
**INDEPENDENT MIDTERM EVALUATION
OF THE
BUILDING THE CAPACITY OF THE PHILIPPINES LABOR
INSPECTORATE PROJECT**

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**O’BRIEN &
ASSOCIATES**
I N T E R N A T I O N A L

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LIST OF ACRONYMS

| | |
|------------------|---|
| ACTEMP | ILO Bureau for Employers’ Activities |
| ACTRAV | ILO Bureau for Workers’ Activities |
| APL-SENTRO | Alliance of Progressive Labor-Sentro ng Progresibong Pagbabago |
| ALU | Associated Labor Unions |
| BLR | Bureau of Labor Relations |
| BW | ILO/IFC Better Work Program |
| BWC | DOLE Bureau of Working Conditions |
| CA | Cooperative Agreement |
| CV | Compliance Visit |
| DOLE | Department of Labor and Employment |
| DRL | US Department of State’s Bureau of Democracy, Human Rights, and Labor |
| ECOP | Employers’ Confederation of the Philippines |
| FFW | Federation of Free Workers |
| FPRW | Fundamental Principles and Rights at Work |
| HRDS | DOLE Human Resources Development Services |
| ILAB | International Labor Affairs Bureau |
| ILO | International Labour Organization |
| ILS | International Labor Studies |
| IT | Information Technology |
| ITC | Industry Tripartite Council |
| JA | Joint Assessment |
| LABADMIN/ OSH | ILO Labour Administration, Labour Inspection, and Occupational Safety and Health Branch |
| LLCO | Labor Law Compliance Officer |
| LLCS | Labor Law Compliance System |
| LLCS-MIS | Labor Law Compliance System-Management Information System |
| LMC | Labor-Management Committee |
| LSEF | Labor Standards Enforcement Framework |
| M&E | Monitoring and Evaluation |
| MOA | Memorandum of Agreement |
| MPG | Management Procedures and Guidelines |
| NAGKAISA | United (English) |
| NCMB | National Conciliation and Mediation Board |
| NCR | National Capital Region |

| | |
|-----------|---|
| NTIPC | National Tripartite Industrial Peace Council |
| NTIPC/TEC | National Tripartite Industrial Peace Council/Tripartite Executive Committee |
| OSH | Occupational safety and health |
| OSHC | Occupational Safety and Health Center |
| OSHI | Occupational Safety and Health Investigation |
| OTLA | USDOL’s Office of Trade and Labor Affairs |
| PAC | Project Advisory Committee |
| PC | Project Coordinator |
| PEZA | Philippine Economic Zone Authority |
| PLEP | Philippines Labor and Employment Plan |
| PMAP | People Management Association of the Philippines |
| PMP | Performance Monitoring Plan |
| PS | DOLE Planning Services |
| RD | Regional Director |
| RF | Results Framework |
| RFP | Request for Proposal |
| TOR | Terms of Reference |
| TPR | Technical Progress Report |
| POEA | Philippine Overseas Employment Administration |
| RTIPC | Regional Tripartite Industrial Peace Council |
| SAVE | Special Assessment or Visit of Establishments |
| SSS | Social Security System |
| TEC-NTIPC | Tripartite Executive Council-National Tripartite Industrial Peace Council |
| TUCP | Trade Union Congress of the Philippines |
| TUCP-ITUC | Trade Union Congress of the Philippines- International Trade Union Congress |
| USDOL | United States Department of Labor |

EXECUTIVE SUMMARY

Background and Project Description

In 2011, the United States Department of State’s Bureau of Democracy, Human Rights, and Labor (DRL) provided a \$742,574 grant to the ILO to implement a project designed to assist DOLE and its key social partners address freedom of association and collective bargaining. The project supported the creation of a digital information system referred to as the LLCS-Management Information System (LLCS-MIS) that labor inspectors could use to enter information on enterprises while conducting inspections, making use of computer tablets granted by the Philippine government.

Due to funding and time constraints, the DRL-funded project was unable to provide all of the necessary capacity building for DOLE to administer and manage the LLCS-MIS’s hardware and software. In addition, it did not include required system modifications to accommodate revised inspection checklists and the facility to customize report-generating functions. Further improvements were deemed necessary in the case management module to better facilitate decision-making and targeted inspections.

In December 2014, the ILO and the United States Department of Labor (USDOL) signed a new three-year Cooperative Agreement (CA) in which USDOL provided \$1 million to the ILO to implement “*Building the Capacity of the Philippines Labor Inspectorate Project*”. The project aims to build on the previous DRL-funded project to strengthen the labor inspectorate and the capacities of government, workers, and employers to effectively engage in social dialogue within the labor inspection system. The effective date of the CA is December 15, 2014 to December 14, 2017. Due to administrative delays, the project started implementing activities in September 2015.

The goal or development objective of the project is to *improve workplace compliance with national labor laws*. The project intends to achieve two primary outcomes or immediate objectives. These include *improved effectiveness of labor inspection conducted by LLCOs* and *improved effectiveness of worker and employer engagement in the LLCS*.

The ultimate beneficiaries of the project are workers who should experience more effective protection of their rights and improved working conditions as a result of improved labor law compliance mechanisms. The project includes interventions for its tripartite partners including DOLE, trade unions, and employers. The DOLE bureaus and departments participating in the project include the Bureau of Worker Conditions, International Labor Affairs Bureau, Human Resources Development Services, Bureau of Labor Relations, Planning Services, International Labor Studies, and the DOLE regional offices.

The trade unions that are participating in the project include the Trade Union Congress of the Philippines, Associated Labor Unions, Alliance of Progressive Labor-Sentro ng Progresibong Manggagawa, Federation of Free Workers- their members and their affiliates as well as

Philippine affiliates of IndustriALL Global Unions. On the other hand, the employers are represented in the project by the Employers’ Confederation of the Philippines.

Evaluation Purpose and Methodology

The primary purpose of this evaluation is to ascertain what the project has or has not achieved; how it has been implemented; how it is perceived and valued by target groups and stakeholders; what the results of project interventions have been on target stakeholders and institutions to date; whether expected results are occurring (or have occurred) based on performance data; the appropriateness of the project design; and the effectiveness of the project’s management structure.

The evaluation used primarily qualitative data collection methods. Quantitative data were also obtained from project documents and reports, to the extent that they were available and incorporated into the analysis. Data collection methods and stakeholder perspectives were triangulated, where possible, to increase the credibility and validity of the results.

The fieldwork for the evaluation was conducted in the Philippines from November 7-18. The fieldwork culminated with a presentation and discussion of the preliminary findings with key project stakeholders on November 18. The evaluator interviewed 87 persons representing the key stakeholder groups. The stakeholder interviewees included 51 females and 36 males. The evaluator conducted group and individual interviews with DOLE headquarters and regional managers as well as LLCOs that account for nearly 71% of the interviews. Fifty percent of the LLCOs were female. The evaluator also interviewed representatives from the trade union and employer partners that account for about 11% of the interviews.

Findings and Conclusions

Project Design and Performance Monitoring

The project design meets the MPG requirements. The project design is logical and follows a clear cause and effect logic where the outputs are designed to achieve the sub-immediate objectives, which, in turn, are designed to achieve the two immediate objectives. The immediate objectives, if achieved, should contribute to the development objectives, which is to improve workplace compliance with national labor laws. The project document also includes the RF, which is another MPG requirement.

While the project document states 15 outputs, the number of outputs listed in the PMP has increased to 34. The additional outputs unnecessarily add layers of complexity to the project design and PMP. This midterm evaluation provides an opportunity for the project to review and adjust the outputs to reduce complexity and ensure they are appropriate to achieve the sub-immediate objectives.

The PMP fully meets the criteria as described in the MPG. However, some objective level indicators read like outputs or activities. In addition, many of the outputs do not require indicators but rather output targets. Furthermore the PMP contains 79 indicators, which is excessive and could easily over-burden the project.

The project is in the process of completing the baseline study report, which has been delayed by several months. The baseline study contractor experienced several problems that included assembling and managing the data collection team and scheduling and conducting interviews and focus group discussions. Since the quality of the report did not meet the project’s expectations, the project’s M&E Officer has been tasked to complete the report.

Expectations and Needs of Key Stakeholders

The LLCS-MIS has proven to be an important contribution to DOLE’s efforts to improve compliance with international labor standards and national labor laws. It provides important statistics on compliance to DOLE and other government agencies. Nevertheless, the system requires a series of enhancements and other modifications that are contemplated under the project.

The BWC shares the registry of establishments culled from the LLCS-MIS with the Philippines Statistics Authority that is updated after the joint assessments. To further ensure that the database of enterprises embedded in the LLCS-MIS is accurate and current, DOLE intends to modify its MOA with SSS to share enterprise databases. While the evaluator believes this is a positive step to increase accuracy necessary to target the assessments, he was unable to determine the actual accuracy of the current registry embedded in the LLCS-MIS.

The LLCS-MIS provides useful information on compliance and helps DOLE regional offices assess the performance of the LLCOs. However, the regions are not able to generate reports. The regional management teams would like to develop the ability to generate reports that they can use to target assessments.

While the LLCOs believe LLCS-MIS can be a useful management tool, they noted a range of problems they encounter when using the system that include limited access to the Internet and dropped Internet connections resulting in loss of data. In addition, the checklist interface on the tablet is not user-friendly and difficult to use. Some LLCOs do not take their tablets to the assessments because they are afraid they might be stolen.

The LLCOs conduct the assessment using a hardcopy of the checklist and then transfer the data to the tablet. Recording the assessment findings on the checklist hardcopy and transferring the information to the tablet adds an extra step in the process that creates inefficiency. However, eliminating the use of the checklist hardcopy would be difficult because employers and worker representatives want to see a hardcopy of the assessment findings so they can review and sign. Employers want a hardcopy of the findings file to have on record.

LLCOs, employers, and workers prefer the JA to the traditional inspection approach. They believe the JAs promote transparency and helps improve social dialogue. Trade unions, however, are concerned about how the worker representatives are selected in non-unionized establishments. The employers (ECOP), on the other hand, are concerned that some LLCOs, who lack assessment experience, cannot effectively lead the assessments.

For each LLCO assessment targets range from 120 to 300 establishments per year. Apparently, some LLCOs are struggling to meet their targets and few have time to provide quality services.

Regional managers and LLCOs opined that the assessments would be more effective if LLCOs strategically focused on higher risk establishments and spent more time providing services to help these establishments comply.

There is a difference of opinion regarding how to approach passing the LLCS Bill and ratifying the conventions. Some DOLE directors believe the LLCS Bill should be combined with the OSH Bill and shepherded through a consultation process with worker and employer organizations. They believe that the LLCS Bill should be passed before pursuing ratification of ILO Conventions 81 and 129. Others, including trade unions, believe that since the Tripartite Industrial Peace Council passed a resolution supporting the passage of the LLCS Bill into law, DOLE should work with the new Congress to get it passed as soon as possible. They also believe that the ratification of the conventions and passage of the LLCS Bill should be pursued simultaneously.

According to the GAP analysis conducted for ratification Conventions 81 and 129, national laws and practice are more than adequate to support the ratification of Convention 81 but more research, planned for 2017, is required to more accurately assess Convention 129. Due to the nature of the agriculture sector in the Philippines, ratification of Convention 129 will be a challenge. Passing the LLCS Bill and ratifying Conventions No. 81 and 129 will likely not be achieved during the life of the project.

Progress and Effectiveness

The project is behind schedule in achieving its outputs and indicator targets due to a late project start, an initial unsuccessful procurement bidding process, and the change of government administrations. There has also been a contract performance problem with the baseline study.

At the time of the evaluation, key achievements included the transfer, testing, and configuration of the LLCS-MIS server to BWC; technical and financial support to ILS to conduct a gap analysis of Conventions 81 and 129; training for 281 LLCOs, mediators, and other staff on “labor only” contracting issues;¹ an orientation to 375 trade union officers and members on the LLCS revised “Rules” and the JA; an agreement between DOLE and PEZA to allow LLCO in all PEZA establishments to conduct technical safety inspections; and guidelines for worker representation in the joint assessments.

Efficiency and Use of Resources

Approximately 49% of the \$1 million budget is allocated to program (the two immediate objectives) while 51% is allocated to program support. In general, these allocations to program implementation and program support are consistent with other ILO projects. On the other hand, the project had spent 34% of its total budget over a 15-month period or about 54% of the project’s life. It appears that, in general, the project is underspent by about 20%. At the current expenditure rate (\$22,761 per month), the project would only spend 64% of the budget by the

¹ Labor only contracting refers to illegal contracting used by some employers to circumvent the requirement to regularize workers so they receive the full range of benefits guaranteed by labor law.

end of the project scheduled for December 2017. However, the expenditure rate should accelerate once the new IT contractor begins work on the LLCS-MIS.

Management Arrangements

The project has three full-time persons charged to the budget that include the PC, M&E Officer, and the Administrative Clerk. The project does not have an IT specialist to oversee the LLCS-MIS contractor’s work and report technical observations to the PC. The project receives adequate support from the ILO and USDOL. The ILO Philippines Country Coordinator and Program Director provide management support and advice as required or requested. The LABADMIN/OSH Coordinator in Geneva provides administrative support while the ILO Decent Work Team in Bangkok provides technical support.

The PC has limited contact with USDOL. She typically communicates with USDOL through the labor administration and inspection specialist in Bangkok for technical issues and through the LABADMIN/OSH Coordinator in Geneva for administrative issues and adherence to the MPG. Apparently this arrangement is working satisfactorily.

Impact Orientation and Sustainability

Impact of the project could not be measured because this is an implementation evaluation and not an impact evaluation. Furthermore, the project has achieved very few of its indicator targets due to a variety of delays making an analysis of immediate objective achievement unfeasible. Impact should be assessed during the final evaluation when more information regarding indicator target achievement is available.

The 2013-MPG requires a discussion on sustainability and exit strategy. While the original project document contains a short section on sustainability, the project has yet to develop a detailed sustainability plan or exit strategy. The project actually has the building blocks in place to develop a viable sustainability plan within the LLCS framework. The building blocks include the LLCS-MIS and JAs. It is less clear whether the efforts to strengthen DOLE’s human resource systems will be sustained and whether the LLCS Bill will be passed and ILO Conventions 81 and 129 ratified during the life of the project. The LLCS Bill is especially important to sustainability because it would help ensure institutionalization of reforms under LLCS.

Recommendations

1. USDOL should begin discussions with the ILO regarding a no-cost extension. The project is underspent by nearly 20% due to a variety of factors. It is highly unlikely that the project will achieve all of its outputs and expend its budget by December 2017. Therefore, USDOL should initiate discussions in early 2017 with the ILO to estimate how much of the budget the project will spend by December 2017 and, subsequently, the length of the no-cost extension.
2. USDOL should request the project to realign its budget to ensure that sufficient resources are allocated to supporting and sustaining the LLCS-MIS. The cornerstone of the project is the LLCS-MIS, which appears to have strong sustainability potential. It would behoove USDOL and

the ILO to make any required budgetary adjustment in early 2017 to ensure the LLCS-MIS is operational and being used optimally by DOLE.

3. The project should hire an IT advisor to provide oversight to the LLCS-MIS contractor and technical advice on IT issues to the PC. To help ensure the IT Advisor has adequate technical support in the area of labor inspection, the project should consider establishing a LLCS-MIS working group with members of the PAC including the relevant DOLE offices. The LLCS-MIS working group should also provide input to the new LLCS-MIS contractor on the anticipated system enhancements, which would ensure that system enhancements and features are properly vetted and cleared by the different users.

4. The project should work with USDOL to simplify the project’s design as well as the PMP. The project design consists of two immediate objectives, five sub-immediate objectives, and 34 outputs while the PMP consists of 76 indicators. The complexity of the project design and PMP could overburden the project, which is thinly staff and resourced. The project design and PMP could be simplified by reducing the number of outputs and indicators.

5. The project should develop a methodology to measure the effectiveness of its training activities. The project is investing heavily to train DOLE to manage and use the LLCS-MIS and to train LLCOs, workers, and employers to participate effectively in the JAs. While tracking outputs such as the number of persons trained is important, measuring how effectively the trainees use or apply the new knowledge and skills is critical to determine effectiveness and make assumptions about achieving impact.

6. The project should develop a sustainability plan that describes the specific interventions, outputs, and results that should be sustained once the project ends. The sustainability plan should be developed within one year of the new end date, which would depend on the length of the no-cost extension (Recommendation 5.1). The project might consider a series of workshops or meetings with DOLE, trade unions, and ECOP to develop the sustainability plan.

7. The project should develop and implement a tripartite advocacy strategy aimed at passing the LLCS Bill. Passing the LLCS Bill is key to institutionalizing the LLCS and ensuring sustainability. The project should consider using resources budgeted under tripartite orientation workshops (Activity 2.1.1.4) to support the advocacy activities.

8. The project should work with DOLE to develop a strategy to focus the assessments, including services and programs, on those establishments that are at higher risk for non-compliance with international labor standards and national labor laws. Rather than to try to inspect all or near all establishments in the regions, DOLE should target those establishments that are at higher risk for violating the rights of workers or exposing them to health and safety risks.

9. The project should work with DOLE to develop, communicate, and implement policies on the use of the tablets during JAs to increase effectiveness and efficiency. These policies should be part of the proposed revisions on the new LLCS Rules and then part of the revised operational manual. Currently, LLCOs conduct the JAs using a paper copy of the checklist. Some LLCOs do not take the tablets with them to the JAs because they are concerned they will be lost or stolen. Apparently some establishments do not allow the LLCOs to bring the tablet on the premise to

protect sensitive information that is gathered during the JAs. By not using the tablets to enter information during the JA creates inefficiencies that place additional demand on the LLCOs’ heavy workload and inspection targets.

10. The Project Advisory Committee (PAC) should begin a dialogue process to discuss the issue of public disclosure of the assessment findings aimed at increasing compliance. The position should include whether assessment findings should be available to the public, whether findings for each establishment or only the sector would be disclosed, the timeframe for disclosing the findings, and the specific disclosure platforms (i.e. DOLE website or other platforms). As a beginning point for disclosure, the JA findings should be disclosed within the enterprise. In addition to the employer, the findings should be shared with workers and/or their representatives, which would support the aim of the JAs to promote transparency and help ensure accountability as well as joint remediation.

I. CONTEXT AND PROJECT DESCRIPTION

1.1. Context

The Philippines’ Department of Labor and Employment (DOLE) is responsible for providing labor protection services to approximately 945,000 establishments covering approximately 7.81 million workers in 17 regions.² The Philippines Labor and Employment Plan 2011-2016 (PLEP) acknowledge that effective execution of labor standards remains a serious challenge facing DOLE. The failure to ensure workplace compliance with labor standards has resulted in labor disputes that frequently end up in the courts. Litigation of labor disputes, according to experts, is a costly and an inefficient means to guarantee workers’ rights.

The PLEP argues that improving labor law compliance should be addressed through an effective labor inspection program. An effective inspection program, according to the PLEP, should help ensure compliance with labor standards including occupational safety and health (OSH) laws. Furthermore, an effective inspection program should ensure that the labor inspectorate function of DOLE is adequately resourced and has a sufficient number of qualified and technically competent inspectors to cover the required sectors and geographic regions of the country. In recent years, DOLE has implemented a variety of measures to strengthen its labor enforcement and compliance system. These measures include the issuance of a DOLE Department Order No. 131-13 that includes the Rules on Labor Law Compliance System (LLCS).

Key features of the LLCS are based on recommendations from the 2009 ILO audit of the Philippines’ labor inspectorate system and ILO Convention 81 (Labor Inspection in Commerce and Industry) and Convention 129 (Labor Inspection in Agriculture). The LLCS aims to provide a balance of both regulatory and developmental approaches in the inspection process, to promote compliance through a tripartite approach. Specifically, the LLCS, through joint workplace assessments facilitated by government and with the participation of both employers and workers, encourages transparency and social dialogue on compliance.

Another key feature of the LLCS is the labor inspectors or Labor Law Compliance Officers (LLCO) who are expected to assist enterprises to address non-compliance through DOLE’s integrated programs and services. However, if employers do not effectively address non-compliance issues, the regulatory or enforcement component of LLCS applies, which can result in fines and other sanctions. The regulatory enforcement component might also emanate from a complaint filed against an employer or from an OSH inspection where the LLCO determines an imminent danger, disabling injury, and/or violations in “plain view”. DOLE recently hired 372 additional labor inspectors or LLCOs to implement the LLCS approach.

To effectively implement the LLCS, DOLE was also required to modernize and computerize its inspection system, which was one of the findings of the 2009 ILO audit on the Philippines’ Labor Inspectorate System. The audit discovered a lack of statistical data and an absence of annual reports dedicated to inspection, which is required by Article 21 of ILO Convention 81

² The Building Capacity of the Philippines’ Labor Inspectorate Project Document, p. 8.

(Labor Inspection Convention, 1947) and Part IV of the Labor Inspection Recommendation, 1947 (No. 81). It should be noted that the Philippines has not yet ratified Convention 81.

In 2011, the United States Department of State’s Bureau of Democracy, Human Rights, and Labor (DRL) provided a \$742,574 grant to the ILO to implement a project designed to assist DOLE and its key social partners address freedom of association and collective bargaining.³ The project supported the creation of a digital information system referred to as the LLCS-Management Information System (LLCS-MIS) that labor inspectors could use to enter information on enterprises while conducting inspections, making use of computer tablets granted by the Philippine government.

The intention of the LLCS-MIS is to assist DOLE ensure the effectiveness, efficiency, and transparency of its labor inspection system and improve its capacity to capture the implementation of labor standards concerning the rights to organize and bargain collectively. It also aimed to address data inconsistencies and contribute to the establishment of a master registry of establishments. Under the DRL-funded project, the basic information technology (IT) framework was developed and rolled out to selected regions in the country. With additional funding from the Norwegian government, the project provided major software and security upgrades as well as software training for a limited number of DOLE officials.

Due to funding and time constraints, the DRL-funded project was unable to provide all of the necessary capacity building for DOLE to administer and manage the LLCS-MIS’s hardware and software. In addition, it did not include required system modifications to accommodate revised inspection checklists and the facility to customize report-generating functions. Further improvements were deemed necessary in the case management module to better facilitate decision-making and targeted inspections.

Although the DRL-funded project provided basic training, it was not sufficient to address the competency requirements of the LLCOs to effectively use the LLCS-MIS to conduct inspections and implement both the regulatory and developmental aspects of the LLCS. For example, LLCOs require training on OSH issues to enable them to assess compliance on fire and building safety, handling of hazardous materials, and environment factors such as noise levels, dust particle counts, and temperatures. The LLCOs also needed training on how to facilitate social dialogue with employers and workers.

The DRL-funded project and DOLE did not anticipate the level of support that DOLE might need to improve its capacity to sustain LLCS implementation through legal reforms that would institutionalize the information system regardless of changes in government administrations. The previous project also did not address DOLE’s human resource development systems that would support both increased coverage of the labor inspectorate system and improved quality of labor inspections. Addressing the legal framework through the LLCS Bill and ratification of ILO Conventions 81 and 129 and building the capacity of DOLE’s Human Resources Development

³ “Promoting Freedom of Association and the Right to Collective Bargaining in the Philippines” (PHI/11/04/USA/Award Number S-LMAQM-11-GR-1070).

Services to train and support the LLCOs are key elements of the project described in more detail below.

1.2. Project Overview

In December 2014, the ILO and the United States Department of Labor (USDOL) signed a new three-year Cooperative Agreement (CA) in which USDOL provided \$1 million to the ILO to implement “*Building the Capacity of the Philippines Labor Inspectorate Project*”. The project aims to build on the previous DRL-funded project to strengthen the labor inspectorate and the capacities of government, workers, and employers to effectively engage in social dialogue within the labor inspection system. The effective date of the CA is December 15, 2014 to December 14, 2017. Due to administrative delays, the project started implementing activities in September 2015.⁴

The goal or development objective of the project is to *improve workplace compliance with national labor laws*. The project intends to achieve two primary outcomes or immediate objectives and seven sub-immediate objectives, which are presented below in Table 1.

Table 1: Project Immediate and Sub-Immediate Objectives

| |
|---|
| Immediate Objective 1: Effectiveness of labor inspection conducted by LLCOs improved |
| <p>Sub-Immediate Objective 1.1: Improved quality of labor inspection statistics for better evidence-based inspection planning by LLCS managers</p> <p>Sub-Immediate Objective 1.2: Improved management and utilization of the LLCS-MIS</p> <p>Sub-Immediate Objective 1.3: Improved labor inspection institutional and legal framework</p> <p>Sub-Immediate Objective 1.4: Improved knowledge and skills of LLCOs</p> |
| Immediate Objective 2: Effectiveness of worker and employer engagement in the LLCS improved |
| <p>Sub-Immediate Objective 2.1: Regular and effective mechanisms for social dialogue (related to the implementation of the LLCS) are operational</p> <p>Sub-Immediate Objective 2.2: Improved contribution by workers to joint assessments towards improving workplace compliance</p> <p>Sub-Immediate Objective 2.3: Improved knowledge and ability of employers to carry out joint assessments under the LLCS</p> |

The ultimate beneficiaries of the project are workers who should experience more effective protection of their rights and improved working conditions as a result of improved labor law compliance mechanisms. The project includes interventions for its tripartite partners including DOLE, trade unions, and employers. The DOLE bureaus and departments participating in the project include the Bureau of Worker Conditions, International Labor Affairs Bureau, Human Resources Development Services, Bureau of Labor Relations, Planning Services, and International Labor Studies, and the DOLE regional offices.

⁴ The ILO decided not to sign the CA until it determined how to address the “Fly America” provisions in the CA. This is explained in more detail in Section 3.3.2.

The trade unions that are participating in the project include the Trade Union Congress of the Philippines, Associated Labor Unions, Alliance of Progressive Labor-Sentro ng Progresibong Manggagawa, Federation of Free Workers- their members and their affiliates as well as Philippine affiliates of IndustriALL Global Unions. On the other hand, the employers are represented in the project by the Employers’ Confederation of the Philippines.

II. EVALUATION PURPOSE AND METHODOLOGY

2.1. Evaluation Purpose

The purpose of this evaluation is to ascertain what the project has or has not achieved; how it has been implemented; how it is perceived and valued by target groups and stakeholders; what the results of project interventions have been on target stakeholders and institutions to date; whether expected results are occurring (or have occurred) based on performance data; the appropriateness of the project design; and the effectiveness of the project’s management structure. The evaluation is also intended to identify effective practices, mechanisms and partnerships and assess the prospects for sustaining them beyond the life of the project as well as recommend concrete steps the project might take to help ensure sustainability. Finally, the evaluation assessed the effectiveness of project management team and whether it has in place the tools necessary to ensure achievement of the outputs and objectives, and identify any lessons for improvement.⁵

2.2. Methodology

The evaluation used primarily qualitative data collection methods. Quantitative data were also obtained from project documents and reports, to the extent that they were available and incorporated into the analysis. Data collection methods and stakeholder perspectives were triangulated, where possible, to increase the credibility and validity of the results. The interview process incorporated flexibility to allow for additional questions, ensuring that key information was obtained. A consistent protocol was followed during each interview.

Evaluation Schedule. The evaluator reviewed project documents, developed data collection instruments, and prepared for the fieldwork during the weeks of October 24 and 31. Fieldwork was conducted in the Philippines from November 7-18. The fieldwork culminated with a presentation and discussion of the preliminary findings with key project stakeholders on November 18. The bulk of the data analysis and report writing occurred from November 21 to December 9. The final evaluation report was submitted to USDOL on January 25, 2016. The complete schedule of evaluation activities appears in the TOR Annex A.

Data Collection and Analysis. As noted previously, USDOL and the ILO developed a list of evaluation questions that served as the basis for the evaluation. The questions were used to develop guides and protocols for the key informant interviews and document reviews. The master key informant interview guide is listed in Annex B. The following methods were employed to gather primary and secondary data.

Document Reviews. The evaluator read a variety of project documents and other reference publications. These documents included the project document, results framework and theory of change, technical progress reports, work plans, performance monitoring plans, sub-contracts and their terms of reference, and other key documents. Annex C shows the complete list of documents that were reviewed.

⁵ Terms of Reference: See Annex A.

Key Informant Interviews. The evaluator conducted a range of individual and group interviews where he interviewed 87 key informants from USDOL, ILO, DOLE bureaus and departments, trade unions, and the employer association. A complete list of the interviewees appears in Annex D.

The document reviews and key informant interviews generated a substantial volume of raw qualitative data. The evaluator used qualitative data analysis methods, including matrix analysis, to categorize, triangulate, synthesize, and summarize the raw data captured from the interview notes. The results of the data analysis provided tangible blocks of information, which the evaluator used to write the evaluation report. The data analysis was driven by the evaluation questions in the TOR.

Sampling Methodology. The evaluator used a purposeful, non-random sampling methodology to select the interviewees. Table 2 summarizes the populations interviewed, the interviewing methodology, the sample size, and characteristics of the sample.

Table 2: Population, Methodology, Sample size, and Sample Characteristics

| Population | Method | Sample Size | Sample Characteristics |
|-----------------------------------|---------------------------------|-----------------------------|--|
| USDOL | Group interview | 2 (1F, 1M) | International Relations Officers |
| ILO Geneva/Bangkok | Individual interviews | 2 (1F, 1M) | LABADMIN/OSH Coordinator, Geneva and Labor Administration and Inspection Specialist, Bangkok |
| ILO Philippines | Individual interview | 2 (1F, 1M) | ILO Country Coordinator and Program Director |
| Project | Individual and group interviews | 3 (2F, 1M) | Project Coordinator, M&E Officer, and Administrative Clerk |
| DOLE Headquarters | Individual and group interviews | 25 (18F, 7M) | Representatives from BWC, ILAB, HRDS, BLR, ILS, and PS |
| DOLE Regions (NCR, III, and IV-A) | Group interviews | 9 (6F, 3M) 28 (14F, 14M) | Regional management teams LLCOs |
| Trade Unions | Group interviews | 8 (2F, 6M) | Representatives from TCUP, ALU, |
| Employer Association | Group interview | 2 (1F, 1M) | Representatives from ECOP |
| Employer | Group interview | 4 (3F, 1M) | Management from TRS Philippines, Region III |
| Worker | Individual interview | 1 (F) | Worker from TRS Philippines, Region III |
| Others | Individual interview | 2 (1F, 1M) | Representative from the ILO Safety and Health Project and M&E baseline consultant |
| Total Interviewed | | 87 | |

The evaluator interviewed 87 persons representing the key stakeholder groups. The stakeholder interviewees included 51 females and 36 males. The evaluator conducted group and individual interviews with DOLE headquarters and regional managers as well as LLCOs that account for nearly 71% of the interviews. Fifty percent of the LLCOs were female. The evaluator also interviewed representatives from the trade union and employer partners that account for about 11% of the interviews.

Limitations. The scope of the evaluation specifies two weeks of fieldwork, which was not enough time to visit all of the DOLE regions that have benefited from the project and interview all LLCOs that have participated in training provided by the project. The evaluator selected three regions that were most involved in the project to date, which included the National Capital Region (NCR), Region IV-A, and Region III. In addition to interviewing the managers, the evaluator consulted with management to choose a representative sample of LLCOs in each region. In NCR and Region IV-A, one LLCO was selected from each district. The LLCOs from Region III, on the other hand, were chosen because they had been trained by the project on illegal contracting practices and participated in the special assessments to identify illegal contracting practices.

It should also be noted that this evaluation is not a formal impact assessment. The findings for the evaluation were based on information collected from background documents and the key informant interviews. The accuracy of the evaluation findings are predicated on the integrity of information provided to the evaluator from these sources and the ability of the evaluator to triangulate this information. Furthermore, the sample of LLCOs was purposive based on selection criteria. Since the sample was non-random and not statistically significant, the results of the interviews cannot be generalized to the entire population of LLCOs.

III. FINDINGS

The following findings are based on the review of key project documents and interviews conducted during the fieldwork phase of the evaluation and telephone interviews conducted after the fieldwork phase. The findings address the key questions listed in the TOR and are presented according to the major evaluation categories: project design and performance monitoring; relevance to the situation and the needs and expectations of key stakeholders; progress and effectiveness; efficiency and use of resources; management arrangements; and impact orientation and sustainability.

3.1. Project Design and Performance Monitoring

The following section reviews the USDOL requirements for project design and the performance monitoring plans (PMP) as stipulated in the Management Procedures and Guidelines (MPG) and compares them to the project design and PMP. Based on the comparisons; observations are made regarding the effectiveness of the project design and PMP.

3.1.1. MPG Guidance on Project Design and Performance Monitoring

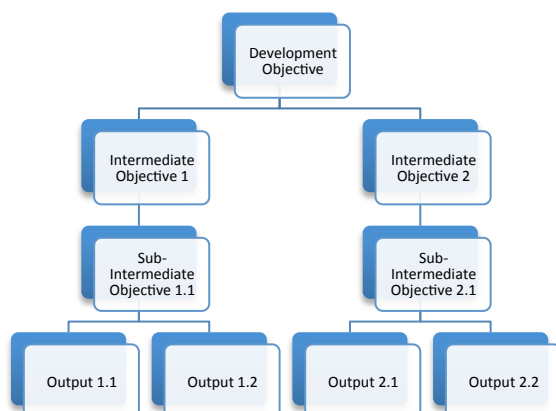
USDOL provides project guidance in its MPG document. The MPG requires USDOL grantees to use a Results Framework (RF). The RF is a tool that depicts the project hypotheses, which is the logical sequence of cause-and-effect events that include activities, outputs, outcomes, and the overall goal. The following table provides the definitions used in the MPG.

Table 3: MPG Definitions for Key Project Design Terms

| Hierarchy | Description |
|--------------------------|---|
| Development Objective | The higher aspiration that the project’s outcomes contribute to but are not expected to attain. |
| Immediate Objective | Intermediate objectives are outcomes or results that represent changes/improvements in policies, knowledge, skills, and behaviors or practices that managers are expected to accomplish. The intermediate objectives should make a significant contribution to the project’s development objective. |
| Sub Immediate Objectives | In certain cases, the project designer may decide to include an additional hierarchy at the intermediate objective level. This might include, for example, practices or behaviors that lead to a change in policy and system. |
| Outputs | The outputs are the specific products, services, or systems that achieve the intermediate objectives or outcomes. The project is responsible for producing outputs, which are tied to specific activities and budget resources. |
| Activities | Activities are the specific actions that the project executes to produce outputs. |

Figure 1 shows the USDOL RF that includes the relationships between the outputs, immediate objectives, and development objective. As noted previously, the results framework serves as the project’s logic model of how outputs achieve outcomes and how outcomes contribute to the project’s intended impact.

Figure 1: USDOL Results Framework



The CA provides the following guidance on M&E:

The project will implement a Project Monitoring Plan (PMP), which will be used as a tool to integrate and guide the project’s monitoring, evaluating, and reporting on progress toward achieving intended results and outcomes. It is also intended to serve as a management tool and facilitate managing for results. The PMP will follow USDOL’s PMP guidelines and formats, and will outline the project’s Results Framework, approach and procedures for ongoing data collection and monitoring of performance against all project indicators and data quality control, baseline and follow-up surveys, and midterm and final evaluations. The ILO may not alter the guidelines, format, and content, and may not add sections to the PMP. All data and materials from surveys and other data collection activities conducted by the project must be made available to USDOL in a timely manner and in an appropriate, readable format, including, but not limited to, datasets, data files, reports, questionnaires, methodology documents, and analysis. The ILO must set aside at least 5 percent of the Project Budget to cover costs associated with project M&E activities.⁶

The CA also requires the project to include the PMP with the project document. Table 4 shows the PMP format that consists of the performance indicator, definitions for terms used in the indicator along with the unit of measure, the data source, data collection methodology, frequency of data collection and the person or office responsible for data collection.

Table 4: Sample of Performance Monitoring Plan from the MPG

| Performance Indicator | Indicator Definition and Unit of Measure | Data Source | Method/Approach to Data Collection | Data Acquisition | |
|---------------------------|--|-------------|------------------------------------|--------------------|--------------------|
| | | | | Schedule/Frequency | Responsible Office |
| Intermediate Objective 1: | | | | | |
| | | | | | |

⁶ Cooperative Agreement, M&E requirements.

3.1.2. Project Design and PMP Analysis

Project Design

The project design section of the project document lists the objectives and outputs. The design consists of the development objective, two immediate objectives, seven sub immediate objectives, and 15 outputs. The project design is logical and follows a clear cause and effect logic where the outputs are designed to achieve the sub-immediate objectives, which, in turn, are designed to achieve the two immediate objectives. The immediate objectives, if achieved, should contribute to the development objectives, which is to improve workplace compliance with national labor laws. While the development objective satisfies the MPG guidance, it might have been written in terms of how workers benefit from an improved inspection system and process. This way, workers would become the stated benefactors of the project and its interventions. The project’s development objective, immediate objectives, sub-immediate objectives, and outputs appear below in Table 5.

Table 5: Project Objectives and Outputs

| |
|--|
| Development Objective: Improve workplace compliance with national labor laws |
| Immediate Objective 1: Effectiveness of labor inspection conducted by LLCOs is improved |
| <p>Sub-Immediate Objective 1.1: Improved quality of labor inspection statistics for better evidence-based inspection planning by LLCS managers</p> <p>Output 1.1.1: Internal procedures and protocols are reviewed and revised/adopted to improve quality of data generated by inspection reports</p> <p>Sub-Immediate Objective 1.2: Improved management and utilization of the LLCS-MIS</p> <p>Output 1.2.1: The existing LLCS-MIS is upgraded to improve and/or add new features and functions</p> <p>Output 1.2.2: National management is trained on the LLCS-MIS</p> <p>Output 1.2.3: LLCS-MIS focal points and officials from related technical agencies are trained on the LLCS-MIS</p> <p>Sub-Immediate Objective 1.3: Improved labor inspection institutional and legal framework</p> <p>Output 1.3.1: Labor inspection tools are revised and developed</p> <p>Output 1.3.2: Action plan for the ratification of C81 and C129 is approved</p> <p>Output 1.3.3: Briefing note on the LLCS law is provided to social partners</p> <p>Sub-Immediate Objective 1.4: Improved knowledge and skills of LLCOs</p> <p>Output 1.4.1: Staff of DOLE are trained to implement the LLCS system</p> <p>Output 1.4.2: Staff of DOLE and other associated agencies are trained to carry out specialized inspections, particularly in the area of OSH</p> |

| |
|--|
| <p>Immediate Objective 2: Effectiveness of worker and employer engagement in the LLCS is improved</p> |
| <p>Sub-Immediate Objective 2.1: Regular and effective mechanisms for social dialogue (related to the implementation of the LLCS) are operational</p> <p>Output 2.1.1: Updated LLCS manual produced</p> <p>Output 2.1.2: Joint-assessment good practice toolkit produced and disseminated</p> <p>Sub-Immediate Objective 2.2: Improved contribution by workers to joint assessments towards improving workplace compliance</p> <p>Output 2.2.1: Worker training tool survey is completed</p> <p>Output 2.2.2: Guidelines on worker representation in joint-assessments is produced</p> <p>Sub-Immediate Objective 2.3: Improved knowledge and ability of employers to carry out joint assessments under the LLCS</p> <p>Output 2.3.1: Employer training tool survey is completed</p> <p>Output 2.3.2: Guidelines on labor-management committees are produced</p> |

The project document also includes the RF as required in the MPG and presented in Figure 1. The project’s RF lists and shows the cause and effect relationships between the outputs, sub-immediate objectives, and immediate objectives. It also lists the critical assumptions in the logical sequences between the hierarchies of objective as well as the indicators from the PMP.

While the project document includes 15 outputs, the number of outputs listed in the PMP has increased to 34. In addition to the original 15 outputs, 19 outputs have been added. The evaluator believes that the additional outputs are unnecessarily adding layers of complexity to the project design and PMP.

Table 6 shows an example of the original Output 1.1.2 with four additional outputs. *Training master trainers* is actually an activity under this output while the *lessons learned document* is not related to this output. The *LLCS-MIS transferred to national management* and *DOLE staff entering and using data* are behavior changes that are more appropriate for the sub-immediate or immediate objective level (possibly as indicators). In fact, transferring the LLCS-MIS to national management is an indicator for Sub-Immediate Objective 1.2.

Table 6: Example of Additional Outputs

| |
|---|
| <p>Output 1.2.2: National management is trained in the LLCS-MIS.</p> <ul style="list-style-type: none"> • Master trainers are trained. • Lessons learned document produced. • LLCS-MIS is successfully transferred to national management • DOLE staff properly enter, process, retrieve and protect data. |
|---|

This midterm evaluation presents an opportunity to revisit the original project design and PMP to make adjustments. The project might consider reviewing the original 15 outputs to determine whether they are still relevant and make the necessary changes. The outputs should be those major tangible products, services, or systems that are necessary to achieve the sub-immediate objectives. Modification of the project design and PMP is discussed in more detail as a recommendation (Section 3.6).

Performance Monitoring Plan

The project developed and submitted a PMP along with the project document as required in the MPG. The PMP fully meets the criteria as described in the MPG and presented in Table 3. The project’s PMP includes the indicators and means of verification (data source and methods), indicator definitions, unit of measure, frequency of data collection, and persons or offices responsible for collecting the data.

The PMP contains 79 indicators. The development objective, immediate objectives, and sub-immediate objectives have 27 indicators while the outputs have 52 indicators. The evaluator believes such a large number of indicators are excessive and could easily over-burden the project. Each indicator represents a level of effort and cost to collect and analyze data and report on indicator target achievement.

In general, the indicators for the objectives are appropriate. Nevertheless, several objectives include indicators that read more like outputs or activities. For example, Sub-Immediate Objective 1.4 includes indicators on the *number of LLCOs trained by trainers* and *the number of specialized inspections conducted*. These read like outputs and, in the opinion of the evaluator, do not measure the objective, which is to increase the knowledge and skills of LLCOs. The other two indicators, which aim to measure knowledge and skills by using posttests and skill assessments, are appropriate and adequate. The number of objective indicators could be reduced by eliminating those that read like outputs or activities and that do not directly measure the objective.

Outputs typically do not have multiple indicators but rather targets. For example, if the *number of LLCOs trained in specialized assessments* were the output, the value for the number would be the target that the project’s M&E system would track and report. Some complex outputs, especially those written as systems, may require an indicator or two to help project management and external evaluators determine whether the project actually produced the output. The evaluator believes the number of output indicators could be significantly reduced by using output targets and only using indicators to assist in measuring complex outputs. The reduction of indicators is discussed as a recommendation in Section 3.6.

Baseline Study

The project is in the process of completing the baseline study report, which has been delayed by several months. According to the Project Coordinator (PC), the request for proposals (RFP) for the baseline study was released in early March 2016. The baseline study was awarded to Workland M&E Institute, which signed a contract on March 22, 2016. Apparently, Workland experienced several problems that included assembling and managing the data collection team and scheduling and conducting interviews and focus group discussions. These problems led to the need to extend the contract from May to August 2016. Workland conducted a validation meeting on August 12, 2016 and submitted the draft report on August 13, 2016.

According to the M&E Officer, the quality of the report did not meet the project’s expectations. The draft report, which the evaluator reviewed, did not read as coherently as it should and lacked information in certain sections. After several discussions between the project and Workland, the

project management team decided that it would be more expeditious to have the M&E Officer complete the report. Furthermore, according to the M&E Officer, the implementation of baseline data collection should be rolled out in phases since some data on some project components could be collected more effectively by subject-matter experts such as the collection of baseline information on the knowledge and skills LLCOs, workers, and employers to carry out Joint Assessments (JAs), which could be collected more effectively on a rolling basis during initial training events. Other baseline information is dependent on the job descriptions of the LLCOs and roles of workers and employers in the JAs, which were being developed at the time of this evaluation through workshops and consultations. The project plans to submit the baseline study in April 2017, eight months before the project is scheduled to end. It should be noted, however, that the baseline survey conducted by Workland has provided baseline measures for the majority of the indicators in the PMP before activities were implemented.

The evaluator also interviewed the consultant who served as the team leader for the baseline study. He told the evaluator that the reason that data collection took so long was because the project has too many indicators, some of which are unrealistic, and its logic model is weak. He noted that collecting data and establishing baseline values for the indicators was time consuming and tedious. The consultant also said the data collection team had difficulty scheduling interviews with LLCOs and other key stakeholders at DOLE.

3.2. Relevance to Key Stakeholder Needs and Expectations

The following section is organized according to an overview of the project’s key stakeholders and the needs and expectations of these stakeholders. This section specifically addresses to what extent the project addresses the priorities and needs of its key stakeholders.

3.2.1. Overview of Key Stakeholders

Table 7 shows the primary stakeholder for the USDOL-funded projects along with a description of the relationship between the stakeholders and the project.

Table 7: Key Stakeholders and Relationships to the Project

| Department of Labor and Employment (DOLE) | |
|--|---|
| Bureau of Worker Conditions (BWC) | <p>The BWC is responsible for policy, program development, and advisory functions in the administration and enforcement of laws relating to labor standards. The BWC has the following functions:</p> <ul style="list-style-type: none"> ▪ Develops and prescribes labor standards as well as policies, programs and devices on its administration and enforcement; ▪ Exercises technical and functional supervision over the regional offices on the administration and enforcement activities including developmental programs, projects and activities; ▪ Conducts research in aid of safety standards, policy programs, measures and devices development on labor standards and its administration and enforcement; ▪ Provides knowledge and information services on labor standards data, programs and enforcement activities; and ▪ Performs other functions as may be required by law or assigned by the Secretary of Labor and Employment in the administration and enforcement of labor |

| Department of Labor and Employment (DOLE) | |
|--|--|
| | standards. The BWC is the lead project counterpart within DOLE and chairs the PAC. Specifically, it coordinates with other relevant DOLE Bureaus, attached agencies, and other government agencies relevant to development and enforcement of labor standards. |
| Bureau of Labor Relations (BLR) | The BLR’s mandate includes: (1) maintaining a national registry of unions and collective agreements, (2) serving as secretariat for the national tripartite bodies and assisting the regional offices in promoting tripartism, (3) formulating regulatory and developmental policies, standards, guidelines and programs promoting the right to organize, including collective bargaining and improvement of the income of workers and their organizations, (4) serving as the lead agency in workers and employers education, (5) adjudicating inter- and intra-union disputes, and (6) formulating and implements programs that strengthen trade unionism to achieve industrial peace. The project works with BLR to facilitate tripartite support for the ratification of ILO C 81 and C 129 and endorsement of the LLCS Bill as a priority legislative proposal for DOLE. BLR is also responsible for the Workers’ Organizational Development Program (WODP), which under the Revised LLCS Rules can be tapped by workers to implement capacity building programs on the LLCS. |
| International Labor Affairs Bureau (ILAB) | ILAB is primarily responsible for developing policies, plans, programs, projects, and operating standards relative to international labor and employment concerns and monitors the country’s observance and implementation of its obligations and commitments required by international organizations. The project intends to collaborate with ILAB on the completion of requirements for the ratification of ILO C 81 and C 129. |
| Planning Services (PS) | PS is responsible for over-all program planning, monitoring and evaluation in DOLE. PS houses a management and information systems division that carries out DOLE’s monitoring and evaluation activities. The project works with the DOLE Planning Service on recommendations that would have budgetary implications such as the LLCS MIS hosting, procurement of hardware and mainstreaming of MIS data in planning functions within DOLE. |
| Human Resource Development Service (HRDS) | HRDS is responsible for personnel administration and staff development for DOLE. The project is working with HRDS to conduct an HR audit that will examine LLCO roles and responsibilities (job descriptions), identification of competency and training needs of LLCOs and review of the existing performance management system for LLCOs. |
| International Labor Studies (ILS) | ILS is DOLE’s policy research and advocacy arm. It seeks to influence national labor and employment plans and policies through research, projects, and initiatives. ILS is responsible for generating relevant research information, studies, papers, materials, projects, seminars and activities to assist labor policymakers, planners, advocates and workers. The project has collaborated with ILS to develop the draft gap analysis for ILO C 81 and C129. The ILS has also been involved in the documentation of Special Assessment Visits in Enterprises (SAVE) and documentation to help develop assessment checklists. |
| Regional Offices | The DOLE regional offices are responsible for implementing, monitoring and evaluating all DOLE programs on employment, labor education, livelihood, frontline conciliation and mediation, and labor standards enforcement. Regional offices also serve as secretariat to regional tripartite bodies such as the Regional Tripartite Industrial Peace Councils and Industrial Tripartite Peace Councils. The Project is national in scope, but regions IV-A, III, and NCR are regions where it is anticipated that tripartite compliance campaigns are more feasible due to the strong presence of both workers and employers’ organizations. |
| Trade Unions | |
| Federation of Free Workers (FFW) | The FFW, which was founded in 1950, is a trade union confederation consisting of eight federations. Its membership base covers mainly manufacturing and education but also covers the services and informal sectors. FFW is affiliated with the ITUC, Building and Wood Workers International (BWI), Education International (EI), and IndustriALL Global |

| Department of Labor and Employment (DOLE) | |
|---|--|
| | Union. FFW sits on the National Tripartite Industrial Peace Council and the Tripartite Executive Committee. FFW is a member of the PAC. |
| Trade Union Congress of the Philippines (TUCP) | TUCP, which was founded in 1975, is a trade union center responsible for developing and promoting policy and legislation. Its affiliates represent all sectors and industries including government. TUCP also has members from associations and organizations from the informal sector, drivers, urban poor, youth groups, cooperatives, alliances, coalitions, and other civil society groups. TUCP sits on the National Tripartite Industrial Peace Council and the Tripartite Executive Committee. It is a member of the project’s PAC. |
| Alliance of Progressive Labor –Sentro ng Nagkakaisa at Progresibong Manggagawa (APL-Sentro) | Like TUCP, APL-Sentro is a labor center that focuses on policy and legislation. It separated from the Lakasmanggagawa Labor Center in 1996. The affiliates represent workers in a variety of sectors including hotels, services, manufacturing, transport, informal sector, public sector, and public utilities. APL-Sentro split from Kilusang Mayo Uno (KMU) due to ideological differences. KMU is considered a left leaning trade union center while APL Sentro’s position is more moderate. APL-Sentro sits in the Tripartite Industrial Peace Council, the Tripartite Executive Committee, and the project’s PAC. |
| Associated Labor Unions (ALU) | ALU members are from the manufacturing, construction, agriculture, mining, seafarers and port workers, and services sectors. ALU sits on the National Tripartite Industrial Peace Council and the Tripartite Executive Committee as well as the project’s PAC. |
| IndustriALL | IndustriALL is a global trade union federation with 50 million members from all over the world. IndustriALL is an amalgamation of three former global unions – International Metalworkers' Federation, International Federation of Chemical, Energy, Mine and General Workers' Unions and the International Textile, Garment and Leather Workers' Federation. FFW, APL Sentro, TUCP and ALU have affiliates that are also affiliated with IndustriALL. IndustriALL sits on the project’s PAC. |
| Employers | |
| Employers Confederation of the Philippines (ECOP) | ECOP is the country’s lead employers’ organization focusing on industrial relations and socio-economic development issues. It has 600 member companies, 50 industry members, and four chapters located in Central and Northern Luzon, Southern Luzon and Davao. Its services to members include technical assistance consultancies, training, lobbying, advocacy, and advice on OSH issues. While ECOP has focused its interventions in Manila where it is based, the organization is trying to expand its reach to its chapters. ECOP represents the private sector on the National Tripartite Industrial Peace Council, the Tripartite Executive Committee, and the project’s PAC. |

3.2.2. Stakeholders’ Needs and Expectations

The evaluator conducted a range of interviews with the project’s stakeholders to determine the extent to which they believe the project is meeting their needs and expectations. The findings from the interviews are presented below by stakeholder.

Department of Labor and Employment (DOLE)

The evaluator interviewed a range of DOLE representatives from headquarters as well as three regional offices. The DOLE headquarters bureaus and departments include BWC, ILAB, HRDS, BLR, ILS, and OSHC. The DOLE regional offices include the NCR, Region IV-A, and Region III. The findings from these interviews are organized and presented according to key project interventions including the LLCS-MIS, LLCS approaches to inspection, and the LLCS Bill and ILO Conventions 81 and 129.

LLCS-MIS

The LLCS-MIS is an on-line web-based application system. The LLCOs use tablets that run on Google’s Android operating system. The tablets are loaded with the LLCS mobile application that the LLCOs use to record and enter real-time data. The data are entered into an electronic checklist that contains information regarding the establishment as well as more than 250 labor inspection indicators. Once the LLCOs complete an assessment, they upload the data to a server that synchronizes (sync server) all the datasets uploaded by the LLCOs so they are coherent with one another. Subsequently, the data are transferred from the sync server to Microsoft Azure, which is a cloud computing platform and infrastructure that manages applications and services through a global network of Microsoft-managed data centers.

The MIS is currently using a shared list of registered establishments provided by the Philippine Statistical Authority (PSA), which is continuously updated by the DOLE regional offices based on new information resulting from the assessments.⁷ According to the PC, DOLE is exploring the possibility of expanding or modifying its existing Memorandum of Agreement (MOA) with the Social Security System (SSS) to share its database of enterprises. The current MOA is limited to sharing information about social security laws. The PC noted that the project has scheduled an inter-agency meeting in early 2017 between DOLE, SSS, and the Department of Information, Communications and Technology to discuss the possibility of database integration among different government agencies. The objective of the shared databases would be to ensure the most accurate and current registry of establishments is embedded in the LLCS-MIS, which would be necessary for the regional offices to strategically focus the joint assessments.

According to the Director of BWC, the LLCS-MIS, which was developed under the previous DRL-funded project, has proven to be an important contribution to DOLE’s efforts to improve compliance with international labor standards and national labor laws. He explained that before the LLCS-MIS was developed, DOLE did not have a master list and history of companies that were inspected. The LLCS-MIS provides a transparent listing of establishments and tracks compliance as well as LLCO performance. It also provides important statistics on compliance to DOLE and other government agencies. He believes the system is critical to supporting DOLE policy and internal coordination. Nevertheless, the system requires a series of enhancements and other modifications that are contemplated under the current USDOL-funded project.

The evaluator interviewed the BWC Information Technology (IT) team, which is responsible for providing technical assistance for the LLCS-MIS to both DOLE headquarters and regional offices. The IT team explained that the required enhancements include developing a GPS capability, developing new industry specific checklists and the ability to export to Excel, improving the user interface so the system is user-friendly, and developing quality controls to reduce the chances of data entry errors. The IT team also noted that BWC should develop and

⁷ The PSA enterprise data comes from the Integrated Survey on Labor and Employment, which is conducted every 2 years. Ideally the registry of establishments would be linked to registration and annual renewal of business permits at the local government level, which is difficult because each local government has their own database. BWC shares the validated registry of establishments with PSA, which does not come from LLCS-MIS due to system limitations.

communicate policies on auditing the tablets that LLCOs use to enter assessment information as well as replacements for the tablets and batteries when they wear out.⁸

The three regional management teams told the evaluator that the LLCS-MIS provides useful information on compliance and helps them assess the performance of the LLCOs. However, the Regional Directors (RD) believe the system has limitations that should be addressed. The major complaint is that the regional offices cannot generate reports. The RDs told the evaluator that they would like the ability to generate region-specific reports that they believe would help them strategically target assessments and manage the LLCOs. The regional teams also acknowledged that they would require training to help them determine how to generate region specific reports and use the information to make management decisions. Another limitation is that when the regional offices export data to Excel, the data have to be reformatted. One ILO official noted, however, the inability to generate region-specific reports and export data to Excel, without re-formatting is a limitation of the LLCS-MIS system that training would not resolve.

Two of the regional teams would like to have more comprehensive and timely technical assistance from the BWC IT team. One RD told the evaluator that the technical assistance is often piecemeal that addresses symptoms of the problem but not the root causes. He opined that the BWC IT team needs more training in programming to be able to address the root causes. The project’s M&E Officer explained that DOLE recognizes that the BWC IT team requires strengthening. Apparently, BWC has sent key IT staff to short courses and trainings on systems administration and systems development. DOLE has also created a systems analyst position to help strengthen the IT unit but has not been able to attract qualified candidates because the salary it can offer, which is based on the government’s civil service, is too low.

During the group interviews with LLCOs, the evaluator explored the strengths and weaknesses of the LLCS-MIS from their perspective. The evaluator asked the LLCOs to rate their experience using the MIS on a scale from 1 to 10 where 1 represents difficult and not useful while a 10 represents highly useful. The average LLCO rating was 4. While the LLCOs believe LLCS-MIS can be a useful management tool, they noted a range of problems they encounter when using the system. These are summarized below:

- One of the most common complaints noted by the LLCOs is limited access to the Internet. Once the assessment is conducted, the LLCOs have 72 hours to enter the data in the tablet and upload it to the sync server. Even though the tablets are supported by data plans, the LLCOs reported having difficulty finding a location where they can access the Internet to upload data to the sync server. Apparently, some LLCOs have to return to the regional office or to their homes where they have access. Others travel to shopping centers and restaurants that have a Wi-Fi connection.
- Another common complaint is that the checklist interface on the tablet is not user-friendly. DOLE provides each LLCO with a tablet that they use to upload the results of assessments to the sync server. The LLCOs told the evaluator that the checklist is long and complicated and is not tailored to specific industries where they conduct the assessment.

⁸ The IT team considers audits of the tablets to be an important function to ensure they are not infected with malware and that LLCOs have not loaded unauthorized software programs.

- Some LLCOs complained that the tablet is difficult to use. The screen is small, which makes data entry difficult and tedious. Nearly all of the LLCOs that the evaluator interviewed would prefer to use a netbook, which has a keyboard and a larger screen. The LLCOs believe the netbook would be easier to use than the tablets.⁹
- The LLCOs conduct the assessment using a hardcopy of the checklist and then transfer the data to the tablet. The LLCOs complained that the hardcopy of the checklist is different than the checklist loaded on the tablet, which causes confusion.^{10 11}
- It is common that the Internet connection is dropped when the LLCOs are uploading data to the sync server. The LLCOs explained that if they lose the connection, they also lose the data that was uploaded and have to start over.¹² However, according to several LLCOs, the case number that was assigned to the checklist in the sync server cannot be changed by the LLCOs. They told the evaluator that they have to call the BWC IT team to delete the number to avoid what they call “double entry”. The LLCOs consider this to be an administrative burden.
- Many of the LLCOs expressed concern that they would be responsible for paying for the tablets if they are stolen. Thus, some LLCOs do not take their tablets with them to the assessments. The evaluator also noted both regional management teams and the LLCOs do not fully understand under what circumstances LLCOs would be responsible for paying for a stolen or lost tablet based on DOLE policy on stolen tablets.¹³
- Regional management teams and LLCOs told the evaluator that some establishments do not allow the LLCOs to bring the tablet on the premise. The concern, according to the LLCOs, is that some of the large enterprises are concerned that the tablets could be used to record sensitive information.¹⁴ The regional managers and LLCOs were not aware of DOLE’s policy on whether establishments can refuse to allow the LLCOs on their premises with the tablets.
- The LLCOs rated the quality of the technical support they receive from the BWC IT team as average. The LLCOs told the evaluator that the designated IT staff are able to resolve some technical problems but not others. The LLCOs commented that the IT team requires more technical training so they are able to provide more effective support.

⁹ According to DOLE, it will likely continue to use tablets but acknowledge that the tablet user interface requires improvement.

¹⁰ All of the LLCOs interviewed said they conduct the assessment using the paper copy of the checklist and transfer the data to the tablet after the assessment. These LLCOs also told the evaluator that all of the other LLCOs in their regions (DCR, IV-A, III) do the same. However, the evaluator could not confirm whether all LLCOs follow this procedure.

¹¹ It should be noted that the new checklists are not yet uploaded in the MIS since the BWC does not have the capacity to tailor fit compliance indicators in the MIS. Once the new checklists are uploaded in the MIS, they should be the same as the hard copies.

¹² The problem of data loss during synchronization is a design flaw. The application should store a copy of the data until the synchronization is complete.

¹³ Regional management teams told the evaluator that DOLE employees are responsible for lost or stolen DOLE property in their possession. However, if a police report is filed and DOLE supervisors determine that the employee was not negligent; the employee may not have to pay for the stolen property.

¹⁴ The sensitive information would include information ascertained from the JA. There might also be a concern that cameras on the tablets could be used to photograph sensitive information.

As noted above, the LLCOs are currently using a hardcopy of the checklist to conduct the assessment. Once the assessment is completed, the LLCOs have 72 hours to transfer the data from the hardcopy to the tablet and find an Internet connection to upload the information to the sync server. The LLCOs estimate that transferring the data to the tablet takes approximately 60 minutes for large establishments and 20 minutes for small establishments. Recording the assessment findings on the checklist hardcopy and transferring the information to the tablet adds an extra step in the process that the LLCOs consider to be a burden.

The LLCOs acknowledge that eliminating the use of the checklist hardcopy would be difficult for several reasons. The employer and worker representatives, according to the LLCOs, want to see a hardcopy of the assessment findings so they can review and sign. In addition, the employer wants a hardcopy of the findings to file and have on record. The evaluator asked if it would be acceptable to the worker representative and employer if the LLCO printed a copy of the assessment from the tablet. The LLCOs explained that while some of the larger establishments have printers, many of the medium and small establishments do not have printers. Furthermore, one RD told the evaluator that the regional offices must have a hardcopy of the assessment on file in case the assessment is legally challenged and ends up in the courts.

A USDOL official that has supervised similar projects that used technologies told the evaluator that there is a solution to the LLCOs not having access to printers. He also noted that LLCOs could use inexpensive compact printers to print the JA findings, which would satisfy the requests of the employer and worker representatives to have signed copies of the assessment findings. He noted that, based on experience in other countries, the efficiency gains of a paperless system are phenomenal that benefits employers, workers, and the assessment process. For example, a wage complaint that used to take up to 3 months to adjudicate can be resolved in two weeks.

LLCS Approaches to Inspections

The LLCS includes the following four approaches to inspections.

- *Joint Assessment (JA)*. The most common approach is the JA that includes several unique characteristics. The LLCO schedules the JA with the employer. The LLCO leads the assessment with participation from both worker and employer representatives. If the JA discovers areas of non-compliance, the employer is given 20 days to take corrective action that leads to another assessment. Once the employer is found to be compliant, DOLE issues a Certificate of Compliance.
- *Compliance Visit (CV)*. The CV is generally triggered by a complaint regarding non-compliance. The LLCO conducts the assessment and documents non-compliance issues in the report. Under the CV approach, employers are given 10 days to take corrective action on GLS violations compared to 20 days in the JA approach.
- *Occupational Safety and Health Investigation (OSHI)*. The OSHI approach is triggered by a specific complaint related to non-compliance of a health and safety issue that has or could lead to a disabling injury or that is considered a dangerous occurrence or places the worker in imminent danger. If the OSHI discovers a violation that meets these criteria, DOLE can issue a work-stoppage order until the issue is resolved. Under OSHI, the employer is given three months to take corrective actions.

- *Special Assessment or Visit of Establishments (SAVE)*. The SAVE approach generally involves a composite assessment team with a variety of technical skills. The results of SAVE are used by DOLE to inform policy regarding employment and working conditions.

The Director of BWC told the evaluator that he believes that compliance has improved under the LLCS approach. He explained that the previous inspection system, known as Labor Standards Enforcement Framework (LSEF), focused on traditional labor inspections and enforcement where the LLCS focuses more on self-regulation and voluntary compliance. He credits an increase in the number of inspectors or LLCOs as well as a focus on development rather than enforcement. Nevertheless, the Director acknowledged that while overall compliance has improved under LLCS, compliance with OSH standards have lagged. He believes that stiffer penalties for OSH non-compliance would help improve compliance rates.

The regional management teams and LLCOs believe the JAs are more effective than the traditional inspections conducted under the LSEF. The LLCOs credit the JAs for increasing transparency and social dialogue. The JA requires the LLCO to work with the establishment to schedule the assessment. The LLCOs believe that scheduling the assessments contribute to transparency and efficiency because the establishments have time to prepare key documents. However, the problem that some LLCOs have encountered is that when they arrive for a scheduled assessment, the establishment wants to reschedule due to a change in production schedules or because a key manager is not available. According to the LLCOs, rescheduling assessments wastes valuable time and places increased pressure on LLCOs to meet assessment targets. It should be noted that the trade unions prefer unannounced inspections. They believe that the announced and scheduled assessments provide establishments time to prepare, which distorts the findings.

Based on interviews with regional management teams, the evaluator noted that the LLCO assessment targets ranged from 120 to 300 establishments per year. The regional management teams explained that the targets, which are provided by BWC, depend on the sizes and locations of the establishments to be assessed. They also explained that in addition to the assessment, the LLCOs are responsible for providing programs and services to establishments. Table 8 shows the programs and services in what DOLE refers to as the LLCO Toolbox.¹⁵ It should be noted that Table 8 is merely a listing of programs and services that are not linked to each other.

Table 8: LLCO Toolbox of Programs and Services

| Programs | Services | |
|------------------------------|-------------------------------|------------------------------------|
| Kapatiran Awards | Grievance Machinery | Work Environment Measure |
| Labor and Employment Service | Grievance Handling/Management | Service Quality |
| Basic OSH | Training for Work Scholarship | Time and Motion Study |
| Family Welfare | Assessment and Certification | Innovation and Enterprise Training |
| Labor-Management Cooperation | Productivity Orientation | Service Quality Plus |

¹⁵ The Director of BWC provided the LLCO Toolbox of Programs and Services to the evaluator.

| Programs | Services | |
|--------------------------|--------------------------|-----------------------------|
| Productivity Improvement | Productivity Awareness | Gain Sharing Schemes |
| Bayanihan | 5-S Good Housekeeping | Green ME for Hotel Industry |
| WISE Program | Productivity Enhancement | Productivity 101 |
| Livelihood Assistance | Succeeding in Business | Green My Enterprise |
| Employee Compensation | | |

The regional management teams told the evaluator that many of the LLCOs are struggling to meet their targets and few have time to provide quality services. Both regional management teams and LLCOs opined that the assessments would be more effective if LLCOs strategically focused on higher risk establishments and spent more time providing services to help these establishments comply. The RDs referred to this approach as “quality instead of quantity”.

Another factor that could be interfering with the achievement of the assessment targets is the amount of time and effort the LLCOs allocate to non-assessment activities. The evaluator asked the LLCOs to estimate the percentage of time they spend on assessments and the percentage of time they spend on other program activities. On average, the LLCOs spend 70% of their time conducting assessments and 30% on other activities. However, some LLCOs commented that they spend as much as 40% of their time on non-assessment activities.

One issue that surfaced during the interviews with the LLCOs from NCR is that they interview workers in the presence of the employer representative. Apparently, the LLCOs have interpreted the JA to mean that the worker and employer representatives should participate in all phases of the assessment including interviews with workers. When asked whether the workers feel comfortable speaking in front of the employer representatives, the LLCOs commented that workers were often hesitant to respond to certain questions about work hours and wages. The LLCOs from Regions IV-A and III, however, told the evaluator that they do not interview workers in front of the employer representative.¹⁶

The evaluator asked the LLCOs in each region what they would recommend to make the JA more effective. Their suggestions are summarized below:

- Some of the LLCOs would prefer to conduct assessment in teams for large enterprises. These LLCOs explained that pairing LLCOs with general labor law experience with LLCOs that have an engineering or technical background would make the assessment more effective and productive.
- Nearly all of the LLCOs requested training on OSH as well as soft skills such as interviewing and mediation. The LLCOs told the evaluator that increasing their capacity on OSH issues as well interviewing and mediation would make them more effective.

¹⁶ Art. 12(1)(c)(i) of Convention 81 states that workers may be interviewed “alone or in the presence of witnesses”. This is a judgment call for the LI to make but certainly there are times when interviewing workers separately is important for reasons of confidentiality and candor.

- The LLCOs noted that one of the primary challenges in carrying out the JAs is transportation. The LLCOs in Regions III and IV-A told the evaluator that the current policy is to reimburse them for actual public transportation. Reimbursement requires a series of bureaucratic steps that are time consuming. Other problems include unavailability of public transportation to certain areas during the rainy season and long wait times for a bus or jeepney to fill up with passengers before it departs. The LLCOs from Region III suggested that they be allowed to use their own vehicles and get reimbursed for gasoline.¹⁷
- The LLCOs expressed concern about their exposure to chemicals, poisons, dust, and accidents during the assessments. They believe, based on their exposure to risk, that they should receive hazard pay.
- Some LLCOs are concerned about their legal exposure if an establishment that has been awarded a Certificate of Compliance and, later, experiences an “event” such as a fire. The example that the LLCOs cited was the Kentex fire.¹⁸ Several LLCOs told the evaluator that the LLCO that conducted the assessment has had to hire a lawyer for legal representation against threats of criminal charges and lawsuits.

LLCS Bill and ILO Conventions 81 and 129

The evaluator interviewed representatives from BWC, ILAB, BLR, and ILS, which are the key bureaus and departments within DOLE that have been involved with both the LLCS Bill and ratification of the ILO Conventions 81 and 129. Based on these interviews, the evaluator noted that there is a difference of opinion regarding how to approach passing the LLCS Bill and ratifying the conventions.

The BLR Director told the evaluator that the LLCS Bill should be combined with the OSH Bill and shepherded through a consultation process with worker and employer organizations.¹⁹ The Assistant Secretary for Legal and Legislative Affairs favors a similar approach that is thoughtful and strategic. She told the evaluator that she was closely involved with the passage of the Domestic Workers Bill that could serve as a model for the LLCS Bill. The BLR Director and

¹⁷ The evaluator understands that the use of public funds requires a certain level of procedure and bureaucracy to ensure accountability.

¹⁸ On May 13, 2015, a fire broke out at the Kentex manufacturing factory in Valenzuela, Philippines. Seventy-four people were killed in the fire. See the following link for more information:

https://en.wikipedia.org/wiki/Kentex_slipper_factory_fire

¹⁹ The LLCS and OSH Bills put forward common proposals such as stiffer penalties in the enforcement of all labor standards including OSH standards. Both bills provide proposals on the issuance of work stoppage orders if based on an objective assessment of whether there is grave and imminent danger, and providing protection for workers’ income during the issuance. The LLCS Bill proposes that it should be considered unlawful for other government agencies and instrumentalities to obstruct, impede, delay or otherwise render ineffective the orders of the Secretary of Labor or his or her duly authorized representative. For more information on the LLCS and OSH Bills, please refer to the following: <http://www.senate.gov.ph/lisdata/2132618147!.pdf> and <http://www.senate.gov.ph/lisdata/2150818273!.pdf>

assistant secretary believe that the LLCS Bill should be passed before attempting to ratify Conventions 81 and 129.

On the other hand, a former DOLE undersecretary, who is currently acting as a consultant to a member of the Philippine Congress, believes combining the bills would be a mistake. She told the evaluator that since the current LLCS Bill was approved by the Tripartite Industrial Peace Council, DOLE should find a member of Congress to sponsor the bill in an effort to get it passed as soon as possible. She also opined that the ratification of the conventions and passage of the LLCS Bill should be pursued simultaneously. The trade unions agree with this approach.

With support from the project, ILS conducted a gap analysis to determine whether national labor standards and laws are adequate to support the ratification of Conventions 81 and 129. One of the researchers told the evaluator that national laws are more than adequate to support the ratification of Convention 81 but more research, planned for 2017, is required to more accurately assess Convention 129. She explained that while ratification of Convention 129 would be more difficult given the precarious nature of the agriculture sector in the Philippines, she did not see any technical reason why DOLE could not move forward with plans to ratify Convention 81.

Trade Unions

The evaluator interviewed representatives from the five trade unions participating in the project. These include ALU, APL-Sentro, FFW, IndustriALL, and TUCP. In general, the trade unions believe the project is addressing important needs and is meeting their expectations. They also believe the interventions for the trade unions are appropriate. The major criticism voiced during the interviews was that the changes or results that should emanate from the assessments are slow. In other words, the establishments that are found to be non-compliant are not addressing the non-compliance areas as quickly as the trade unions would like. Another common complaint voiced by trade unions is that the LLCS approach to development lacks adequate enforcement mechanisms. They believe there should be stiffer fines for non-compliance that is not addressed by employers.

Trade unions believe the process of involving both worker and employer representatives is effective and promotes transparency and social dialogue. All trade unions, however, are concerned about how worker representatives are selected in those establishments that are not unionized. The trade unions are concerned that the worker representatives are chosen by management and, therefore, do not represent the views and opinions of all workers. Trade union officers told the evaluator that worker representatives chosen or pre-selected from the Labor Management Committees (LMC) or the OSH Committees are often times appointed by management and thus represent the views of management instead of workers. To effectively participate in the JAs, the trade unions agree that the worker representatives require ample training on the LLCS revised “Rules” as well as the assessment methodology.

One trade union officer told the evaluator that the JAs are less effective if trade union members do not participate. He explained that LLCOs are susceptible to bribes from employers that might offer cash or products to the LLCOs if they agree not to report certain non-compliance issues. The officer went on to note that if a trade union member participates in the joint assessment, the likelihood of the employer offering a bribe would be significantly reduced. Another trade union

officer told the evaluator if an establishment is not unionized, workers should be provided the opportunity during the assessment to choose a trade union from a list that could be added to the checklist.

Apparently, after the Kentex fire, DOLE organized a series of special inspections of establishments (SAVE) in the Valenzuela industrial area. Trade union representatives told the evaluator that they were deputized and participated in the SAVE. They favor the concept of deputizing trade union members to participate in the JAs. However, the PC explained that the trade union representatives were not deputized. Rather, the Department Order creating the Task Force Valenzuela stated that trade union representatives “shall act as observers and may raise observations/questions during the assessments through the LLCOs or any of the OSHC/BWC personnel.”²⁰ In addition, a former DOLE undersecretary told the evaluator that the LLCS Bill specifies that a worker representative should participate in the JA but they cannot be deputized because the LLCO is the official representative of the government. The evaluator believes there is confusion over the role of trade union representatives in JAs that DOLE should clarify.

Another key issue that the trade unions mentioned during the interviews is public disclosure of the assessment findings. The trade unions believe that the assessment findings, once approved by DOLE RDs, should be published on the DOLE website so the public has access to the findings. Interestingly, the notion of public disclosure is gaining international attention as a strategy to improve compliance with labor standards and laws. For example, the ILO has started to require its Better Work (BW) country programs to publicly disclose the findings of the BW assessments based on experience in the Better Factories Cambodia program.²¹ Public disclosure, according to the research conducted by Tufts University, improves the reputation of the sector, attracts new buyers, increases competitiveness, and allows the labor ministries to focus inspections and interventions more strategically on non-compliant employers.²²

One union representative told the evaluator that the project should provide extended support to the local and plant level trade unions on the LLCS. He also opined that DOLE should coordinate with national federations to conduct orientations on DO 131-B at the workplace level for organized and unorganized establishments. He noted that workers require deeper technical knowledge to establish monitoring networks and monitor non-compliance as well as share experiences and foster social dialogue with employers.

Employers

The evaluator interviewed two representatives of ECOP to discuss their views of the project. According to these representatives, ECOP is satisfied with the project. They believe the project is meeting needs and expectations of employers regarding the implementation of LLCS including the JAs. While ECOP representatives believe the JA process is effective and promotes social dialogue, they expressed concern over some of the recently hired LLCOs who they consider to

²⁰ [http://www.dole.gov.ph/files/DO%20145-15%20Task%20Force%20Valenzuela\(1\).pdf](http://www.dole.gov.ph/files/DO%20145-15%20Task%20Force%20Valenzuela(1).pdf)

²¹ For more information about the ILO Better Work program and public disclosure in Cambodia, please consult the following website: <http://betterfactories.org/transparency/>

²² <http://onlinelibrary.wiley.com/doi/10.1111/rode.12006/full>

be quite young and inexperienced. They wonder whether these LLCOs can effectively lead the assessments.

The ECOP representatives are also concerned about how the assessments are conducted in small enterprises. They told the evaluator that the current checklist and its indicators are very long and complex and not appropriate for small enterprises. They added that many small enterprises do not have the resources to comply with all of the indicators listed on the checklist, which is a concern. A project partner noted that the length of the checklist could be attributed to how the general checklist is combined with the sectoral checklist and how the assessment covers all applicable GLS, OSH, and special labor laws.

The other issue that the ECOP representatives raised during the interview is the recent focus on illegal contracting. The representatives explained that outsourcing, which involves sub-contracting, is a legitimate and important business strategy for many enterprises. While ECOP is against illegal or labor only contracting practices, it is concerned that some trade unions are encouraging DOLE to ban all forms of sub-contracting including outsourcing. Finally, it should be noted that ECOP is opposed to deputizing trade union representatives so they participate in assessments as labor inspectors. ECOP is also opposed to publicly disclosing the JA findings. According to ECOP, the organization is “not in favor of publicly disclosing assessment findings especially for enterprises who are found not yet compliant, but are in the process of complying.”

3.3. Progress and Effectiveness

This section examines the effectiveness of the project to determine whether it is achieving its stated objectives, outcomes, and outputs as reported in the PMP.

3.3.1. Project Performance

To assess project performance, the project’s output and indicator targets are typically compared to actual achievements. The evaluator was unable to conduct this type of analysis because very few of the project’s outputs have been achieved due to the delays and targets for some of the indicators have not been established because the baseline study has not been completed. The reasons for the underachievement and delays are discussed in detail below in Section 3.3.2.

To assess project performance, the evaluator reviewed the indicator-tracking table included in the technical progress report (TPR) for the period April to September 2016. He also discussed output achievements with the M&E Officer to ascertain the project’s perspective on the achievements. Table 9 summarizes the progress made to date in achieving the seven sub-immediate objectives.

Table 9: Summary of Project Performance

| Immediate Objective 1: | |
|---|--|
| Sub Immediate Objectives | Progress |
| 1.1. Improved quality of labor inspection statistics for better evidence-based inspection planning by LLCS managers | This objective calls for creating improved checklists and a glossary of LLCS terms. While BWC believes that labor statistics have improved since the LLCS-MIS was established in 2013, the planned outputs and indicator targets under this objective have not yet been achieved. |
| 1.2. Improved management and utilization of the LLCS-MIS | This objective is predicated on the project contracting an IT firm to make the enhancements in the LLCS-MIS, build the capacity of BWC to manage the system, and train DOLE managers, especially at the regional level to use the system for decision-making such as strategic targeting of assessments. Due to problems with the initial RFP process for this contract, the project revised the TOR and reissued the RFP. At the time of this evaluation, an IT contractor had not been identified. However, the transfer, testing, and configuration of the LLCS-MIS server to BWC, which was facilitated by the previous contractor (Infoshare), has been completed |
| 1.3. Improved labor inspection institutional and legal framework | Improved labor inspection institutional and legal framework refers to the LLCS Bill and ILO Conventions 81 and 129. The project has provided technical and financial support to ILS to conduct a gap analysis of Conventions 81 and 129. A draft report exists but is waiting for comments from key DOLE bureaus. Through regional consultations, the ILO validated the results of the gap analyses on ILO Conventions 81 and 129, including recommendations on proposed enabling laws/policies that included the LLCS Bill. Key stakeholders agree that passing the LLCS Bill and ratifying Conventions 81 and 129 is highly unlikely during the life of the project |
| 1.4. Improved knowledge and skills of LLCOs | The project has trained 281 LLCOs, mediators, and other pertinent staff in labor only contracting issues so they are able to lead and participate in the specialized assessments focused on labor only contracting. Furthermore, the project has contracted the People Management Association of the Philippines (PMAP) to conduct a human resources audit that, in part, will determine the training needs of LLCOs and other key DOLE staff. The Project will engage experts to work closely with DOLE in developing and delivering appropriate training programs for LLCOs. |

| Immediate Objective 2. Effectiveness of worker and employer engagement in the LLCS is improved | |
|---|--|
| Sub Immediate Objectives | Progress |
| 2.1. Regular and effective mechanisms for social dialogue (related to the implementation of the LLCS) are operational | The project has provided an orientation to 375 trade union officers and members on the LLCS revised “Rules” and the joint assessment approach in what the project refers to as summits. The first national summit was conducted in March 2016 at the OSH Center in Quezon where 224 persons participated. The second summit was conducted in June 2016 in Santa Rosa, Laguna (Region IV-A) where 151 persons participated. One of the key achievements of the Region IV-A summit was that the Philippine Economic Zone Authority (PEZA) signed an agreement with DOLE to allow LLCOs in all PEZA establishments to conduct technical safety inspections. |
| 2.2. Improved contribution by workers to joint assessments towards improving workplace compliance | Trade unions have received orientations on the LLCS Revised Rules that aimed to help trade unions establish networks. |
| 2.3. Improved knowledge and ability of employers to carry out joint assessments under the LLCS | The project has provided a contract to ECOP to conduct a training needs assessment, develop training materials, and train employers to be able to effectively participate in the joint assessments. ECOP has not yet started the training activities. |

3.3.2. Factors Affecting Achievements

The project is behind schedule in achieving its outputs and indicator targets due to a late project start, a decision to reissue the solicitation to contract a firm to enhance the LLCS-MIS, and the transition to a new government as a result of presidential elections. Part of this transition process within DOLE resulted in changes among key officials. For example, the current Director of BWC, whom the Project has been working with during the past year, will most likely be replaced. There has also been a contract performance issue with the baseline study. These factors, which have affected project performance, are discussed in more detail below.

- The CA between USDOL and ILO was signed in December 2014 with the intention of beginning project activities in January 2015. However, the ILO decided not to sign the CA until it determined how to address the “Fly America” provisions in the CA.²³ The ILO eventually signed the CA in June 2015. However, project implementation did not begin until September 2015 when key personnel were finally hired and in place to begin activities.
- The project developed the TOR to enhance the LLCS-MIS in September 2015 and issued the RFP in early January 2016. Only one international organization submitted a proposal that the ILO reviewed during February 2016. In late March 2016, the ILO decided to revise and reissue the RFP for several reasons. First, only one firm submitted a proposal that was nearly twice the amount budgeted. Second, the firm that submitted a proposal was the same firm providing hosting services to DOLE, which meant the project had to migrate MIS hosting to DOLE to ensure an open and competitive bidding process. Finally, the

²³ For more information regarding the Fly America Act, please consult the following website: <http://www.gsa.gov/portal/content/103191>

RFP had to be revised to provide sufficient technical information that would provide more clarity and attract more potential bidders. With the support of an IT specialist, the TOR was modified and the revised RFP was issued on November 2, 2016 with a due date of November 28, 2016. The revision of the TOR to attract more potential bidders and reissue the RFP delayed the LLCS-MIS related activities by approximately eight months.

- Presidential elections took place in May 2016. The new administration appointed a new Secretary of DOLE who, in turn, appointed new undersecretaries and other key staff. DOLE, at the request of the new administration and with strong support from trade unions, is focusing its efforts on reducing illegal or labor only contracting.²⁴ In turn, the project has had to align the sequence of certain activities at the request of DOLE, workers, and employers’ organizations to help train LLCOs, trade unions, and employers in labor only contracting and support the special assessments aimed at identifying and reducing these types of contracts.
- The project has experienced a range of delays in implementing the baseline study, which is necessary to establish baseline values and set indicator targets. After a competitive bidding process. The baseline study contract was awarded to Workland M&E in March 2016 and extended in May for an additional three months. Workland submitted the baseline study report on August 13, 2016. However, due to quality issues, project management decided to have the M&E Officer complete the report, which is expected to be completed in April 2016.

Based on these delays, the evaluator estimates the project is approximately 10-12 months behind the original schedule of activities envisioned by the project designers. The evaluator does not believe it is feasible for the project to achieve all of the key deliverables stipulated in the CA by December 2017. Thus, it is highly likely that the project will need a no-cost extension to meet its obligations in the CA, which is discussed in more detail under the recommendations section of the report (Section 3.6).

3.3.3. Training Effectiveness

The project intends to invest substantial resources in training. For example, the project plans to train BWC to host and manage the LLCS-MIS and the regional offices to generate reports and use information from the LLCS-MIS to make decision including targeted assessments. The project also intends to train LLCOs, trade unions, and employers to effectively participate in the JAs. It is too early, however, to comment on training effectiveness because most of the planned training activities have not been conducted due to the delays described earlier in the report. Although the project does not have a specific plan in place to assess training effectiveness, the PC is interested in developing one. To assess training effectiveness, the project might consider pre and post testing, questionnaires, focus group discussions, and tracking average non-

²⁴ Labor only contracting refers to illegal contracting used by some employers to circumvent the requirement to regularize workers so they receive the full range of benefits guaranteed by labor law.

compliance rates.²⁵ These suggestions are discussed in more detail in the recommendations section (Section 3.6).

3.4. Efficiency and Resource Use

To assess the efficiency of the project, the evaluator examined the allocation of resources to the projects objectives and program support. He also conducted an expenditure rate analysis to assess spending efficiencies. Both analyses are discussed in the following sections.

3.4.1. Allocation of Resources

Table 10 shows the allocation of budgetary resources for program and program support costs. It should be noted that program costs are related to the immediate objectives and program support costs consists of national administrative and M&E staff as well as travel, missions, equipment, office rent, communications, and several other sundry line items. Approximately \$487,971 or 49% of the budget is allocated to the two immediate objectives while about \$512,000 or 51% is allocated to program support. In general, these allocations to program implementation and program support are consistent with other ILO projects the evaluator has evaluated.²⁶

Table 10: Allocation of Resources to Program and Program Support

| Program and Program Support | Amount | Percent |
|------------------------------------|------------------|----------------|
| Immediate Objective 1 | \$356,696 | 36% |
| Immediate Objective 2 | \$131,275 | 13% |
| Total Immediate Objectives | \$487,971 | 49% |
| Total Program Support | \$512,029 | 51% |

Regarding the immediate objectives (IO), \$356,696 or 36% of the budget is allocated to IO 1 while \$131,275 or 13% is allocated to IO 2. As shown in Table 11, the bulk of the resources under IO 1 are budgeted for the LLCS-MIS. Approximately \$193,000 or 19% have been allocated to help DOLE host and manage the LLCS-MIS as well as help build the capacity of DOLE headquarters and regional managers to use information produced by the system. About \$88,000 or 9% of the resources have been budgeted to build the capacity of LLCOs to effectively conduct assessments.

²⁵ It is possible that identification of non-compliance rates might initially increase as a result of training. Over time, however, the training, if effective, should help improve compliance rates.

²⁶ ILO Better Work programs in Bangladesh, Jordan, Lesotho, and Nicaragua as well as the Domestic Worker Rights project in Indonesia.

Table 11: Allocation of Resources to Sub-Immediate Objectives

| Objectives | Budget | Percent |
|---|------------------|------------|
| IO 1: Effectiveness of labor inspection conducted by LLCOs is improved | | |
| 1.1. Improved quality of labor inspection statistics | \$23,406 | 2% |
| 1.2. Improved management and utilization of the LLCS-MIS | \$193,122 | 19% |
| 1.3. Improved labor inspection institutional and legal framework | \$52,125 | 5% |
| 1.4. Improved knowledge and skills of LLCOs | \$88,043 | 9% |
| Total Immediate Objective 1 | \$356,696 | 36% |
| IO 2: Effectiveness of worker and employer engagement in the LLCS is improved | | |
| 2.1. Regular and effective mechanisms for social dialogue | \$33,956 | 3% |
| 2.2. Improved contribution by workers to JAs | \$57,671 | 6% |
| 2.3. Improved ability of employers to participate in JAs | \$39,648 | 4% |
| Total Immediate Objective 2 | \$131,275 | 13% |

The resources under IO 2 are relatively evenly distributed between the three sub-immediate objectives. Nearly \$98,000 or 10% of the budget has been allocated to building the capacity of trade unions and employers to effectively participate in the JAs.

3.4.2. Expenditure Analysis

The life of the project is 36 months based on the dates in the CA (December 2014 to December 2017). However, as discussed previously, the ILO signed the contract in June 2015 and project activities did not begin until September 2015. Based on the actual start of activity implementation, the project’s life is 28 months (September 2015 to December 2017). Using the December 2014 date, the project has expended 23 months or 64% of its life as of November 2016. Using the September 2015 date, on the other hand, the project has expended 15 months or 54% of its life. The evaluator used the September 2015 date for the following expenditure analysis since it presents a more accurate picture of actual expenditure rates.

The expenditure or distribution rates for the sub-immediate objectives and outputs as well as program support costs are presented in Table 12. As of November 2016, the project had spent 34% of its total budget over a 15-month period or about 54% of the project’s life. It appears that, in general, the project is underspent by about 20%.

Sub-Immediate Objectives and Outputs

The following discussion of expenditure rates is organized by sub-immediate objective.

- *1.1. Improved quality of labor inspection statistics for better evidence-based inspection planning by LLCS managers.* The project has spent 100% of the amount budgeted for the output to revise the internal procedures and protocols within the LLCS.
- *1.2. Improved management and utilization of the LLCS-MIS.* The project has spent 30% of the budget for the three outputs under this sub-immediate objective. It has spent \$57,766 or 47% of the amount budgeted to upgrade the LLCS-MIS, which includes the contract to Infoshare to migrate the system to DOLE and address several enhancements. While the

expenditure rate for this output is relatively close to the 54% target, the project has not spent funds against the two training outputs because it is waiting for the new LLCS-MIS support contract to be awarded.

- 1.3. *Improved labor inspection institutional and legal framework.* The project has expended 38% of the resources allocated to this sub-immediate objective. It has not spent funds to revise and develop labor inspection tools. On the other hand, the project has overspent the line item to ratify the ILO Conventions 81 and 129 by about \$3,000. Apparently, during the first project consultation in September 2015, DOLE indicated that it did not require project support to develop briefing notes for social partners on priority legislation.
- 1.4. *Improved knowledge and skills of LLCOs.* The project has only spent 16% of the amount budgeted for this sub-immediate objective. It used about \$14,219 or 34% of the budgeted amount to train LLCOs in specialized inspections (primarily training for labor only contracting assessments). However, it has not yet expended funds to train LLCOs to implement the LLCS.
- 2.1. *Regular and effective mechanisms for social dialogue are operational.* The project has only spent about \$3,000 or 9% of the budget under this sub-immediate objective.
- 2.2. *Improved contribution by workers to joint assessments towards improving workplace compliance.* The project has spent about 38% of the budgeted amount to build the capacity of workers to participate in the JAs. The project has spent 12% to complete the worker training tool survey but has overspent the worker JA participation guidelines output by about \$3,000.
- 2.3. *Improved knowledge and ability of employers to carry out joint assessments under the LLCS.* The project has spent 29% of the budgeted amount to build the capacity of employers to participate in the JAs. It has spent about 43% of its budget on the employer training tool survey but has not yet spent funds budgeted for the employer JA participation guidelines.

Table 12: Project Budget and Expenditures

| Sub-Immediate Objectives and Outputs | Budget | Spent | Percent |
|---|------------------|-----------------|-------------|
| 1.1. Improved quality of labor inspection statistics for better evidence-based inspection planning by LLCS managers | | | |
| 1. Internal procedures and protocols revised | \$23,406 | \$23,406 | 100% |
| Total | \$23,406 | \$23,406 | 100% |
| 1.2. Improved management and utilization of the LLCS-MIS | | | |
| 1. The existing LLCS-MIS is upgraded | \$122,372 | \$57,766 | 47% |
| 2. DOLE management is trained on the LLCS-MIS | \$61,750 | \$0 | 0% |
| 3. DOLE technical staff trained on the LLCS-MIS | \$9,000 | \$0 | 0% |
| Total | \$193,122 | \$57,766 | 30% |
| 1.3. Improved labor inspection institutional and legal framework | | | |
| 1. Labor inspection tools revised and developed | \$36,125 | \$0 | 0% |

| Sub-Immediate Objectives and Outputs | Budget | Spent | Percent |
|--|--------------------|------------------|----------------|
| 2. Action plan for the ratification of C81 and C129 approved | \$16,000 | \$19,927 | 125% |
| 3. Briefing note on the LLCS law provided to social partners ²⁷ | N/A | NA | NA |
| Total | \$52,125 | \$19,927 | 38% |
| 1.4. Improved knowledge and skills of LLCOs | | | |
| 1. DOLE staff trained to implement the LLCS | \$45,615 | \$0 | 0% |
| 2. DOLE staff trained to carry out specialized inspections | \$42,428 | \$14,219 | 34% |
| Total | \$88,043 | \$14,219 | 16% |
| 2.1. Regular and effective mechanisms for social dialogue are operational | | | |
| 1. Updated LLCS manual produced | \$28,956 | \$3,044 | 11% |
| 2. JA good practice toolkit produced and disseminated | \$5,000 | \$0 | 0% |
| Total | \$33,956 | \$3,044 | 9% |
| 2.2. Improved contribution by workers to joint assessments towards improving workplace compliance | | | |
| 1. Worker training tool survey is completed | \$44,270 | \$5,431 | 12% |
| 2. Guidelines on worker representation in JA produced | \$13,401 | \$16,533 | 123% |
| Total | \$57,671 | \$21,964 | 38% |
| 2.3. Improved knowledge and ability of employers to carry out joint assessments under the LLCS | | | |
| 1. Employer training tool survey is completed | \$27,250 | \$11,600 | 43% |
| 2. Guidelines on labor-management committees produced | \$12,398 | \$0 | 0% |
| Total | \$39,648 | \$11,600 | 29% |
| Program support | | | |
| National support staff | \$159,914 | \$89,712 | 56% |
| Travel/Missions | \$46,487 | \$17,619 | 38% |
| Evaluation | \$105,319 | \$12,000 | 11% |
| Sundries | \$57,833 | \$27,759 | 48% |
| Equipment | \$5,249 | \$5,249 | 100% |
| Overhead | \$112,160 | \$37,153 | 33% |
| Contingencies | \$25,067 | \$0 | 0% |
| Total | \$352,115 | \$99,780 | 28% |
| Grand Total | \$1,000,000 | \$341,418 | 34% |

Program Support

As discussed previously, the program support cost category consists of national support staff including the project M&E Officer and Administrative Clerk and other ILO support. It also includes travel, missions, evaluation, equipment, ILO overhead, contingencies and sundries. The sundries line item includes office rent, maintenance, communications, and office supplies. Overall, program support category has expended about 28% of its budget. Actually, the national

²⁷ During the first project consultation in September 2015, DOLE indicated that it would not require project support to develop the briefing notes for social partners on priority legislation.

staff line item, which is 56% expended, is very close to the 54% target. The sundries line item is also relatively close the 56% target. The equipment line item is 100% expended. The rest of the program support line items are underspent by about 25% to 30%.

Since the project started implementing activities in September 2015, it has spent approximately \$22,761 per month. At this expenditure rate, the project would spend \$637,314 or 64% of the total budget by end of the project scheduled for December 2017. To completely spend the grant amount of \$1 million, the project would need an additional 29 months at the current expenditure rate. The evaluator believes that once the IT contractor is hired and the new DOLE administration takes shape, the project will accelerate the implementation of activities that should increase the expenditure rate. Nevertheless, the evaluator believes it is highly unlikely that the project will achieve all of the planned outputs and expend the \$1 million grant by December 2017. Thus, the project will probably need an extension, which is discussed as one of the recommendations (Section 3.6).

3.5. Project Management Arrangements

3.5.1. Project Management Structure and Adequacy

The project has three full-time persons charged to the budget. These include the PC, M&E Officer, and the Administrative Clerk. According to the PC, the current staff structure is adequate to manage and support the project. The M&E Officer told the evaluator that while M&E is his primary responsibility, he also spends time supporting the interventions targeted at DOLE, trade unions, and the employer association. He noted that at times his work is challenging because he does not have a background in labor law or with trade unions. However, he appreciates the opportunity to learn about these areas.

The LLCS-MIS is the project’s primary intervention. The BWC Director believes the LLCS-MIS is the project’s most important contribution to DOLE. Nevertheless, the project does not have an IT staff position dedicated to supporting and supervising the LLCS-MIS. The project has and intends to continue to rely on the IT contractors to make the necessary modifications to the system. The evaluator believes, given the project’s investment in the LLCS-MIS and its importance to DOLE’s inspection process, the project should consider hiring an IT specialist to oversee the LLCS-MIS contractor’s work and report technical observations to the PC. While a full-time IT specialist position would be preferable, a part-time position might be sufficient. The IT specialist idea is presented and discussed in more detail in the recommendations section (Section 3.6).

3.5.2. Project Advisory Committee

The project advisory committee (PAC) provides guidance and advice on program implementation and key issues relating to labor compliance, industrial relations, and industry competitiveness. The PAC members include representatives from DOLE, trade unions, and employers. BWC chairs the PAC and represents DOLE. Other DOLE bureaus and departments are invited to attend meetings if the agenda includes items of relevance. The five trade unions participating in the project are PAC members. ECOP represents the employers on the PAC. The PAC tries to meet every three to four months.

In general, the project stakeholders that sit on the PAC believe it is effective and add important value to the social dialogue process. When asked how the PAC might become even more effective, stakeholders suggested that the PAC meetings should be held more frequently (once per month). Trade union representatives told the evaluator it would help them plan if the PAC meetings were held on a specified date and time. Other trade union representatives suggested holding the meetings in or closer to Quezon City where the majority of trade unions have their offices. They said traveling to the Makati area where the ILO and ECOP have offices is difficult and time consuming due to the traffic. However, the PC explained that during the first PAC meeting, the members agreed to meet every first Friday of the quarter but the date had to be changed for the third PAC meeting due to scheduling problems with partners.

3.5.3. ILO and USDOL Support

According to the PC, the project receives adequate support from the ILO and USDOL. The ILO Philippines Country Coordinator and Program Director provide management support and advice as required or requested. The PC said she finds the support helpful. She noted that the ILO Labour Administration, Labour Inspection, and Occupational Safety and Health Branch (LABADMIN/OSH) in Geneva provides administrative support and program guidance on ensuring compliance with the MPG while the ILO regional office in Bangkok provides technical support.

The LABADMIN/OSH Coordinator explained that since the project is located within the premises of a fully operational ILO country office, LABADMIN/OSH only provides basic administrative support. She further explained that the ILO Philippines office provides much of the management and administrative support while the ILO Decent Work Team in Bangkok provides the necessary technical expertise through the support from the Labor Administration and Inspection Specialist, and from the Specialists on Employers’ (ACT/EMP) and Workers’ (ACTRAV) activities. She opined that the current management structure and support to the project is appropriate and effective.

ACTRAV and ACT/EMP have provided support to the project in terms of advice on appropriate strategies and activities for workers and employers, respectively. The Labor Administration and Inspection Specialist has visited the project four times to provide technical support and participate in key trainings and meetings. In addition, he reviews and comments on reports and project documents including the TOR for the LLCS-MIS enhancements. The PC believes the support provided by the specialist is highly appropriate and effective.

The PC told the evaluator that she has had limited contact with USDOL. The USDOL international relations officer responsible for overseeing the project visited the Philippines in March 2015 before the current project team was in place. She said while she has exchanged communications with USDOL, she typically communicates with USDOL through the Labor Administration and Inspection Specialist in Bangkok for technical issues and through the LABADMIN/OSH Coordinator in Geneva for administrative issues. She explained the current arrangement works effectively and does not believe it should be modified.

3.6. Sustainability

3.6.1. Sustainability

The 2013-MPG requires a discussion on sustainability and exit strategy. In addition, the MPG states *“If necessary, grantees must submit a revision to the project document section on promoting sustainability within 12 months of award. Grantees will report on the progress of the sustainability plan in each of their TPRs.”* While the original project document contains a short section on sustainability, the project has yet to develop a detailed sustainability plan or exit strategy. The LABADMIN/OSH Coordinator told the evaluator that developing an exit strategy would be a priority of the project over the coming months. The development of the sustainability plan is discussed in detail as a recommendation (Section 3.6).

The evaluator believes that the project has the building blocks in place to develop a viable sustainability plan within the LLCS framework that include the LLCS-MIS and JAs. For example, DOLE is currently hosting and managing the LLCS-MIS. At the central level, DOLE appears to be using information generated by the system to inform policy including issuance of recent labor regulations. Although still limited, the regions are trying to use reports generated by BWC to target assessments and assess LLCO performance. In addition, the trade unions and employers have been participating in the JAs and appear to be committed to continue to participate. On the other hand, it is less clear to the evaluator whether the efforts to build the capacity of the HRDS will be sustained and whether the LLCS Bill will be passed and ILO Conventions 81 and 129 ratified during the life of the project.

IV. CONCLUSIONS

The following conclusions represent what the evaluator has “concluded” from the analysis of the findings and are organized according to the six evaluation sections: project design and performance monitoring; relevance to the needs and expectations of stakeholders; progress and effectiveness; efficiency and use of resources; management arrangements; and impact orientation and sustainability.

4.1. Project Design and Performance Monitoring

- The project design meets the MPG requirements. The project design is logical and follows a clear cause and effect logic where the outputs are designed to achieve the sub-immediate objectives, which, in turn, are designed to achieve the two immediate objectives. The immediate objectives, if achieved, should contribute to the development objectives, which is to improve workplace compliance with national labor laws. The project document also includes the RF, which is another MPG requirement.
- While the project document states 15 outputs, the number of outputs listed in the PMP has increased to 34. The additional outputs unnecessarily add layers of complexity to the project design and PMP. This midterm evaluation provides an opportunity for the project to review and adjust the outputs to reduce complexity and ensure they are appropriate to achieve the sub-immediate objectives.
- The PMP fully meets the criteria as described in the MPG. However, some objective level indicators read like outputs or activities. In addition, many of the outputs do not require indicators but rather output targets. Furthermore the PMP contains 79 indicators, which is excessive and could easily over-burden the project.
- The project is in the process of completing the baseline study report, which has been delayed by several months. The baseline study contractor experienced several problems that included assembling and managing the data collection team and scheduling and conducting interviews and focus group discussions. Since the quality of the report did not meet the project’s expectations, the project’s M&E Officer has been tasked to complete the report.

4.2. Expectations and Needs of Key Stakeholders

- The LLCS-MIS has proven to be an important contribution to DOLE’s efforts to improve compliance with international labor standards and national labor laws. It provides important statistics on compliance to DOLE and other government agencies. Nevertheless, the system requires a series of enhancements and other modifications that are contemplated under the project.
- The BWC shares the registry of establishments culled from the LLCS-MIS with the Philippines Statistics Authority that is updated after the joint assessments. To further ensure that the database of enterprises embedded in the LLCS-MIS is accurate and current, DOLE intends to modify its MOA with SSS to share enterprise databases. While the evaluator believes this is a positive step to increase accuracy necessary to target the assessments, he

was unable to determine the actual accuracy of the current registry embedded in the LLCS-MIS.

- The LLCS-MIS provides useful information on compliance and helps DOLE regional offices assess the performance of the LLCOs. However, the regions are not able to generate reports. The regional management teams would like to develop the ability to generate reports that they can use to target assessments.
- While the LLCOs believe LLCS-MIS can be a useful management tool, they noted a range of problems they encounter when using the system that include limited access to the Internet and dropped Internet connections resulting in loss of data. In addition, the checklist interface on the tablet is not user-friendly and difficult to use. Some LLCOs do not take their tablets to the assessments because they are afraid they might be stolen.
- The LLCOs conduct the assessment using a hardcopy of the checklist and then transfer the data to the tablet.²⁸ Recording the assessment findings on the checklist hardcopy and transferring the information to the tablet adds an extra step in the process that creates inefficiency. However, eliminating the use of the checklist hardcopy would be difficult because employers and worker representatives want to see a hardcopy of the assessment findings so they can review and sign. Employers want a hardcopy of the findings file to have on record.
- While compliance appears to have improved under the LLCS approach, compliance with OSH standards has lagged.
- LLCOs, employers, and workers prefer the JA to the traditional inspection approach. They believe the JAs promote transparency and helps improve social dialogue. Trade unions, however, are concerned about how the worker representatives are selected in non-unionized establishments. The employers (ECOP), on the other hand, are concerned that some LLCOs, who lack assessment experience, cannot effectively lead the assessments.
- For each LLCO assessment targets range from 120 to 300 establishments per year. Apparently, some LLCOs are struggling to meet their targets and few have time to provide quality services. Regional managers and LLCOs opined that the assessments would be more effective if LLCOs strategically focused on higher risk establishments and spent more time providing services to help these establishments comply.
- There is a difference of opinion regarding how to approach passing the LLCS Bill and ratifying the conventions. Some DOLE directors believe the LLCS Bill should be combined with the OSH Bill and shepherded through a consultation process with worker and employer organizations. They believe that the LLCS Bill should be passed before pursuing ratification of ILO Conventions 81 and 129. Others, including trade unions, believe that since the Tripartite Industrial Peace Council passed a resolution supporting the passage of the LLCS Bill into law, DOLE should work with the new Congress to get it passed as soon as possible. They also believe that the ratification of the conventions and passage of the LLCS Bill should be pursued simultaneously.

²⁸ It should be noted that the LLCOs interviewed said they conduct the assessments using the paper checklist and then transfer the data to the tablets. They told the evaluator that all LLCOs in their regions (DCR, IV-A, III) do the same. However, the evaluator could not confirm whether all LLCOs follow this procedure.

- According to the GAP analysis conducted for ratification Conventions 81 and 129, national laws and practice are more than adequate to support the ratification of Convention 81 but more research, planned for 2017, is required to more accurately assess Convention 129. Due to the nature of the agriculture sector in the Philippines, ratification of Convention 129 will be a challenge. Passing the LLCS Bill and ratifying Conventions No. 81 and 129 will likely not be achieved during the life of the project.

4.3. Progress and Effectiveness

- The project is behind schedule in achieving its outputs and indicator targets due to a late project start, an initial unsuccessful procurement bidding process, and the change of government administrations. There has also been a contract performance with the baseline study.
- It was not possible to assess the progress of many indicator targets because few of the project’s outputs have been achieved due to delays and targets for some of the indicators have not been established because the baseline study has not been completed.
- At the time of the evaluation, key achievements included the transfer, testing, and configuration of the LLCS-MIS server to BWC; technical and financial support to ILS to conduct a gap analysis of Conventions 81 and 129; training for 281 LLCOs, mediators, and other pertinent staff in labor only contracting issues; an orientation to 375 trade union officers and members on the LLCS revised “Rules” and the JA; an agreement between DOLE and PEZA to allow LLCO is all PEZA establishments to conduct technical safety inspections; and guidelines for worker representation in the joint assessments.

4.4. Efficiency and Use of Resources

- Approximately 49% of the \$1 million budget is allocated to program or the two immediate objectives while 51% is allocated to program support. In general, these allocations to program implementation and program support are consistent with other ILO projects.
- The project had spent 34% of its total budget over a 15-month period or about 54% of the project’s life. It appears that, in general, the project is underspent by about 20%. At the current expenditure rate (\$22,761 per month), the project would only spend 64% of the budget by the end of the project scheduled for December 2017. However, the expenditure rate should accelerate once the new IT contractor begins work on the LLCS-MIS.

4.5. Management Arrangements

- The project has three full-time persons charged to the budget that include the PC, M&E Officer, and the Administrative Clerk. The project does not have an IT specialist to oversee the LLCS-MIS contractor’s work and report technical observations to the PC.
- The project receives adequate support from the ILO and USDOL. The ILO Philippines Country Coordinator and Program Director provide management support and advice as required or requested. The LABADMIN/OSH Coordinator in Geneva provides administrative support while the ILO Decent Work Team in Bangkok provides technical support.

- The PC has limited contact with USDOL. She typically communicates with USDOL through the labor administration and inspection specialist in Bangkok for technical issues and through the LABADMIN/OSH Coordinator in Geneva for administrative issues and adherence to the MPG. Apparently this arrangement is working satisfactorily.

4.6. Impact Orientation and Sustainability

- Impact of the project could not be measured because this is an implementation evaluation and not an impact evaluation. Furthermore, the project has achieved very few of its indicator targets due to a variety of delays making an analysis of immediate objective achievement unfeasible. Impact should be assessed during the final evaluation when more information regarding indicator target achievement is available.
- The 2013-MPG requires a discussion on sustainability and exit strategy. While the original project document contains a short section on sustainability, the project has yet to develop a detailed sustainability plan or exit strategy.
- The project has the building blocks in place to develop a viable sustainability plan within the LLCS framework. The building blocks include the LLCS-MIS and JAs. It is less clear whether the efforts to strengthen DOLE’s human resource systems will be sustained and whether the LLCS Bill will be passed and ILO Conventions 81 and 129 ratified during the life of the project. The LLCS Bill is especially important to sustainability because it would help ensure institutionalization of reforms under LLCS. For example, the current LLCS Rules is a Department Order that can be changed by executive action of the current or future government administrations.

V. RECOMMENDATIONS

5.1. Provide No-Cost Extension

USDOL should begin discussions with the ILO regarding a no-cost extension. The project is underspent by nearly 20% due to a variety of factors. The signing of the CA was delayed nearly six months; the ILO decided to reissue the RFP to provide technical and administrative support to DOLE to host and manage the LLCS-MIS because only one firm submitted a proposal, which the ILO considered to be expensive; and the presidential elections in May 2016 resulted in a transition to a new government and changes in key personnel at DOLE. It is highly unlikely that the project will achieve all of its outputs and expend its budget by December 2017. Therefore, USDOL should initiate discussions in early 2017 with the ILO to estimate how much of the budget the project will spend by December 2017 and, subsequently, the length of the no-cost extension. The specific activities and outputs that would be shifted to 2018 should also be discussed and defined.

5.2. Realign Budget to Focus on the LLCS-MIS

USDOL should request the project to realign its budget to ensure that sufficient resources are allocated to supporting and sustaining the LLCS-MIS. This is an ambitious project (nine objectives) given a relatively short timeframe of two plus years and a limited budget. The cornerstone of the project is the LLCS-MIS. DOLE considers the information system to be the project’s most important contribution, which is instrumental in assisting DOLE improve the effectiveness of its inspections and compliance with national labor laws. The LLCS-MIS also appears to have strong sustainability potential. It would behoove USDOL and the ILO to make any required budgetary adjustment in early 2017 to ensure the LLCS-MIS is operational and being used optimally by DOLE. This includes hiring an IT Advisor, which is Recommendation 5.3.

5.3. Hire IT Advisor

The project should hire an IT advisor to provide oversight to the LLCS-MIS contractor and technical advise on IT issues to the PC. Ideally, the IT advisor would have a strong technical background in information systems and management as well as labor inspection. The project does not have an IT specialist on the management team to oversee the recent migration of the LLCS-MIS to DOLE, the envisioned enhancements, and training that the new IT contractor will be responsible for delivering. As noted previously, DOLE considers the LLCS-MIS to be critical in the implementation of the LLCS and efforts to improve compliance. Funds to pay for the IT advisor should be identified during the budget realignment process noted in Recommendation 5.2. Assuming that the funds are available, USDOL should approve the hiring of the IT advisor.

The evaluator understands that it may be difficult to find an IT Advisor with the required amount of labor inspection experience. To help ensure the IT Advisor has adequate technical support in the area of labor inspection, the project should consider establishing a LLCS-MIS working group with members of the PAC including the relevant DOLE offices. The LLCS-MIS working group should also provide input to the new LLCS-MIS contractor on the anticipated system

enhancements, which would ensure that system enhancements and features are properly vetted and cleared by the different users.

5.4. Simplify Project Design and PMP

The project should work with USDOL to simplify the project’s design as well as the PMP. The project’s design consists of two immediate objectives, five sub-immediate objectives, and 34 outputs while the PMP consists of 76 indicators.²⁹ The complexity of the project design and PMP could over burden the project, which is thinly staff and resourced. The project design and PMP could be simplified by reducing the number of outputs and indicators. The number of outputs could be reduced by assessing the original 15 outputs in the project document to determine those outputs most critical to achieving the corresponding sub-immediate objective. Based on the assessment, the project might decide to add or delete outputs. The project should aim for approximately two to three key outputs for each sub-immediate objective. The number of indicators could be reduced by eliminating the output indicators. The majority of the outputs would only require targets and not indicators. If the project decides that more complex outputs require indicators, the number of indicators should be limited to two indicators per output. The project should also eliminate sub-immediate objective indicators that are actually outputs (i.e. number of DOLE staff trained in LLCS-MIS and number of LLCOs trained by trainers).

5.5. Measure Training Effectiveness

The project should develop a methodology to measure the effectiveness of its training activities. The project is investing heavily to train DOLE to manage and use the LLCS-MIS and to train LLCOs, workers, and employers to participate effectively in the JAs. While tracking outputs such as the number of persons trained is important, measuring how effectively the trainees use or apply the new knowledge and skills is critical to determine effectiveness and make assumptions about achieving impact.

The PMP includes sub-immediate objective indicators that are intended to assess training effectiveness. The project should reassess these indicators to ensure that they reflect the expected changes in knowledge and practices of the training participants. To measure objective achievement, the project intends to establish quantitative baseline and endline values for these indicators. In addition, the project might consider developing a methodology to assess how effectively training participants apply new knowledge and skills soon after the training events. The methodology might consist of quantitative and qualitative approaches (short questionnaires and focus group discussions). The project could collaborate with partners to gather data during key events such as other trainings or meetings. The advantage of this type of on-going data collection and analysis is that the project does not have to wait until the end of the project (endline survey) to ascertain an understanding of training effectiveness. The results can also be used to improve future trainings.

²⁹ As noted in Section 3.1, the project added 19 outputs to the 15 original outputs in the project document.

5.6. Develop Sustainability Plan

The project should develop a sustainability plan that describes the specific interventions, outputs, and results that should be sustained once the project ends. The plan should also identify the sustainability strategies, persons or organizations responsible for implementing them, and the required resources. To ensure the sustainability, efficiency and effectiveness of the LLCS as a framework for labor laws compliance, it is also important that DOLE ensures the clarity of roles and responsibilities, including the level of coordination within all offices involved in labor inspection, as well as that of workers and employers in the inspection process.

The sustainability plan should have a set of indicators with targets and timeframes that the project can track to determine whether it is on schedule. For example, the LLCS-MIS is potentially sustainable but the project should work with DOLE to ensure adequate resources are available to replace tablets and batteries, manage and backstop the LLCS-MIS, and continue to provide training to the IT team as well as the regional managers and LLCOs. The sustainability plan should be developed within one year of the new end date, which would depend on the length of the no-cost extension (Recommendation 5.1). The project might consider a series of workshops or meetings with DOLE, trade unions, and ECOP to develop the sustainability plan.

5.7. Develop and Implement Tripartite Advocacy Strategy to Pass LLCS Bill

The project should consider developing and implementing a tripartite advocacy strategy aimed at passing the LLCS Bill. However, this tripartite advocacy strategy should only be pursued once the project is certain that the LLCS-MIS has the required human, financial, and management resources dedicated to its successful implementation and institutionalization. In other words, the LLCS-MIS should be the project’s top priority and take precedent over the LLCS Bill.

Passing the LLCS Bill would help ensure the institutionalization and sustainability of the LLCS since it is now based on a DOLE Department Order that can be changed by executive. The LLCS Bill has yet to be re-filed under the new administration because the Tripartite Industrial Peace Council (TIPC) has been primarily focused on developing a revised Department Order on illegal contracting. However, the project’s partners should view the LLCS Bill as a complement to the campaign against illegal contracting and a way to sustain the gains. Workers and employers have an important role to play since they could request DOLE to fast track the review and re-file the LLCS Bill in Congress within a specific timeframe.

5.8. Improve Targeting of Labor Inspections

The project should work with DOLE to develop a strategy to focus the assessments, including services and programs, on those establishments that are at higher risk for non-compliance with international labor standards and national labor laws. The performance of DOLE regions should be based on improvements in compliance and not only inspection targets. To achieve ambitious inspection targets, many LLCOs are not able to provide the range of services and programs in the LLCS toolbox that would help establishments address non-compliance and remain compliant. Rather than to try to inspect all or near all establishments in the regions, DOLE should target those establishments that are at higher risk for violating the rights of workers or exposing them to

health and safety risks. Risk factors might include history of non-compliance, type of sector (i.e. mining, chemicals, manufacturing), number of employees, and non-unionized workplaces.³⁰ The DOLE regional offices could use information generated by the LLCS-MIS to develop profiles of higher risk establishments that would be targeted for assessments by the LLCOs. However, DOLE must ensure that the registry of establishments embedded in the LLCS-MIS is accurate and current. The regional offices should ensure that the LLCOs have enough time to conduct the assessment and provide the required services to help ensure that the establishments are compliant and remain compliant.

5.9. Develop Policies on Use of Tablets During Joint Assessments

The project should work with DOLE to develop, communicate, and implement policies on the use of the tablets during JAs to increase effectiveness and efficiency. These policies should be part of the proposed revisions on the new LLCS Rules and then part of the revised operational manual. Currently, LLCOs conduct the JAs using a paper copy of the checklist. Some LLCOs do not take the tablets with them to the JAs because they are concerned they will be lost or stolen. Apparently some establishments do not allow the LLCOs to bring the tablet on the premise to protect sensitive information that is gathered during the JAs. By not using the tablets to enter information during the JA creates inefficiencies that place additional demand on the LLCOs’ heavy workload and inspection targets.

The policies on the use of the tablets during JAs should require data entry directly into the LLCS-MIS. For example, the LLCOs could conduct the JA using the tablets in those establishments that have Internet connectivity and printers. Once the JA is complete, the findings could be printed and signed.³¹ Some enterprises prefer to use a paperless system. In these establishments, the electronic version of the findings could be signed using electronic signatures and then emailed to the employer and worker organization (trade union, LMC, or OSH Committee).

The policies should articulate under what circumstances LLCOs would be financially responsible for lost and stolen tablets, which should be clearly communicated to LLCOs. One measure that DOLE might consider is insuring the tablets against lost and theft that would go a long way in allaying the fears of the LLCOs. The policies should also clearly state that LLCOs, as agents of the government, are permitted to enter the establishment with the tablets to conduct the JAs. Establishments that do not allow the LLCOs to enter the premise with the tablet would be considered as obstructing the inspection process.

5.10. Begin Tripartite Dialogue on Publicly Disclosing Assessment Findings

The Project Advisory Committee (PAC) should begin a dialogue process to discuss the issue of public disclosure of the assessment findings aimed at increasing compliance. The position should include whether assessment findings should be available to the public, whether findings for each

³⁰ The trade unions make the point that the absence of trade unions in a workplace increases risk.

³¹ According to the PC, in some cases the assessments are conducted using the tablet in establishments with access to the Internet and printers.

establishment or only the sector would be disclosed, the timeframe for disclosing the findings, and the specific disclosure platforms (i.e. DOLE website or other platforms). As a beginning point for disclosure, the JA findings should be disclosed within the enterprise. In addition to the employer, the findings should be shared with workers and/or their representatives, which would support the aim of the JAs to promote transparency and help ensure accountability as well as joint remediation.

ANNEXES

Annex A: Terms of Reference

Independent Midterm Evaluation of the Building the Capacity of the Philippines Labor Inspectorate Project

| | |
|--|--|
| Cooperative Agreement Number: | IL-26685-14-75-K-11 |
| Financing Agency: | U.S. Department of Labor |
| Grantee Organization: | International Labor Organization |
| Dates of Project Implementation: | December 15, 2014 to December 14, 2017 |
| Type of Evaluation: | Independent Interim Evaluation |
| Evaluation Field Work Dates: | November 7 – December 10, 2016 |
| Preparation Date of TOR: | September 2016 |
| Total Project Funds from USDOL Based on Cooperative Agreement(s): | US \$1 million |

LIST OF ACRONYMS

| | |
|-----------|--|
| ACTEMP | ILO Bureau for Employers’ Activities |
| ACTRAV | ILO Bureau for Workers’ Activities |
| BWC | Bureau of Working Conditions |
| DOLE | Philippines Department of Labor and Employment |
| ILAB | Bureau Of International Labor Affairs |
| ILO | International Labour Organization |
| ILS | International Labor Standards |
| IO | Immediate Objective |
| LABADMIN/ | |
| OSH | ILO Labour Administration, Labour Inspection and Occupational Safety and Health Branch |
| LFA | Logical Framework Approach |
| M&E | Monitoring and Evaluation |
| MPG | Management Procedures & Guidelines |
| NORMES | ILO International Labour Standards Department |
| OSH | Occupational Safety and Health |
| PMP | Performance Monitoring Plan |
| RBM | Results Based Management |
| TOR | Terms of Reference |
| US | United States |
| USG | United States Government |
| USDOL | United States Department of Labor |

Introduction

The U.S. Department of Labor (USDOL) has contracted O’Brien & Associates International (OAI) to undertake an independent midterm evaluation of the Building the Capacity of the Philippines Labor Inspectorate (BCPLI) Project. BCPLI is a \$1 million project funded by USDOL for duration of three years, implemented by the International Labor Organization (ILO). The evaluation is intended as a formative evaluation with the aim of validating the relevance of the project design and improving performance during the implementation phase.

The following Terms of Reference (TOR) serves as the framework and guidelines for the evaluation. It is organized according to the following sections.

1. Background of the Project
2. Purpose, Scope, and Audience
3. Evaluation Questions
4. Evaluation Management and Support
5. Roles and Responsibilities
6. Evaluation Methodology
7. Evaluation Milestones and Timeline
8. Deliverables and Deliverable Schedule
9. Evaluation Report

1. Background of the Country & Project

The Philippine economy is the 33rd largest in the world, with an estimated 2016 GDP of \$310 billion. Primary exports include semiconductors and electronic products, transport equipment, garments, copper products, petroleum products, coconut oil, and fruits. Major trading partners include the United States, Japan, China, Singapore, South Korea, the Netherlands, Hong Kong, Germany, Taiwan, and Thailand. A newly industrialized country, the Philippines is transitioning from an economy based upon agriculture to one based on services and manufacturing. The agricultural sector employs one-third of the labor force, and accounts for 14% of GDP. The industrial sector employs around 14% of the workforce and accounts for 30% of GDP. Meanwhile, the 47% of workers involved in the services sector are responsible for 56% of GDP.

The economy is heavily reliant upon remittances from overseas Filipinos. Regional development is uneven, with Luzon – Metro Manila in particular – gaining most of the new economic growth at the expense of the other regions, although the government has taken steps to distribute economic growth by promoting investment in other areas of the country. Despite constraints, service industries such as tourism and business process outsourcing have been identified as areas with some of the best opportunities for growth. The unemployment rate was around 5.4% in 2015.

In recent years, the Department of Labor and Employment (DOLE) of the Philippines has undertaken initiatives to strengthen its Labor Law Compliance System (LLCS). The new LLCS creates a culture of voluntary compliance on labor and occupational safety and health (OSH) standards among companies so that they effect immediate correction, and where employers and workers equally play important roles in the assessment process.

While progress has been made, the government of the Philippines acknowledges that further work is needed to strengthen the human and institutional capacity of its inspectorate throughout the country. In particular, the DOLE has not yet completed a review of its internal governance systems and procedures to align with its new policy focus. The recently established LLCS-Management Information System (MIS) requires major software and security upgrades, and training of DOLE officials on using the software and the overall LLCS-MIS to support workplace assessments. Moreover, with the adoption of the new LLCS, many Labor Law Compliance Officers (LLCOs) do not fully grasp their roles in practical and operational terms for implementing this new approach.

The Philippines has not yet ratified the ILO Labor Inspection Convention (No. 81), though it has requested ILO assistance in this regard. Ratification and effective implementation of C. 81 would help to align the country’s labor inspection action with international law and practice. A bill to institutionalize the LLCS has already been drafted and endorsed by the tripartite constituents and is expected to be enacted into law, but requires support for its widespread dissemination and assistance in implementation. Finally, workers and employers have yet to gain a full understanding of the new LLCS process and their potential contribution to and their role in the system.

In December 2014, the International Labour Organization (ILO) signed a Cooperative Agreement with USDOL/OTLA worth US \$1 million to implement the Building the Capacity of the Philippines Labor Inspectorate Project. Due to administrative delays, the project started implementing activities in September 2015. The grant, which is scheduled to close in December 2017, aims to contribute to the realization of decent working conditions for workers in the Philippines. The project’s development objective is to improve workplace compliance with national labor laws. The Project seeks to achieve two major immediate objectives with the following sub-immediate objectives:

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

Sub-Immediate Objective 1.1: Improved quality of labor inspection statistics for better evidence-based inspection planning by LLCS managers

Sub-Immediate Objective 1.2: Improved management and utilization of the labor inspection electronic information system (LLCS-MIS)

Sub-Immediate Objective 1.3: Improved labor inspection institutional and legal framework

Sub-Immediate Objective 1.4: Improved knowledge and skills of LLCOs

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

Sub-Immediate Objective 2.1: Regular and effective mechanisms for social dialogue (related to the implementation of the LLCS) are operational

Sub-Immediate Objective 2.2: Improved contribution by workers to joint assessments towards improving workplace compliance

Sub-Immediate Objective 2.3: Improved knowledge and ability of employers to carry out joint assessments under the LLCS

The project seeks to strengthen the labor inspectorate and the capacities of government, workers and employers to effectively engage in social dialogue within the labor inspection system and is expected to work closely with existing tripartite bodies in ensuring that sector and industry specific policies, programs and concerns are integrated in Project activities.

The project intends to produce a range of outputs. These outputs are listed below.

- Output 1.1.1: Internal procedures and protocols are reviewed and revised/adopted to improve quality of data generated by inspection reports.
- Output 1.2.1: The existing computerized inspection system and database (LLCS-MIS) is upgraded to improve and/or add new features and functions, including:
 - data compatibility with other government agency databases
 - reports generated based on C. 81 and R. 81
 - an online complaints module
 - a transition and sustainability plan
- Output 1.2.2: National management are trained on the LLCS-MIS
 - Master trainers are trained.
 - Lessons learned document produced.
 - LLCS-MIS is successfully transferred to national management
 - DOLE staff properly enter, process, retrieve and protect data.
- Output 1.2.3: LLCS-MIS focal points and officials from related technical agencies are trained on the LLCS-MIS
- Output 1.3.1: Labor Inspection tools are revised and developed.
 - Audit report provided to HR.
 - Senior officials trained on LLCS management.
 - M&E system developed and approved by DOLE.
 - Managers are trained on PM system.
 - LLCS code of practice is disseminated.
- Output 1.3.2: Action plan for the ratification of C81 and C129 is approved.
 - FAQ document is disseminated.
- Output 1.3.3: Briefing note on the LLCS law is provided to social partners.
- Output 1.4.1: Staff of DOLE (managers, LLCOs, and support staff), are trained to implement the LLCS system.

- Output 1.4.2: Staff of DOLE and other associated agencies (managers, LLCOs, and support staff) are trained to carry out specialized inspections, particularly in the area of occupational safety and health
- Output 2.1.1: Updated LLCS manual produced
 - Web-based training module launched
 - Labor law compliance campaigns carried out.
- Output 2.1.2: Joint-assessment good practice toolkit produced and disseminated.
- Output 2.2.1: Worker training tool survey is completed.
 - Workers' LLCS training manual produced.
 - Worker trainers are trained.
- Output 2.2.2 : Guidelines on worker representation in joint-assessments is produced.
 - Worker good practice compendium on LLCS produced and disseminated.
- Output 2.3.1 : Employer training tool survey is completed.
 - Employer LLCS training manual produced.
 - Employer trainers are trained.
- Output 2.3.2: Guidelines on labor-management committees are produced.
 - Employer good practice compendium on LLCS produced and disseminated.

2. Purpose, Scope, Focus, and Intended Users of the Evaluation

USDOL-funded projects are subject to independent interim and final evaluations.

The overall **purpose** of this interim evaluation is to ascertain what the project has or has not achieved; how it has been implemented; how it is perceived and valued by target groups and stakeholders; what the results of project interventions have been on target stakeholders and institutions to date; whether expected results are occurring (or have occurred) based on performance data; the appropriateness of the project design; and the effectiveness of the project's management structure. The evaluation is also intended to identify effective practices, mechanisms and partnerships and assess the prospects for sustaining them beyond the life of the project as well as recommend concrete steps the project might take to help ensure sustainability. Finally, the evaluation will investigate how well the project team is managing project activities and whether it has in place the tools necessary to ensure achievement of the outputs and objectives, and identify any lessons for improvement.

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

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

- The validity of project design, objectives, strategy, and assumptions;
- Progress made in achieving project immediate objectives;
- Stakeholder buy-in, support, and participation in the project;
- Barriers and opportunities to successful implementation, which should include an analysis of the recent elections and changes in DOLE personnel on project implementation.
- Where activities have been particularly successful, the reasons for successful implementation;
- Intended and unintended effects accrued to the target groups;
- Potential sustainability of project activities;
- Risk analysis in project design and implementation, and the extent to which the project is responding effectively to emerging risks, challenges and opportunities.

The evaluation will assess the positive and negative changes produced by the project – intended and unintended, direct and indirect – as reported by respondents and reflected in the project’s performance data. The final report should provide recommendations for possible changes that could be made to the implementation arrangements of the project or to be included in the design of a similar project that may be implemented in the future.

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

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

3. Evaluation Questions

To serve these purposes, this interim evaluation will focus on the validity of the project’s design, the relevance of the project’s services to the target groups’ needs, the project’s efficiency and effectiveness, the impact of the results, and the potential for sustainability. These criteria are explained in detail below by addressing their associated questions. Additional questions may also be analyzed as determined by the stakeholders and evaluator before the fieldwork begins. The evaluator also may identify further points of importance during the mission that may be included in the analysis as appropriate.

Validity of the project design

1. To what extent does the project design meet the guidance in the MPG? Are the activities and outputs of the project consistent with the overall goal and the attainment of its

objectives and outcomes? Were the objectives/outcomes, targets and timing realistically set?

2. To what extent does the PMP meet the guidance in the MPG? How appropriate and useful are the indicators described in the project document in assessing the project's progress?

Relevance and strategic fit

3. To what extent are the project's immediate objectives consistent with the needs of and expectations beneficiaries, partners, key stakeholders (including trade union representatives, workers, employers, the Government of the Philippines, particularly officials within the Bureau of Working Conditions (BWC), and other relevant institutions and partners?
4. How have the needs of these stakeholders changed since the beginning of the project? In what ways / to what extent did these changes affect the relevance of the program? If so what are they and how effectively has the project adapted to those changes?

Project progress and effectiveness

5. To what extent is the project on track for achieving its objectives and outputs? Is the quantity and quality of these outputs satisfactory?
6. In which area (objective/component, issue) is the project showing the greatest achievements? Why and what have been the supporting factors? Have there been any additional achievements of the project over and above what was foreseen in the project document?
7. What seem to be the major factors (both in terms of factors that the project is able to influence and external factors beyond its control) affecting the achievement or non-achievement of the objectives?
8. Has the nature of social dialogue among the project partners changed because of the implementation of the project activities? To what extent?
9. What was the nature of training received and is there any evidence that the trainees have effectively applied its content? Were the training services provided relevant? What are the areas for improvement? How has the training thus far addressed the key gaps identified in compliance with international labor standards and effective labor inspection?

Efficiency of resource use

10. Are resources (funds, human resources, time, expertise, etc.) allocated strategically and efficiently to achieve outcomes? Is budget expenditure progressing as expected?
11. Are project funds and activities delivered in a timely manner? Have there been delays in the execution of some activities?

Effectiveness of management arrangements

12. To what extent have established management capacities and arrangements supported the achievement of results? How effective is the backstopping support provided by ILO throughout the project implementation?

13. Does the current project governance and management facilitate good results and efficient delivery?

Impact orientation and sustainability, including effectiveness of stakeholder engagement

14. Did the project update / elaborate on its sustainability strategy as required in the MPG?

15. What is the nature of the commitment from national stakeholders at the project’s mid-term, including the Government of Philippines, the labor movement (locally and internationally), employers, and other social partners? Are stakeholders willing and committed to continue using technical tools, methodologies and training modules designed by the project?

16. What are the key elements, services or products that the project developed during this time that are likely to be sustained beyond the life of the project? Are the technical tools, training modules and methodologies developed by the project being replicated by others? How easily could these tools be adapted or replicated for use in other environments or contexts?

4. Evaluation Management and Support

Dan O’Brien will serve as the evaluator for this evaluation. Dan is a private sector and labor expert with substantial experience providing technical assistance to and evaluating employer-based labor projects. Dan has evaluated more than 15 USDOL-funded projects. He has evaluated or backstopped evaluations of USDOL-funded ILO projects in Nicaragua, Georgia, Jordan, Lesotho, Bangladesh, Haiti, Cambodia, and Vietnam.

O’Brien and Associates will provide logistical and administrative support to the evaluator, including travel arrangements and all materials needed to provide the deliverables specified in the Terms of Reference. O’Brien and Associates International will also be responsible for providing technical oversight necessary to ensure consistency of methods and technical standards.

5. Roles and Responsibilities

The Evaluator is responsible for conducting the evaluation according to the terms of reference (TOR). He will:

- Receive and respond to or incorporate input from ILO and USDOL on the initial TOR draft
- Finalize and submit the TOR and share (concurrently) with ILO and USDOL
- Review project background documents
- Review the evaluation questions and refine the questions, as necessary
- Develop and implement an evaluation methodology (i.e., surveys, conduct interviews, review documents) to answer the evaluation questions, including a detailed discussion of

constraints generated by the retrospective nature of this evaluation methodology and data collection and how those constraints could be avoided in future projects

- Conduct planning meetings/calls, as necessary, with USDOL and ILO
- Decide composition of field visit interviews to ensure objectivity of the evaluation
- Present verbally preliminary findings to project field staff and other stakeholders as determined in consultation with USDOL and the ILO
- Prepare an initial draft (48 hour and 2 week reviews) of the evaluation report and share with USDOL and ILO
- Prepare and submit final report

USDOL is responsible for:

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

ILO is responsible for:

- Reviewing the TOR; providing input, as necessary, directly to the evaluator; and agreeing on final draft
- Providing project background materials to the evaluator as requested
- Preparing a list of recommended interviewees
- Scheduling meetings for field visits and coordinating all logistical arrangements
- Providing local transportation
- Reviewing and providing comments on the draft evaluation reports
- Organizing, financing and participating in the stakeholder debrief
- Including USDOL program office on all communication with evaluator

6. Evaluation Methodology

Performance shall be assessed in terms of six criteria: relevance and strategic fit; validity of project design; project progress and effectiveness; efficiency of resource use; impact orientation and sustainability of the project; and effectiveness of management arrangements.

The evaluation shall draw on six methods: 1) review of documents, 2) review of operating and financial data, 3) interviews with key informants, 4) field visits, 5) a stakeholder debrief before leaving Manila, and 6) a post-trip conference call.

The gender dimension should be considered as a crosscutting concern throughout the methodology, deliverables and final report of the evaluation. In terms of this evaluation, this implies involving both men and women in the consultation and evaluation analysis. Moreover the evaluator should review data and information that is disaggregated by sex and gender and assess the relevance and effectiveness of gender-related strategies and outcomes to improve lives of women and men. All this information should be accurately included in the final evaluation report.

Document Review: The evaluator will review the following documents before conducting any interviews or trips in the region.

- The project document
- Cooperative agreement
- Technical progress reports and comments
- Reports on specific project activities
- Training materials
- Trip reports, field visits, meetings, needs assessments and other reports
- Strategic framework, PMP, and performance indicators
- Work plans and budgets
- Any other relevant documents

Interviews with key informants: Interviews are to be conducted with key program stakeholders (by phone or in-person) including (but not limited to):

- USDOL project management team
- Relevant ILO officials in Geneva and DWT-Bangkok.
- ILO Philippines officials and project key personnel and staff
- Government counterparts, especially in the BWC
- Tripartite Executive Committee, National Tripartite Industrial Peace Council
- Employer representatives
- Trade union representatives
- Other collaborating projects and partners, as appropriate

Fieldwork in the Philippines: The evaluator will meet the project’s National Program Coordinator (NPC) and project team to discuss the purpose and logistics of the evaluation. In addition, the project team will assist the evaluator to schedule interviews with the key informants listed above and any others deemed appropriate.

Generally speaking, the evaluator will interview key informants separately rather than as a group. The evaluator will work with project staff to develop a list of criteria that will be used to select a non-random sample of site visits / key informants to interview. Interviews with all relevant ILO representatives outside the Philippines will be conducted by telephone (or Skype) once the fieldwork is completed.

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

USDOL is interested to learn from and apply good practices to its projects as well as communicate them to USDOL audiences through its communication strategy. To contribute to this compilation of good practices, the evaluator will identify and document good practices and successes during interviews with project beneficiaries and stakeholders along with pictures (when feasible) and compelling quotes that evoke the person’s hopes for the future. The goal is to show how ILAB-funded interventions help USDOL meet its mission by telling the story of a particular person whose life has either been transformed as a result of the project or who is better able to positively impact the lives of others thanks to the project. The purpose of these vignettes is to raise awareness of international worker rights and the work ILAB is doing to advance them. Any pictures or quotes gathered by the evaluator from interviewees should be accompanied by a signed waiver (see Attachment A) granting USDOL the right to use and publish their name, words, and photo through any medium in USDOL publications.

Stakeholder debriefings: Before departure from the Philippines, the evaluator will conduct a debriefing meeting with project staff and key stakeholders to present and discuss initial findings of the evaluation.

Post Trip Debriefings: Upon return from Philippines, the evaluator will provide a post-trip debrief by phone to relevant USDOL and ILO staff to share initial findings and seek any clarifying guidance needed to prepare the report. Upon completion of the report, the evaluator will provide a debriefing to relevant USDOL and ILO on the evaluation findings, conclusions, and recommendations, as well as the evaluation process. In discussing the evaluation process, the evaluator will clearly describe the constraints generated by the retrospective nature of this evaluation methodology and data collection and how those constraints could be avoided in future evaluations.

Ethical Considerations: The evaluator will observe utmost confidentiality related to sensitive information and feedback elicited during the individual and group interviews. To mitigate bias during the data collection process and ensure a maximum freedom of expression of the implementing partners, stakeholders, communities, and beneficiaries, implementing partner staff

will generally not be present during interviews. However, implementing partner staff may accompany the evaluator to make introductions whenever necessary, to facilitate the evaluation process, make respondents feel comfortable, and to allow the evaluator to observe the interaction between the implementing partner staff and the interviewees.

Limitations: The scope of the evaluation specifies two weeks of fieldwork, which is not enough time to visit all of the project sites to undertake data collection activities. As a result, the Evaluator will not be able to consider all sites when formulating her findings. All efforts will be made to ensure that the Evaluator is visiting a representative sample of sites, including some that have performed well and some that have experienced challenges.

This is not a formal impact assessment. Findings for the evaluation will be based on information collected from background documents and in interviews with stakeholders, project staff, and beneficiaries. The accuracy of the evaluation findings will be determined by the integrity of information provided to the evaluator from these sources and the ability of the latter to triangulate this information.

Furthermore, the ability of the evaluator to determine efficiency will be limited by the amount of financial and outcome data available.

7. Evaluation Milestones and Timeline

| Activity | Date | Products/Comments |
|---|---------------|---|
| Revise initial draft TOR & send for initial DOL / ILO input | September 30 | Draft TOR |
| USDOL logistic call | Oct 3 | Revised ToR |
| Prepare draft TOR | Oct 3-4 | Final ToR |
| Send draft TOR for comment | Oct 5 | Final evaluation questions Methodology section Instruments |
| USDOL and ILO comment on TOR | Oct 6-20 | |
| USDOL and ILO send TOR comments | Oct 20 | |
| Send final TOR | Oct 24 | Debrief presentation |
| Review documents and develop methodology, data collection instruments, develop itinerary (with Grantee) | Oct 25-Nov 5 | -Final evaluation questions -Methodology section -Instruments |
| Fieldwork Philippines including stakeholder meeting and presentation | Nov 7-18 | Debrief presentation |
| USDOL debrief call | Nov 23 | NA |
| Analysis and report writing | Nov 21-Dec 11 | Draft report |
| Send first draft report for 48 hour review | Dec 12 | Draft Report 48 hour |

| | | |
|---|-----------|----------------------------|
| | | review |
| USDOL provides 48-hour comments | Dec 14 | 48 hour comments |
| Revise and send second draft report for 2 week review | Dec 15 | Draft report 2-week review |
| USDOL and ILO conduct 2-week review | Dec 16-29 | NA |
| USDOL and ILO provide 2-week review comments | Dec 30 | 2-week review comments |
| Revise report and send final draft | TBD | Final draft report |
| Finalize and send final report | TBD | Final report |

* These dates depend on when USDOL and ILO provide comments to evaluator

8. Deliverables and Deliverable Schedule

- A. Finalized TOR with USDOL and ILO consensus, October 24
- B. Method to be used during field visit, including itinerary, November 5
- C. Stakeholder debriefing meeting/presentations, November 18
- D. USDOL and ILO debrief calls, November 23-24
- E. Draft Report 1 to USDOL and ILO, December 12 (48-hour review)
- F. Draft Report 2 to USDOL and ILO by December 14 (2 week review)*
- H. Final Report to USDOL and ILO by January X

* These dates depend on when USDOL and ILO provide comments to evaluator

9. Evaluation Report

The evaluator will complete a draft report of the evaluation following the outline below and will share it with the USDOL and the ILO for an initial 48-hour review. Once the evaluator receives comments, he will make the necessary changes and submit a revised report. USDOL and the ILO will have two weeks (ten business days) to provide comments on the revised draft report. The evaluator will produce a second draft incorporating the comments from USDOL and ILO where appropriate, and provide a final version within three days of having received final comments.

The final version of the report will follow the format below (page lengths by section illustrative only) and be no more than 30 pages in length, excluding the annexes:

Report

1. Title page (1)
2. Table of Contents and Lists (tables, graphs, etc.) (2)

3. Acronyms (1)
4. Executive Summary (5)
5. Background and Project Description (2)
6. Purpose of Evaluation (2)
7. Evaluation Methodology (2)³²
8. Findings This section should be organized around the six key issues outlined in the TOR (20)
 - a. Relevance and Strategic Fit
 - b. Validity of the Project Design
 - c. Project Progress and Effectiveness
 - d. Effectiveness of Management Arrangements
 - e. Efficiency of Resource Use
 - f. Impact Orientation and Sustainability
9. Lessons Learned and Good Practices (2)
10. Conclusions (2)
11. Recommendations (1)
12. Annexes
 - Terms of reference
 - Strategic framework
 - Project PMP and data table
 - Project workplan
 - List of meetings and interviews
 - Any other relevant documents

³² This section should include a discussion of how future projects of this nature could be implemented to allow for evaluation methods that can more confidently assert causal impacts.

Attachment A

United States Department of Labor

Right to Use

I, _____, grant to the United States Department of Labor (including any of its officers, employees, and contractors), the right to use and publish photographic likenesses or pictures of me (or my child), as well as any attached document and any information contained within the document. I (or my child) may be included in the photographic likenesses or pictures in whole or in part, in conjunction with my own name (or my child’s name), or reproductions thereof, made through any medium, including Internet, for the purpose of use, dissemination of, and related to DOL publications.

I waive any right that I may have to inspect or approve the finished product or the advertising or other copy, or the above-referenced use of the portraits or photographic likenesses of pictures of me (or my child) and attached document and any information contained within the document.

Dated _____, 20__

Signature or

Parent/guardian if under 18

Name Printed

Address and phone number

Identifier (color of shirt, etc.): _____

Annex B: Master List of Interview Questions

Below is the general interview guide that was modified and used for the specific interviews with stakeholders.

- 1) Do you think the project is meeting the needs and expectations of the stakeholders? What do you believe are the strengths and weaknesses of the project?
- 2) How effective has the LLCS-MIS been in improving the inspection process? What are the strengths and weaknesses of the LLCS-MIS?
- 3) Do you think that the joint assessments are effective? Has social dialogue has improved as a result of the joint assessments? Please explain.
- 4) Do you think the training has been relevant and effective? Please explain.
- 5) Do you think the project is adequately staffed to achieve its objectives?
- 6) Do you think non-compliance has improved? Please give examples of improvements.
- 7) How do you think the project’s interventions might be sustained once donor funding ends?
- 8) What do you think are the major lessons learned to date?
- 9) What do you think the project could or should do to improve the services it provides? What adjustments or modifications in its approach might be made?

Annex C: List of Documents Reviewed

1. Cooperative agreement (IL-26685-14-75-K-11)
2. ILO-USDOL Management Procedures and Guidelines
3. Project document, results framework, and performance monitoring plan
4. Project logic model
5. Technical progress reports
6. Project work plans
7. Federal financial reports
8. Project output budget
9. Enhanced LLCS checklist
10. LLCS-MIS terms of reference and contracts
11. Draft baseline study report
12. Baseline study terms of reference and contract
13. PMAP contract to support HRDS
14. Saligan terms of reference and contract (worker training)

Annex D: List of Persons Interviewed

This page has been left intentionally blank in accordance with Federal Information Security Management Act (FISMA) of 2002, Public Law 107-347.