longer synchronized to the current implementing environment and the updated results framework, which has been modified twice. This lack of alignment is observed in the emphasis in the theory of change on compliance (LLCS and LLCOs) in light of the Duterte administration's shift to emphasis on enforcement. Although this shift caused delay at the outset, BC-PLIP did a good job of adapting to change in a key critical assumption: "Government of Philippines, and in particular DOLE priorities, will remain unchanged over the implementation period." Adaptation was needed because of President Duterte's new set of labor priorities in 2016.

Keeping these challenges in mind, the evaluation team assessed the extent to which BC-PLIP achieved the results that comprise its theory of change.

- The Development Objective (*Improved workplace compliance with national labor laws*) cannot be assessed because of a lack of results and indicators.

²⁶ This theory of change (also known as a development hypothesis) was taken from Modification 2's Annex A "Proposed Revision (3) of the Logic Model – April 2018."

- IO 1 (*Improved effectiveness of labor inspection conducted by LLCOs*) is evaluated at an above moderate level of achievement given the following analysis of its results and indicators:

Table 9. IO 1 Specific Ratings

| Result | Tag | Number of Indicators | Evaluation Rating |
|---------|--|----------------------|-------------------|
| IO 1 | Improved effectiveness of labor inspection | 1 | Above moderate |
| SIO 1.1 | MIS | 10 | High |
| SOI 1.2 | Legal framework | 6 | Above moderate |
| SIO 1.3 | Inspector competency | 4 | Above moderate |

- IO 2 (*Improved effectiveness of worker and employer engagement in the LLCS*) is evaluated at an above moderate level of achievement given the following analysis of its results and indicators:

Table 10. IO 2 Specific Ratings

| Result | Tag | Number of Indicators | Evaluation Rating |
|---------|--|----------------------|-------------------|
| IO 2 | Joint inspection | 1 | Above moderate |
| SIO 2.1 | Tripartite stakeholder orientation | 4 | Above moderate |
| SOI 2.2 | Participation of workers in labor inspection | 7 | Above moderate |
| SIO 2.3 | Participation of employers in labor inspection | 5 | Above moderate |

BC-PLIP has performed very well during its five years despite limited financial resources. The project has taken full advantage of a conducive implementing environment, maximized work with tripartite partners, and leveraged DOLE and corresponding donor resources. Not meeting all indicator end targets and the lack of consistent and high-quality PMP data kept the project from achieving the highest possible ratings. Nonetheless, the project has made important contributions to the effectiveness, efficiency, and democratization of the Philippine labor inspectorate system. In this respect, it has made significant progress toward achieving its theory of change. Any effort that involves policy implementation has the potential for backsliding, however, the advances facilitated by BC-PLIP over the past five years have moved the labor inspection system and the labor context to a very stable position.

4.2 Question 2. Did the project cause unintended effects?

BC-PLIP generated unintended, beneficial effects, summarized below under each key partner.

DOLE

Project implementation generated four unintended beneficial effects for DOLE:

1. **Increased investment in labor rights and inspection**, resulting in the passage of numerous pro-labor laws, significant investment in the MIS, hiring of new inspectors, and the creation of new positions.
2. **Regional reflection and parallel efforts**, resulting in reaching more regional staff with tailored trainings and incorporating regionally driven enhancements into the MIS.
3. **Identifying labor market trends and information**, as the MIS makes hidden labor trends more visible (for example, in online gaming and in construction).
4. **Utilization of MIS data by other GoP bureaus and agencies**, who are typically seeking compliance information on GLS and OSH.

Trade Unions

BC-PLIP generated three unintended beneficial effects for trade unions:

1. **Inter-union collaboration** with corresponding improvement in inter-union relations and collaboration.
2. **Improvements in union services and advocacy**, which include enhancing membership outreach, contributing to GoP labor efforts, understanding the need for industry-specific tripartite structures, and leveraging GoP policies to facilitate employer compliance.
3. **Improved relationship with DOLE**, resulting in a more open and closer partnership.

ECOP (Employers)

The project had two unintended beneficial effects on ECOP:

1. **Improvement in services**, which include membership services, trainings, and value-addition services.
2. **A higher level of legitimacy and multiplier effects**, which have made ECOP the go-to employer association in the country for labor compliance issues.

4.3 Question 3. What were the key factors that facilitated and limited results achievement?

The project encountered internal and external factors that either supported or limited achievement of results. Table 11 summarizes these internal and external elements, in order of significance.

Table 11. Facilitating and Limiting Factors for BC-PLIP Results Achievement

| Key Factor | Origin | | Summary Effect |
|--|----------|----------|---|
| | Internal | External | |
| Factors Facilitating BC-PLIP Results | | | |
| Enabling environment | | ✓ | Facilitated GoP policies, partnerships, and investment that significantly supported project results achievement. |
| Early and consistent stakeholder input | ✓ | | Increased early buy-in and ownership across the project and provided a solid feedback mechanism to inform and support management decisions and manage risk. |
| Customized trainings and cascading the information | ✓ | | BC-PLIP provided relevant trainings with high participant receptivity and absorption and a high likelihood of sharing and replication. |
| Organizational development approach to IO 1 | ✓ | | Going beyond the individual inspectorate, IO 1 efforts supported the labor inspection system as a whole. MIS and, to a lesser extent, HR management, have been improved as part of the organizational development effort. |
| Compliance receptivity of private sector | | ✓ | Numerous international and national companies are proactive in labor law compliance, enabling a conducive context for BC-PLIP results. |
| Implementer (ILO) & USDOL dedication and knowledge | ✓ | | ILO was able to anticipate issues, resolve challenges, foster relationships, and leverage resources. USDOL's strong project management facilitated results and heightened sustainability. |

| Key Factor | Origin | | Summary Effect |
|--|----------|----------|--|
| | Internal | External | |
| Factors Limiting BC-PLIP Results | | | |
| BC-PLIP design and resources | ✓ | | The overly complex project design, disproportionate to the USDOL financial and time investment, contributed to late baseline data collection, slow project start, and two project modifications. |
| Start-up delay | ✓ | | Administrative lack of clarity about the Fly America Act caused significant initial delay. The large number of indicators challenged measurement and, to an extent, project management throughout the project. |
| M&E gaps | ✓ | ✓ | Internally, BC-PLIP had no M&E officer for the last year of the project. Externally, social partners had limited capacity to conduct M&E. |
| Regional labor inspection capacity issues | | ✓ | The limited organizational capacity of DOLE regional and field offices (e.g., Mindanao and south) has restricted the project's effect. |
| Finite capacity and resources of unions and ECOP | | ✓ | At central and regional levels, unions and ECOP have limited organizational capacity, which restricted their ability to manage, measure, and adapt in the labor inspection system. |
| AO-164 challenges | | ✓ | This policy, which allows joint inspections, is well intentioned but fraught with challenges that limit its implementation and call its future into question. |

For the summative findings in Table 11, internal factors dominated the facilitation of BC-PLIP results achievement, while internal and external factors were equally responsible for limitations.

4.4 Question 4. What is the likelihood that project activities and results will continue absent USDOL resources?

The evaluation reviewed the sustainability potential for BC-PLIP's activities and results achieved. Beginning with the sustainability plan (developed after the midterm evaluation), major project outputs and outcomes under the project's major results are assessed for their potential for continuation after USDOL funding ends. An overall level of sustainability (i.e., likelihood of continuation absent USDOL funding) is given for these results using the Question 1 evaluation rating scale.²⁷

- **Development Objective** (*Improved workplace compliance with national labor laws*). The evaluation cannot assess sustainability for this result as it has no corresponding indicators and, by default, no activities.
- **IO 1** (*Effectiveness of labor inspection conducted by LLCOs is improved*). The probability of sustaining IO 1 activities and results is rated as *high*.

²⁷ *High* indicates a strong likelihood of continuation, with resources in place to ensure sustainability. *Above moderate* indicates an above average likelihood of continuation; resources have been identified but are not yet committed. *Moderate* indicates some likelihood that some results will be sustained; some resources have been identified. *Low* indicates a weak likelihood that results will be sustained; resources have not been identified.

In particular, the activities and results associated with the MIS (SIO 1.1) and legal framework (SIO 1.2) have a *high* likelihood of being sustained. The HR management and training results (SIO 1.3) are considered to be at an *above moderate* level of sustainability.

- **IO 2 (Effectiveness of worker and employer engagement in the LLCS is improved).** The probability of sustaining IO 2 activities and results is rated as *above moderate*.

In particular, the activities and results associated with the empowerment of tripartite members (SIO 2.1), worker participation in the labor inspection system (SIO 2.2), and employers' participation in the labor inspection system (SIO 2.3) each have an *above moderate* likelihood of being sustained.

The overall probability that the benefits of BC-PLIP's outcomes will continue without the assistance of USDOL is evaluated as *above moderate*.

4.5 Question 5. What are the lessons learned, promising practices, and emerging trends?

The following are key lessons and promising practices learned from project implementation as well as current trends in Philippines labor context.

Lessons Learned: (1) Investing in data over long-term and facilitate ownership; (2) Power of GoP partnership; (3) Tripartite engagement and participation; (4) Importance of risk management for dismissals; (5) Early planning for sustainability and scale; (6) Multi-faceted work at local level; (7) Project design and initial indicators; (8) Importance of continuous incremental investment; and (9) M&E focus and consistency.

Promising Practices: Regional performance monitoring system; DOLE MIS; business process reviews to strengthen MIS; ECOP virtual help desk; trade union monitoring network; and leveraging bipartite and tripartite bodies.

Emerging Trends: (1) Ending contracted labor and regularizing employment; (2) Case Management; (3) OSH; (4) Alternative Dispute Resolution; (5) Compliance is a priority for multinational corporations; (6) Power of the MIS; (7) Supply chain inspections.

5. RECOMMENDATIONS

The nine recommendations presented below can be considered for future USDOL programming in the Philippines or, as relevant, in other countries aiming to address similar issues.

- 1. Focus strategically on regions.** The Philippines labor inspection policy and organizational platform at the central level (DOLE) is seen as strong. However, much critical work occurs in the regions, which are the proving ground for the effectiveness of the labor inspection system. Consequently, the evaluation team sees great need for future investment and programmatic focus on increasing the effectiveness and efficiency of inspection at the regional level. This regional scope should be strategic and include DOLE regional and field offices, union affiliates, and ECOP chapters. The evaluation team sees at least three decentralized programming options:
 - *Programming option 1: Balanced model.* The focus would be on a number of priority regions who possess both stronger regional offices (e.g. those near the capital) and others facing more pronounced limitations (e.g., those in the southern regions). The idea would be to tailor programming to needs, strengthen relationships, and allow technical interchange among the regional offices that supports learning and growth.
 - *Programming option 2: Need-based or strength-based model.* The focus would be on strengthening a priority group of regional offices. This could encompass either the offices with the most limitations (in order to fill the most urgent gaps) or the offices with the most strengths (in order to multiply their assets). The feasibility and outcomes of either approach would have to be carefully weighed.
 - *Programming option 3: 17 Administrative regions model.* The focus would be on conducting a needs assessment and tailoring priority interventions to all 17 regional offices. However, given the typical resource investment of bilateral donors like USDOL, may limit the quality and quantity of this option. “Mile-wide, inch-deep” efforts should be avoided if this option is chosen.
- 2. Build on promising practices and address trends and needs in the Philippines.** The following inventory (generally focused on the regional level) consists of areas or efforts that should be given serious programmatic consideration in future labor inspection projects:
 - Maximize inputs, management, and use of the MIS at regional offices.
 - Strengthen the capacity of more inspectors in specialized industries (such as fishing, construction, and manufacturing) or in areas (for example, OSH) that are relevant to their regions.
 - Operationalize OSH compliance in workplaces through, for example, facilitating employer-based OSH plans as per the law.
 - Facilitate a DOLE-led review of AO-164 that investigates: (a) usage, effectiveness, and utility to tripartite partners; (b) resource and management requirements and their availability; and (c) potential that AO 164 conflicts with or contradicts other GoP labor laws or regulations (i.e., a legal review).²⁸ The review findings should inform DOLE’s next steps on this AO.

²⁸ As a starting point for an in-depth legal review, a rapid scan, carried out as part of the evaluation, pointed to potential AO 164 contradictions with the following Philippine laws: Labor Code, Article 128 – Chapter VI;

- Replicate or build upon key BC-PLIP training such as the *Data Appreciation Course* or the *Executive Course for the Strategic Management of Labor Inspectorate*.
- Empower the labor inspection system to identify, map, and conduct inspections in supply chains connected to less visible or more operationally complex industries, such as fishing, agriculture, construction, and online gaming.
- Support DOLE at the central level, to become more strategic in using case management as a systematic approach to labor inspection and to leverage the MIS to support this approach.
- Focus on the HR system at central and regional levels, prioritizing efforts cited in the BC-PLIP April 2108 Sustainability Plan, including: strengthen learning and development plan, conduct a labor inspection workforce analysis, develop a staff loading plan, develop an inspector reward and incentive program, and conduct a personnel capacity audit.
- Build in-house IT capacity by hiring a developer/programmer to manage the MIS and strengthen and scale its functionality to track cases from inception to resolution.

- 3. Take a long-term approach to improve labor inspection in the Philippines.** The evaluation team is mindful of USG's historical focus in the Philippines. As a result, its continuous, incremental investment is starting to show important returns in the labor inspection system, particularly at the central level. Still, much work remains at the regional level. To capitalize on the momentum achieved thus far, USDOL should avoid short-term, intermittent programming and time gaps in projects. Instead, it should engage in long-term planning and programming to maximize available and future resources to achieve success at the regional and field-office levels. This focus should include, for example, a plan to reach the 17 regions with a decentralized implementation model.
- 4. Conduct organizational development to strengthen unions and employer associations.** Leveraging the organizational development work of IO 1, USDOL could support a similar approach with unions and employer associations. An approach based on iterative assessment, planning, testing, and action could strengthen these organizations. This purposeful approach would facilitate improvements that are more relevant and strategic than the indirect, unanticipated benefits realized by unions and employers as described under Question 2.
- 5. Implement strategies to mitigate the risk of dismissals.** Because the GoP priority over the past few years has been regularization of contracted workers, informants mentioned the increased likelihood of worker dismissals. BC-PLIP did attempt to limit and monitor the potential for dismissals. Still, diverse and regular risk mitigation approaches should be required as part of future Philippine labor inspection projects. Project implementers should be required to identify mechanisms that will ideally prevent or at least limit negative effects of efforts to strengthen labor rights, compliance, or enforcement. For example, they could adapt tools such as "Do No Harm," a concept used to maximize assistance in conflict scenarios and limit negative repercussions.²⁹ Such a tool could be used to assess the risk of or potential for dismissals in a given company or region, so that a tailored or proactive strategy can be devised.

DO 183-17, Section 2, Rule III, Republic Act 6713 – Code and Conduct or Ethical Standards for Public Officials; AO 164-17; and AO-164.

²⁹ See *The Do No Harm Handbook: The Framework for Analyzing the Impact of Assistance on Conflict*. http://www.globalprotectioncluster.org/_assets/files/aors/protection_mainstreaming/CLP_Do_No_Harm_Handbook_2004_EN.pdf

6. Ensure M&E rigor from project design to close. The evaluation revealed numerous M&E challenges that should have been better managed by both ILO and USDOL. Regarding USDOL, the theory of change and its corresponding results could have been simplified at design stage. Also, USDOL should have been more proactive in facilitating the early reduction of the 76 indicators. From ILO's side, there were ongoing challenges with baseline (and potentially endline) studies, targets, results statements, indicators, data collection instruments, and data approaches. There were also staffing issues in the final project year. For each actor, therefore, the evaluation team recommends:

- **USDOL:** more focused M&E support and technical input at project initiation is needed. This is particularly the case with vetting and strengthening the initial PMP and its indicators. Complementing this, USDOL M&E technical specialists might provide regular support at strategic intervals (for example, at project launch and every trimester thereafter) or at crucial moments (such as when gaps emerge in M&E staffing). Supporting ILO staff to troubleshoot their M&E staff shortage could have limited the intensity of associated challenges. USDOL may also wish to dedicate its M&E staff to specific projects (in teams with project managers). Finally, USDOL should consider requiring a limited number of "context indicators" to assist in the measurement of development objectives and the project's contribution to them.
- **ILO:** more project resources and efforts on M&E are needed. An important aspect of this is using best practice frameworks for indicator design (e.g., DOAP - Direct, Objective, Adequate, Practical or VIPRT: Validity, Integrity, Precision, Reliability, Timeliness).³⁰ It is also recommended that more attention and resources be given to hiring, training, and supporting local M&E coordinators, which may also include allocating resources for one (or more) M&E support staff. Finally, the evaluation is not convinced of the added value of ILOs internal mid-term evaluation and questions the resources invested in a study that is duplicative of USDOL (independent) studies. With the M&E needs evaluated on this (and other) ILO projects, the evaluation considers that such resources would be better invested in strengthening the project's performance monitoring efforts to prevent or limit some of the gaps identified in BC-PLIP.

7. Consider a USDOL RBM refresh. RBM is the foundation to solid project design, management, evaluation, learning and adaptation. It is, therefore, highly recommended that USDOL considers a refresh on the following RBM elements: developing sound results frameworks and theories of change; identifying and selecting indicators; developing, using and managing performance monitoring plans; results-based project management; and designing effective and efficient evaluations. At the same time, and as resources allow, it will be critical to cascade this information to USDOL's project implementation community. Finally, as this effort may have implications on USDOL M&E processes or policy, there should be reflection and an openness to consider such improvements.

8. Build sustainability into project design. The importance of purposefully and strategically building sustainability into the design of the project (via technical approach, partner selection and financial and human resource allocation) is undeniable. At the same time, it is important to follow-up on the design with a sustainability action plan. USDOL OTLA's 2019 Management Procedures and Guidelines now require implementers to submit a sustainability plan seven

³⁰ For a good resource on indicator design and selection, see:
https://usaidlearninglab.org/sites/default/files/resource/files/cleared_mt_selecting_performance_indicators_feb2018r.pdf.

months after award and to update it annually.³¹ However, sustainability and scale must also be emphasized and integrated into USDOL project design. USDOL project staff can ask:

- What are the results (outcomes or major outputs) that should be sustained beyond the project?
- How can the project design (technical approach and budget) facilitate sustainability in such results?
- Who must the project work with to heighten sustainability?
- How will the project monitor and measure the level of sustainability across the life of the project?

Beyond USDOL guidelines, implementers should be required to monitor and track sustainability and to report progress as part of technical progress reports. For example, one or two sustainability indicators should be included in each objective. Collectively, these requirements will enhance the likelihood that project outcomes will be sustainable absent USDOL funding.

9. **Initiate a USDOL project design review committee.** The BC-PLIP theory of change was overly complex and yielded an excessive number of indicators; these issues contributed to the need for the two modifications. A theory of change should not only be based on strong contextual evidence but also be achievable with the available time and resources. To facilitate relevant project designs and ensure that its theories of change are of the highest quality, USDOL should designate a project design review committee composed of internal and external personnel close to the project, issue, or country. Such a committee can be responsible for vetting and strengthening the project's theory of change and its corresponding results framework. Table 12 presents some illustrative questions that such a committee could consider.

Table 12. Guiding Questions for Theory of Change Review

| Theory of Change Element | Illustrative Questions for the Review Committee |
|--------------------------|--|
| Evidence Based | <ul style="list-style-type: none"> • Is the theory of change statement derived from the most current empirical evidence available? • If so, what is this evidence, and how has it shaped the statement and its results? |
| Context Aware | <ul style="list-style-type: none"> • Have the country context (socioeconomic, political, and cultural trends) and key actor relationships within it been considered? • If so, what are the major trends and relationships? Have they been considered in the theory of change and its results? |
| Critical Assumptions | <ul style="list-style-type: none"> • Does the country context, or relationships within it, warrant the design of critical assumptions, that is, conditions outside the project that must hold true in order for the project to achieve its results? • Is there any major critical assumption with a high likelihood of not holding true that may require redesign of the theory of change? |
| USDOL Resources | <ul style="list-style-type: none"> • Is the theory of change achievable within the available USDOL resources and timeframe? • If not, what needs to be changed to facilitate its achievement? |
| Achievable Logic | <ul style="list-style-type: none"> • Do the theory of change and its corresponding results framework reflect sound causal (if/then) logic? • Are results statements too high or too low? |

³¹ Management Procedures & Guidelines, USDOL OTLA, 2019, pp 6, 11-12.