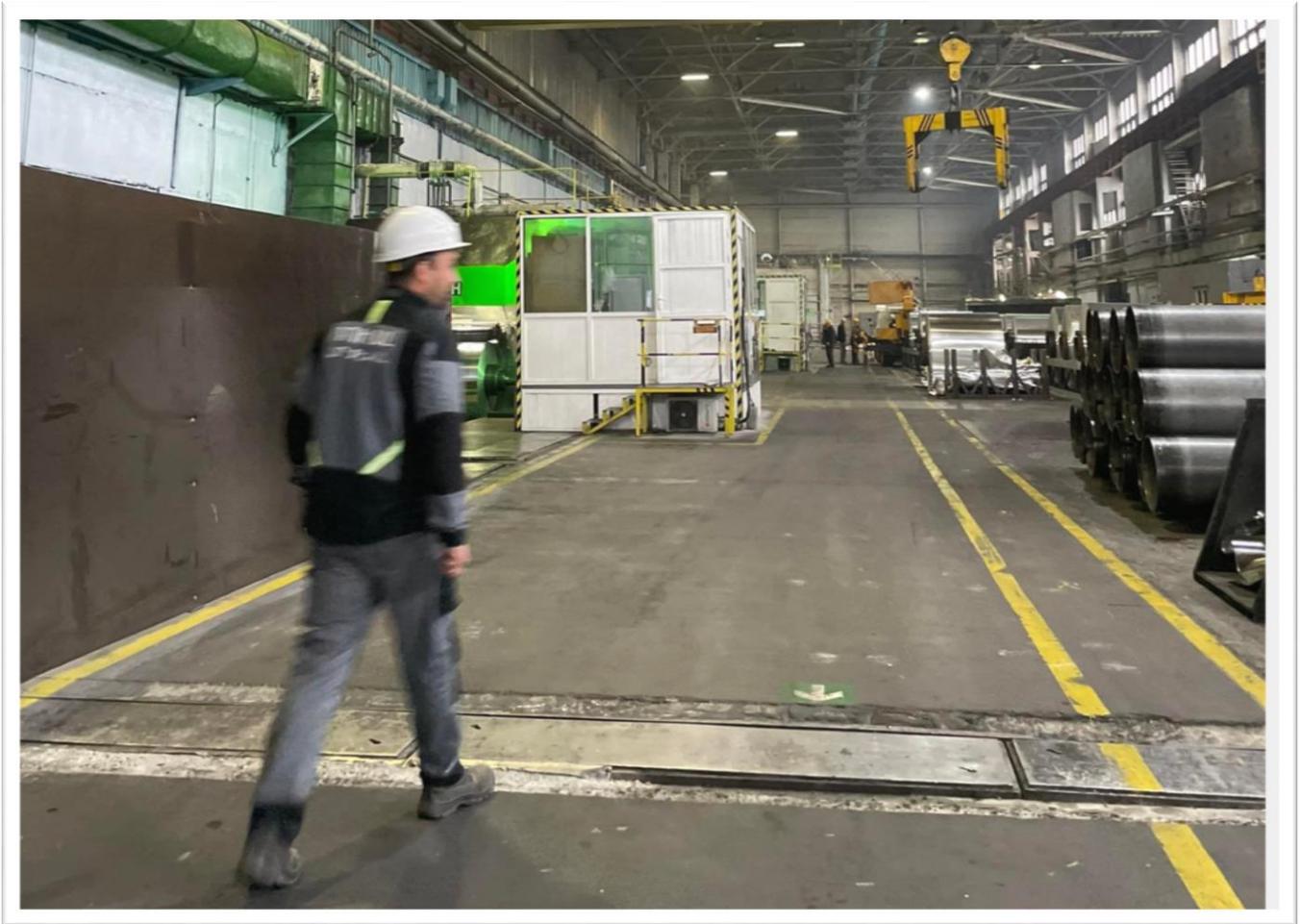




**BUREAU OF INTERNATIONAL LABOR AFFAIRS**  
**UNITED STATES DEPARTMENT OF LABOR**



Factory worker, credit Gayane Dajunts

# INTERIM EVALUATION

## HELPING PROTECT ARMENIANS' RIGHTS TOGETHER (HPART) PROJECT

**JANUARY 31, 2022**

Grantee: International Labor Organization

Project Duration: November 2020 – May 2024

Evaluators: Amy Jersild and Gayane Dajunts

Evaluation Fieldwork Dates: 14-30 November 2022

## ACKNOWLEDGEMENT

This is the report of the interim evaluation of Helping Protect Armenians' Rights Together (HPART) Project. Fieldwork for this evaluation was conducted during November 2022. Sistemas, Familia y Sociedad Ltd. (SFS) conducted this independent evaluation in collaboration with the project team and stakeholders, and prepared the evaluation report according to the terms specified in its contract with the United States Department of Labor. The evaluation team would like to express sincere thanks to all parties involved for their support and valuable contributions.

Evaluators: Amy Jersild and Gayane Dajunts.

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## LIST OF ACRONYMS

|          |  |
|----------|--|
| ADR      | Alternative dispute resolution   |
| CTUA     | Confederation of Trade Unions of Armenia   |
| DWCT     | Decent Work Country Team   |
| DWT/CO   | Decent Work Team/Country Office (DWT/CO)   |
| GSP      | Generalized System of Preferences  |
| HLIB     | Health and Labor Inspection Body   |
| IBCB     | Inspection Bodies Coordination Bureau  |
| ILAB     | Bureau of International Labor Affairs  |
| ILO      | International Labor Organization   |
| ILS      | International Labor Standards  |
| LC       | Labor Code of the Republic of Armenia  |
| MLSA     | Ministry of Labor and Social Affairs   |
| OECD-DAC | Organization for Economic Cooperation and Development – Development Assistance Committee |
| OSCE     | Organization of Security and Cooperation in Europe                                       |
| OSH      | Occupational safety and health   |
| OTLA     | Office of Trade and Labor Affairs  |
| PAC      | Project Advisory Committee   |
| RA       | Republic of Armenia  |
| RUEA     | Republican Union of Employers of Armenia   |
| TOC      | Theory of Change   |
| UNSDCF   | UN Sustainable Development Cooperation Framework   |
| U.S.     | United States  |
| USDOL    | United States Department of Labor  |



## EXECUTIVE SUMMARY

### BACKGROUND AND CONTEXT

Armenia ratified the ILO Labor Inspection Convention, 1947 (No.81) in December 2004, and successive Governments have, since 2009, undertaken reforms related to the improvement of inspection systems and to bring about a reduction of the administrative burden for employers.

In 2015, the Labor Inspectorate was transferred from the Ministry of Labor and placed under the coordination of Ministry of Health, and the mandate of the inspection services was limited only to issues related to OSH. As a result, the structure was inadequate to provide effective inspection services required by relevant international labor standards (ILS).

Starting in 2016, the ILO, with the financial support from the EU, began a project called, “Support GSP+ beneficiary countries to effectively implement ILS and comply with reporting obligations”. During implementation, the openness to promote a policy shift in Armenia was highlighted by the negotiation of the Decent Work Country Program (2019-2023). Consultations with various related authorities, such as the Cabinet, the MLSA, and the Inspection Bodies’ Coordination Bureau (IBCB) were held. Representatives of the Republican Union of Employers of Armenia (RUEA) and the Confederation of Trade Unions of Armenia (CTUA) were all supportive of the restoration of a fully operational labor inspection system.

The current Government has committed to the development of a full-fledged inspection service. Prime Minister Decree No. 755-L of June 2018 stipulated the reorganization of the Health Inspection Body of the Ministry of Health into a new agency – the Health and Labor Inspection Body of the Republic of Armenia (HLIB). On 4 December 2019, the National Assembly of the RA introduced amendments and additions to the LC, restoring state control over the implementation of labor legislation. The Charter of the HLIB was amended in July 2020 (Prime Minister Decree 768-L) and, with technical support from the ILO, introduced labor rights and labor relations into the mandate of the institution.

The ILO, along with other international and domestic organizations, have provided advisory services and technical inputs throughout the reform process. In November 2017 and in June 2020, the ILO produced a situation analysis and needs assessment for the HLIB’s effective implementation of the Labor Inspection Service. While progress has been made, there are multiple challenges hampering the effectiveness of the labor inspection system in Armenia, including restrictions to the free initiative of labor inspectors to conduct inspection visits, limits to performing inspection visits without prior notice, and restrictions to their scope, duration and frequency.

### PROJECT DESCRIPTION

The Helping Protect Armenians’ Rights Together (HPART) Project’s overall desired outcome is: **Greater compliance with labor law and increased access to judicial and non-judicial remedies.** The ILO signed the award documents for the HPART project on November 12, 2020, and the project is scheduled to end on May 11, 2024. Three interlinked Long-Term Outcomes (LTOs) are intended to support the overall objective, they are:

- LTO 1: Improved systems in the appropriate government institutions for enforcing and promoting Armenia’s labor laws and standards in the mining and services sectors.

- LTO 2: Increased access to judicial and non-judicial remedies related to labor laws and standards.
- LTO 3: Active participation of social partners in promotion of compliance and access to remedies.

In working toward its desired outcomes, the project aims to ensure that labor market institutions contribute to greater compliance with national labor law through building a strategic compliance system that looks beyond a traditional enforcement model. The project intends to pilot the model and various tools developed within two sectors, mining and services, with the goal of empowering workers to exercise their rights and motivate employers to meet their duty to comply. The project design intends for stakeholders to reflect on lessons learned from their application to the mining and services sectors and determine the extent of their application to other sectors and ultimately across the economy as a whole.

HLIB is a primary actor in the project as being responsible for the labor inspectorate function. Other actors include the MLSA, the RUEA and CTUA, sectoral associations and unions, and the Academy of Justice.

#### EVALUATION PURPOSE AND APPROACH

The purpose of the interim performance evaluation is to assess the performance and achievements of the HPART project using the criteria of relevance, effectiveness, efficiency, impact and sustainability. The evaluation used a mixed-method approach of gathering primary data through conducting 45 interviews and 4 focus group discussions (FGDs) with key stakeholder groups, totaling 68 people (44 male and 24 female). The evaluation team also reviewed secondary data.

#### KEY EVALUATION RESULTS

**Relevance:** There is consistent endorsement of the project design by partners as aligned with both social partner and government mandates. Government partners are particularly keen on the technological aspect of the program, with clear alignment with the RA's interest to digitize across ministries. MLSA officials consistently expressed appreciation for the ADR component of the project. There is also evidence of the ILO project team both adapting to their evolving context in a way that promotes project activities, as well as resisting partner requests that challenge desired outcomes.

**Effectiveness:** Overall progress has been made in developing models and frameworks, but have stalled due to many internal review processes. Enthusiasm and evidence of learning is identified as a result of project capacity building interventions, while institutional level adoption of change is still unclear. Gender is not mainstreamed into project strategies and activities, although there are various approaches adopted, primarily under LTO 1. There are differing views on the project's pace of implementation, on the part of ILO and the Bureau of International Labor Affairs (ILAB), which reflect differing priorities and concerns.

**Efficiency:** Expenditures on project activities appear appropriate and balanced, with greater funds spent on LTO 1 as compared to LTOs 2 and 3. The project has just recently organized themselves to track actual versus outcome costs per LTO. The project maintains clear record-keeping for tracking planned versus actual costs, and, as a more recent development, a tracking of costs by

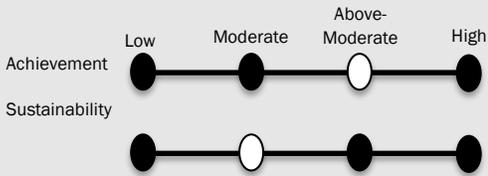
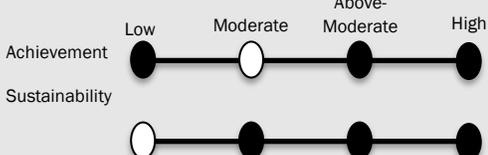
outcome developed closely with the M&E specialist. By the end of 2022, the project will have a clear outlook on costs versus planned by outcome area, which will form the basis for planning for 2023.

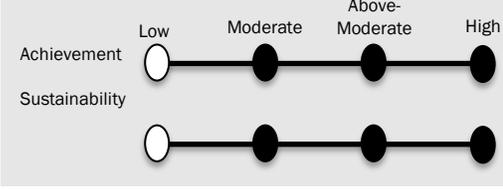
**Impact:** Many interviewees identified specific project outputs as providing significant progress, including MLSA’s ownership over ADR, and the work done in mapping HLIB workflows for the development of the ECMS. Some interviewees reflected on their observation of larger organizational learning resulting from engaging in the project’s process-oriented work.

**Sustainability:** The project had developed a sustainability plan, identifying potential risks to manage and strategies for supporting sustained outcomes, including participation, ownership, and the institutionalization of project outputs. The project team demonstrated several strategies for managing risks to achieving project outcomes. Stakeholders identified greater possibility for sustained outcomes under LTO 1. Yet the evaluation acknowledges the possibility of the RA’s passing of the LC with ILS included as either supporting or undermining the prospect of sustained outcomes, with the long-term sustainability outlook for the project unclear. The current law governing HLIB under the IBCB is not specific to labor and poses multiple challenges to a labor inspection system that reflects international labor standards (ILS).

Table 1 summarizes the evaluation’s overall assessment for each LTO using a 4-point scale of high, above moderate, moderate and low. The scoring reflects the evaluation team’s triangulation of all data collected, including stakeholder views on effectiveness and sustainability. The scores for sustainability are consistently lower than those for effectiveness (achievement), given the long-term outlook for sustained change discussed above.

**Table 1: Overall Performance Summary**

| Performance Summary   | Rating   |
|---|--|
| <b>LTO 1: Improved systems in the appropriate government institutions for enforcing and promoting Armenia’s labor laws and standards in the mining and services sectors.</b>  |  |
| Overall progress has been made in the development of strategic compliance planning with HLIB, its mapping of workflow and development of wireframes for the building of the ECMS. Capacity building events have been well received by stakeholders. Yet, adoption of standards fully reflecting ILS at the institutional level remains to be seen, as well as the passing of the LC with ILS fully integrated.                                    |  <p>A horizontal rating scale from Low to High with four points: Low, Moderate, Above-Moderate, and High. For Achievement, the marker is at Above-Moderate. For Sustainability, the marker is at Moderate.</p> |
| <b>LTO 2: Increased access to judicial and non judicial remedies related to labor laws and standards.</b>   |  |
| Progress has been made on the development of the ADR and the preparation for training on labor law. Currently an ADR proposal is under review with the Government. Curriculum development will be undertaken in 2023, and training on labor law will begin in January 2024. The degree to which progress will be sustained with regard to the institutionalization of training programs and the operationalization of the ADR remains to be seen. |  <p>A horizontal rating scale from Low to High with four points: Low, Moderate, Above-Moderate, and High. For Achievement, the marker is at Above-Moderate. For Sustainability, the marker is at Low.</p>      |
| <b>LTO 3: Active participation of social partners in promotion of compliance and access to remedies.</b>  |  |

| Performance Summary  | Rating   |
|--|--|
| <p>Social dialogue in Armenia is at a very nascent level, with problems related to association law and its interpretation, and constituent representation. One digital tool was proposed as a collaboration between the project and another EU-funded project. Given the RUEA's boycott of the PAC, little progress has been made, and indeed, limited funds have been spent for LTO 3. There are, however, signs of early engagement on the two sectors that have provided important opportunity for dialogue and cooperation among the social partners, which may well contribute toward sustained outcomes in this LTO area. Yet overall LTO 3 scores lower than the other 2 LTOs given the challenging context and limited progress.</p> |  <p>Achievement: Low</p> <p>Sustainability: Moderate</p> |

## LESSONS LEARNED AND PROMISING PRACTICES

### LESSONS LEARNED

- Lesson Learned 1:** Online capacity building events may be effective in contributing toward individual learning, but in-person capacity building events are vital for engaging in advocacy and building buy-in to changes introduced at the institutional level among project partners.
- Lesson Learned 2:** Significant time and resources are needed for developing and institutionalizing ECMS, and greater clarity on both process and end outcomes can better facilitate communication and expectations.
- Lesson Learned 3:** While the project has coincided with the RA's interest to digitize functions within its agencies, thus leading to prospects for greater success, the passing of the LC and ensuring its conformity with ILS is paramount to either undermining or reinforcing the project's overall objective. The larger legislative framework has vital implications for the project's long-term sustainability.
- Lesson Learned 4:** Where similar objectives and activities are shared with another project, relevant actors need to engage to develop partnerships and coordinate workload in a timely and efficient manner.

### PROMISING PRACTICES

- Promising Practice 1:** In an environment of low trust between social partners and government, expanding the membership of the PAC as appropriate and changing quorum rules may be a good strategy to continue project activities.
- Promising Practice 2:** Using indicators during training as a means for social partners to collectively define and explore the meaning of a standard for labor protection can facilitate effective learning and further promote the mandates of their respective agencies through the applied and process-oriented exercise.
- Promising Practice 3:** The use of two sectors as part of the project design contributes toward tripartite partners' application of their respective mandates, thus contributing toward greater organizational learning based on the project's process-oriented work.

## CONCLUSIONS AND KEY RECOMMENDATIONS

### CONCLUSIONS

There are significant legal considerations for the labor inspection function in Armenia. The Labor Code, the overarching framework for labor laws and policies, is stalled within the Government, and is not fully aligned with ILS; and HLIB, the labor inspection function under the IBCB, is governed by a law that is not specific to labor inspection but rather to all inspection-oriented agencies.

There have been some delays in the implementation of project activities for a multitude of reasons relating to political dynamics within the country and challenging relationships between tripartite partners. The evaluation has identified the project's significant progress in laying the groundwork for mapping HLIB workflows and developing the wireframes for the building of the ECMS under LTO 1. Arguably this is the most significant output of the project resource-wise and the evaluation found a delay of three-four months in their process. Tasks looking forward seem to be clear, and the project team is confident they will be able to make up the lost time.

The project's activities under LTO 2 as they relate to ADR assessments are complete, with the MLSA having taken up the project's recommendations and is now undertaking an internal review of their model. LTO 3 activities are implemented in cooperation with the EU-funded program, although less work has been accomplished than planned due to delays resulting from coordinating efforts and challenging tripartite partnerships. The evaluation does note stakeholder appreciation for the project providing a platform to negotiate and fulfill their mandates to engage in social dialogue, and further institutional and programmatic objectives in protecting labor rights.

While frameworks and models have been developed, and capacity building activities have resulted in individual learning and overall positive reviews, the project and its stakeholders will be challenged to institutionalize these developments by the end of the project. Finally, the passing of the Labor Code will either support the project's achievements or undermine them, depending on the extent to which the Labor Code is aligned with ILS and supports an independent labor inspector function.

### KEY RECOMMENDATIONS

#### ***Recommendations for USDOL ILAB/US Embassy in Yerevan and ILO senior officials:***

1. Discuss various aspects of labor rights protection in Armenia to arrive at a more consensus-driven view, and to possibly strategize on shared advocacy objectives *vis-à-vis* the RA.
2. Consider a coordinated advocacy strategy to address shortcomings in the Labor Code and to push for its approval into law.

#### ***Recommendations for USDOL ILAB and ILO project team:***

3. Gain clarity and agreement on the nature of all deliverables by the end of the project, particularly concerning the ECMS.

#### ***Recommendations for the ILO project team and ILO NC:***

4. Develop a gender strategy for the project that may serve as a living document for reflection and revision.
5. Consider whether the project may develop its approach to a gender strategy further by addressing other kinds of discriminatory attitudes within the workplace, such as toward certain ethnic minorities.
6. Consider deepening exchange and consultation with UN Armenia colleagues to develop more comprehensive and complementary programs and projects that directly contribute toward the implementation of the UN Sustainable Development Cooperation Framework (UNSDCF).
7. Strive for greater integration of the project LTOs, particularly within the context of capacity building events and PAC meetings, to enable greater awareness and understanding of stakeholder involvement in an overall programmatic effort.
8. Determine ways to further contextualize training in the Armenian context through finding more examples of relevance to trainees.

***Recommendation for the RA:***

9. Ensure ILS is adopted in the Labor Code, particularly with regard to labor inspectors' unannounced access to workplaces for inspection and move it forward in the review process.
10. Instead of the Law on Inspection Bodies, consider developing a new and separate law specific to the labor inspection body as a specific labor inspection agency that includes the social partners as members of the Management Board.

# 1. PROJECT CONTEXT AND DESCRIPTION

## 1.1. PROJECT CONTEXT

The Republic of Armenia's (RA) location, geography, and conflict dynamics, pose particular challenges for economic development and poverty reduction. Combined with a narrow exports base and a reliance on diaspora remittances, it makes the country particularly vulnerable to volatility in the global economy and in particular the global commodity markets. Armenia's trade relations are expanding. It joined the Russia-led Eurasian Economic Union in January 2015 and has remained interested in pursuing closer ties with the European Union (EU). It was a beneficiary of the EU's Generalized Scheme of Preferences Plus (GSP+) program until 1 January 2022,<sup>1</sup> and signed a wide-ranging political cooperation instrument with trade cooperation components, the Comprehensive and Enhanced Partnership Agreement (CEPA), with the EU in November 2017. Armenia is also a beneficiary of the United States (U.S.) Generalized System of Preferences (GSP) Program.

The government that was formed after the "Velvet Revolution" in mid-2018 continues to enjoy popular support and has a wide platform to advance its reform agenda, which focuses on ensuring internal and external security, fighting corruption, creating the conditions for citizens to prosper, and the development of a competitive, participatory and inclusive economy.

### 1.1.1. LABOR LAW

The Labor Code of the Republic of Armenia (LC) was adopted in 2004 to regulate various aspects of collective and individual labor relations. Since its adoption, amendments on certain articles have been made every year, sometimes several times each year. The International Labor Organization (ILO) supported revisions in 2010, but initiatives launched later in 2014 and again in 2017-2018 had a distinct focus on reform to reduce the "administrative burden" for employers. These more recent amendments were in contradiction to the Armenian Government's ratification of ILO conventions, in ensuring a balance between the rights and interests of employers and workers and was returned to relevant ministries for further improvement.

In 2019, the new Government launched a reform of the LC. The developed draft has undergone several discussions and consultations, including with the ILO. Based on the feedback and multi-stakeholder consultations held, the Government developed final draft amendments to the Labor Code and requested the ILO to provide comments. The ILO provided a Memorandum of Technical Comments in July 2021. The comments welcomed a number of the reforms proposed, but suggested others may need further adjustment to ensure conformity with relevant international labor standards (ILS). In addition, the Ministry of Labor and Social Affairs of the Republic of Armenia (MLSA) requested the ILO to provide feedback on the LC amendments related to COVID-19 articles, which was submitted in October 2021. More recently, in the latter half of 2022, the ILO provided an amendment on violence and harassment in the workplace in line with the C190.

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<sup>1</sup> As from 1 January 2022, Armenia was excluded from the Generalized System of Preferences (GSP) in accordance with R/UE 2021/114, as it has been classified by the World Bank as upper-middle income country in 2018, 2019 and 2021.

Not much is known concerning the number and type of violations of labor legislation in Armenia. The limited information that is available suggests that problems with regard to termination (unjustified dismissals, no final payment, and no prior notice), working hours and the (correct) payment of wages are major problems. The application of other aspects of the law, such as occupational safety and health (OSH), require further improvements. Armenia has yet to ratify the two ILO Fundamental Conventions on OSH (C155 and C187), as well as ILO key OSH instruments (e.g.: Protocol 155 of 2002, C161, C167, and C184).<sup>2</sup> In addition, Armenia lacks a National OSH policy, a sound OSH system and a national OSH program. Moreover, under the EU's GSP+ and within the CEPA with EU, Armenia undertook the commitment to approximate national legislation with 27 core international conventions, including the eight fundamental ILO Conventions.

In addition, 44 percent of all own account workers and 14 percent of wage earners in Armenia work in the informal economy. Informal work is estimated to be much more widespread among men (22 percent of all male workers) than among women (13 percent).<sup>3</sup> The significant numbers of workers engaged in the informal economy poses particular problems for the regulatory and compliance frameworks and the protection of worker rights.

### 1.1.2. LABOR INSPECTION

Although Armenia ratified the ILO Labor Inspection Convention, 1947 (No.81) in December 2004, since 2009 successive Governments have undertaken a reform related to the improvement of Inspection systems that was aimed to bring about a reduction of the administrative burden for employers.

In 2015, the Labor Inspectorate was transferred from the Ministry of Labor and placed under the coordination of the Ministry of Health, and the mandate of the inspection services was limited only to issues related to OSH and labor inspectors lost enforcement powers. As a result, the structure was inadequate to provide effective inspection services as required by relevant international labor standards.

Starting in 2016, the ILO, with the financial support from the EU, began a project called, "Support GSP+ beneficiary countries to effectively implement ILS and comply with reporting obligations". During implementation, the openness to promote a policy shift in Armenia was highlighted by the negotiation of the Decent Work Country Program (2019-2023). Consultations with various related authorities, such as the Cabinet, the MLSA, and the Inspection Bodies' Coordination Bureau (IBCB) were held. Representatives of the Republican Union of Employers of Armenia (RUEA) and the Confederation of Trade Unions of Armenia (CTUA) were all supportive of the restoration of a fully operational labor inspection system.

The current Government has committed to the development of a full-fledged inspection service. Prime Minister Decree No. 755-L of June 2018 stipulated the reorganization of the Health

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<sup>2</sup> The titles of these conventions are as follows: C155 is Occupational Safety and Health Convention (1981); C187 is Promotional Framework for Occupational Safety and Health Convention (2006); C161 is Occupational Health Services (1985); C162 is the Asbestos Convention (1986); and C184 is Safety and Health in Agriculture (2001). P 155 of 2002 refers to Protocol 155 of 2002 to the Occupational Safety and Health Convention (1981).

<sup>3</sup> [https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-moscow/documents/publication/wcms\\_762029.pdf](https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-moscow/documents/publication/wcms_762029.pdf)

Inspection Body of the Ministry of Health into a new agency – the Health and Labor Inspection Body of the Republic of Armenia (HLIB). On 4 December 2019, the National Assembly of the RA introduced amendments and additions to the LC, restoring state control over the implementation of labor legislation. The Charter of the HLIB was amended in July 2020 (Prime Minister Decree 768-L) and, with technical support from the ILO, introduced labor rights and labor relations into the mandate of the institution.

### 1.1.3. SUPPORT TO THE ARMENIAN GOVERNMENT

The ILO has provided advisory services and technical inputs throughout the reform process. In November 2017 and in June 2020, the ILO produced a situation analysis and needs assessment for the HLIB's effective implementation of the Labor Inspection Service. To date, the project has implemented seven capacity building initiatives for a range of stakeholders, including HLIB, labor inspectors, and social partners. Notable achievements in the project include the development of a strategic compliance plan with the participation of tripartite partners. Yet, while progress has been made, there are multiple challenges hampering the effectiveness of the labor inspection system in Armenia, as identified in a project assessment report, they include:<sup>4</sup>

- i. Restrictions to the free initiative of labor inspectors to conduct inspection visits (by defining the need, prior to conducting an inspection visit, for the verification of a defined ground and for obtaining the respective order);
- ii. Limitation to the power of labor inspectors to perform inspection visits without prior notice (inspectors have to notify the employer three working days in advance);
- iii. Restrictions to the scope of inspection visits (through the mandatory use of specific checklists and by defining its scope, which cannot be changed, in the inspection visit order);
- iv. Limitation of the frequency of inspection visits (through a system that defines the frequency of inspection visits on the basis of non-compliance risk indicators);
- v. Limitation of the duration of inspection visits (limiting them to not more than 15 consecutive working days per year); and lack of human, financial and material resources.

Other international and domestic organizations are working on programming related to labor inspection and labor law in Armenia, notably the EU funded program, “Labor Action: Collaborative Effort for Accountable and Inclusive Employment”, implemented by a consortium of three organizations: Union of Employers of ICT, Armavir Development Centre, and Kiraki Development Foundation. The ILO project has coordinated with the EU and their implementing partners to avoid duplication. The ILO project has also met with other organizations with relevant objectives, including: World Vision’s work on trafficking in persons, funded by the US Department of State; Solidarity Center’s support to trade unions; and the International Republican Institute on their support to the Standing Committee on Labor and Social Issues of the National Assembly.

## 1.2. PROJECT DESCRIPTION

The project's overall desired outcome is: **Greater compliance with labor law and increased access to judicial and non-judicial remedies.** It began on November 12, 2020 and is scheduled to end on

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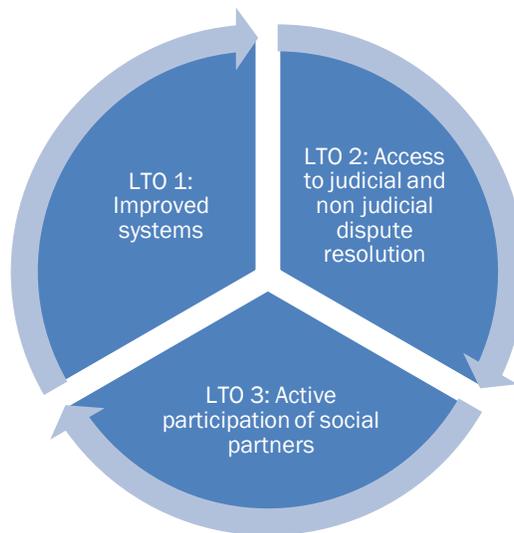
<sup>4</sup> “Assessment of the Labor Inspection System in the Republic of Armenia”, January 2022, p. 2

May 11, 2024. Three interlinked Long-Term Outcomes (LTOs) are intended to support the overall objective, they are:

- LTO 1: Improved systems in the appropriate government institutions for enforcing and promoting Armenia’s labor laws and standards in the mining and services sectors.
- LTO 2: Increased access to judicial and non-judicial remedies related to labor laws and standards.
- LTO 3: Active participation of social partners in promotion of compliance and access to remedies.

The LTOs reflect a project strategy based on a direct link between 1) high performing labor market institutions (labor inspectorate, courts, and workers and employers’ organizations), 2) the protection of labor rights, and 3) the rule of law. In working toward its desired outcomes, the project aims to ensure that labor market institutions contribute to greater compliance with national labor law through building a strategic compliance system that looks beyond a traditional enforcement model.

**Graphic 1: Project long-term outcome areas**



The project intends to pilot the model and various tools developed within two sectors, mining and services, with the goal of empowering workers to exercise their rights and motivate employers to meet their duty to comply. The project design intends for stakeholders to reflect on lessons learned from their application to the mining and services sectors and determine the extent of their application to other sectors and ultimately across the economy as a whole.

HLIB is a primary actor in the project as being responsible for the labor inspectorate function. Other actors include the MLSA, the RUEA and CTUA, sectoral associations and unions, and the Academy of Justice.

## 2. EVALUATION PURPOSE AND METHOD

### 2.1 OBJECTIVES AND SCOPE

The purpose of the interim performance evaluation is to assess the performance and achievements of the HPART project using the criteria of relevance, effectiveness, efficiency, impact and sustainability. The criterion of equity and gender are assessed across all criteria, as applicable. The formative evaluation's objectives included:

- Determine whether the project is on track toward meeting its objectives and outcomes, identifying the challenges and opportunities encountered in doing so, and analyzing the driving factors for these challenges and opportunities;
- Assess the effectiveness of the project's strategies, the project's strengths and weaknesses, and identify areas in need of improvement (with particular attention to equity and inclusion, wherever relevant);
- Assess the project's plans for sustainability at local and national levels and identify steps to enhance its sustainability.

The evaluation addressed the project design and implementation period until October 2022. The evaluation also addressed geographic coverage of the project, engaging stakeholders both in Yerevan and in the regional centers of the country.

### 2.2. EVALUATION QUESTIONS

The following 10 questions guided the evaluation, as outlined in the evaluation TORs, found in Annex 1. The Organization of Economic Cooperation and Development's Development Assessment Criteria (OECD-DAC) were adapted, taking into account the Bureau of International Labor Affairs' (ILAB) learning objectives, and the questions were developed collaboratively between SFS, USDOL ILAB and the ILO project team.

#### Relevance

1. To what extent are the project's objective, outcomes, and interventions (design) aligned with the needs, capacities, local processes, and priorities of the Government, other stakeholders, and populations intended to benefit from the project?
2. How has the context (organizational structures, processes and procedures) changed during project implementation, if at all? How effectively has the project adapted to changes in its context to remain relevant to stakeholders, including changes in HLIB's authority?

#### Effectiveness

3. To what extent has the project made progress towards its overall objective and each of its three long-term outcomes and associated short and medium-term outcomes?
4. How does the organizational capacity of HLIB limit or facilitate the effectiveness of project interventions?
5. How well is the project adapting its strategies to address emerging challenges and opportunities?
6. How effectively has the project mainstreamed gender into its strategies and activities?

## Efficiency

7. To what extent were the project activities implemented, an effective use of resources?
8. To what extent has the project tracked the planned vs. actual cost per outcome? How was this knowledge applied in the project? How well was this knowledge used to help further project objectives?

## Impact

9. From the perspective of stakeholders, what has been the project's most significant progress to date?

## Sustainability

10. To what extent does the project identify and pro-actively address sustainability risks and opportunities including the readiness of the national institutions, actors/stakeholders to sustain and/or replicate the outcomes of the project?

### 2.3. METHOD

#### 2.3.1. APPROACH

The evaluation used a mixed-method approach of gathering primary data through interviews and focus group discussions with key stakeholder groups in Armenia, ILO's regional office in Moscow, ILO's Headquarters in Geneva, and USDOL ILAB staff in Washington, DC. Secondary data reviewed included project documentation, listed in Annex 2.

During the inception phase, the evaluation team undertook a mapping of capacity building interventions implemented by the project to date, and identified seven activities, including seminars, trainings and workshops for a range of participants from one to approximately 50. Three of the capacity building interventions were identified as relatively more instrumental in furthering project activities, on the basis of content and focus, as well as the numbers of participants involved. They focused on strategic compliance planning, social dialogue, and labor inspection guidelines. Details on these capacity building interventions are outlined in Annex 3.

#### 2.3.2. DATA COLLECTION AND ANALYSIS

The evaluation team conducted 45 Interviews and 4 FGDs with a total of 68 people (44 male and 24 female) representing a range of stakeholders, including tripartite partners, HLIB officers, ILO officials in Geneva and the Decent Work Team/Country Office (DWT/CO)-Moscow office, and the project team based in Armenia. In addition, representatives from the HLIB regional centers across the country also participated, ensuring geographical coverage in Armenia. A list of interviewees and focus group discussion participants is found in Annex 4, and a list of participants by training is outlined in Annex 5. Table 2 below presents a summary of interviewees by institution and FGD participants by gender and location, indicating of a total of 68 people, 17 of whom had participated in FGDs. Of those FGD participants, just 2 were workers, both male.

**Table 2: Summary of interview and focus group discussion participants**

| PRIMARY DATA COLLECTION STRATEGY: INTERVIEWS AND FOCUS GROUP DISCUSSIONS |                        |                      |           |           |
|--|------------------------|----------------------|-----------|-----------|
| Stakeholder Type   |                        | Sample Size          |           |           |
|  |                        | Male                 | Female    | Total     |
| US Government (ILAB; US Embassy)   |                        | 1                    | 7         | 8         |
| ILO  |                        | 6                    | 8         | 14        |
| Ministry of Labor  |                        | 2                    | 0         | 2         |
| HLIB   |                        | 17                   | 4         | 21        |
| IBCB   |                        | 1                    | 0         | 1         |
| Employers' Associations  |                        | 2                    | 1         | 3         |
| Labor Unions   |                        | 3                    | 1         | 4         |
| Judiciary  |                        | 2                    | 0         | 2         |
| INGO   |                        | 0                    | 1         | 1         |
| Project Consultants  |                        | 2                    | 0         | 2         |
| Workers  |                        | 2                    | 0         | 2         |
| Employers  |                        | 6                    | 2         | 8         |
| <b>TOTAL</b>   |                        | <b>44</b>            | <b>24</b> | <b>68</b> |
| FGDs Only  |                        | FGD Sample Size Only |           |           |
| 4  |                        | 17 (13M-4F)          |           |           |
| GENDER OF FGD PARTICIPANTS AND FGD LOCATION                              |                        |                      |           |           |
| FGD  | Focus Group Discussion | Location             |           |           |
| FGD-1  | 3 participants (2M-1F) | Vanadzor             |           |           |
| FGD-2  | 5 participants (4M-1F) | Abovyan              |           |           |
| FGD-3  | 4 participants (3M-1F) | Artashat             |           |           |
| FGD-4  | 5 participants (4M-1F) | Yerevan              |           |           |

A survey, translated into Armenian, was distributed to 12 senior and mid-level directors and managers within the MLSA and social partners, with a 100 percent response rate. The survey, found in Annex 6, requests a rating and rationale on overall effectiveness and sustainability of the project. These were shared with those participants engaged in the evaluation as interviewees at the end of their interviews. The project team followed up within 1-2 days via email to receive their submission.

The evaluation team engaged in the drafting of notes as a means for identifying learnings throughout the data collection process, and for sharing with each other for initial analysis. The team analyzed all data, triangulating to identify consistencies and contradictions, while continuing to communicate via messaging to share interpretations. The Lead Evaluator led on articulating results for the team, which was then shared with the National Evaluator for comment.

### 2.3.3. VALIDATION WORKSHOP

As part of the evaluation methods, the evaluation team held a validation workshop with stakeholders to share and validate preliminary results, and to elicit further data for the evaluation. The agenda for the workshop is found in Annex 7 and a list of those who participated is found in Annex 8.

### 2.3.4. LIMITATIONS

The evaluation was limited by remote working arrangements. The Lead Evaluator working remotely in cooperation with the National Evaluator allowed for more data collection over a shorter time period; the nine-hour time difference provided for longer working days collectively for the team, one based in the USA (GMT-4) and the other in Armenia (GMT+5). While seemingly an efficient use of time, facilitated well by the use of technology, the time difference and the challenge to communicate from afar posed challenges to the cooperation and communication between the team members in sharing interpretations of the data and engaging in analysis. Also, it should be noted that the opportunity to be physically in a space interacting with project stakeholders provides a crucial means for observation and interpretation. With the Lead Evaluator working remotely, and the National Evaluator conducting a limited number of in-person interviews and FGDs, this aspect of data collection and analysis was limited.

## 2.4. ORGANIZATION OF REPORT

The evaluation results are organized by criteria. The main results for each are articulated at the beginning of each section, with supporting analysis and evidence following. A summary response to the results is found in Annex 9. Conclusions and recommendations are provided, with a summary list of recommendations found in Annex 10, with reference to supporting evidence and page numbers as well as to whom the recommendation is targeting.



Factory worker. Credit Gayane Dajunts

## 3. EVALUATION RESULTS

### 3.1 RELEVANCE

#### **Main results:**

- *There is consistent endorsement of the project design by partners as aligned with both social partner and government mandates;*
- *Government partners are particularly keen on the technological aspect of the program, with clear alignment with the RA's interest to digitize across ministries;*
- *MLSA officials consistently expressed appreciation for the ADR system.*
- *There is evidence of the ILO project team both adapting to their evolving context in a way that promotes project activities, as well as resisting partner requests that challenge desired outcomes.*

### 3.2.1. PROJECT ALIGNMENT WITH PARTNER MANDATES

Social partners and government partners all expressed endorsement of the project design as aligned with their own organizational mandates. Interviewees representing HLIB, MLSA, RUEA and CTUA all indicated early involvement in discussions about the design of the project, and broadly demonstrated an understanding of the project design. Further details for each government partner are discussed below:

***MLSA officials participating in the evaluation demonstrated an alignment of the project with their agencies' mandate to further promote labor protection.*** Issues of concern included increased levels of transparency in labor inspection, increasing capacity of labor inspectorates to perform their job, and the redrafting of the LC as a framework for all laws concerning labor. The project's second component on ADR is of particular interest to the MLSA, who reportedly requested this to be included in the program during the design stage. The Head of Labor and Employment Department of the MLSA expressed appreciation for the project, indicating the ADR is one of his department's most important goals.

***HLIB officials acknowledged the project design to be aligned with Government priorities in digitizing across all ministries and departments.*** HLIB senior officials referenced the training needs assessment done at the beginning of the project to have informed the capacity building interventions done to date, and that they believed the training overall was well targeted to the needs of their staff and their agency. Those labor inspectors participating in interviews and FGDs expressed appreciation for the knowledge they gained during the trainings, the study of international experience, as well as the study of specific examples that they may encounter in their daily work.

***In speaking from a broader country perspective, the CTUA spoke of HLIB's improved capacity as crucial for the country and the project as supporting this need.*** The CTUA leadership spoke of the need to move beyond simply checking labor violations to a more holistic approach of promoting labor protection and preventing labor violations. Specific to project alignment with trade unions, the CTUA leadership spoke about the mining industry and the need for collaboration with employers' associations. As a major industry in Armenia and one that is hazardous, the CTUA leadership was happy about the project's choice of this sector. They believe that CTUA are the defenders of employees' rights and they expressed the desire for greater involvement and collaboration with partners to better educate government and society overall about their role in defending employees' rights.

***The RUEA leadership spoke to the importance of the project and assured the evaluation team of RUEA's support for labor rights.*** He presented his organization as supportive and collaborative in the context of the project. Other representatives of RUEA described many problems in the field of labor rights in RA, including gender discrimination and the low level of awareness among employees about work contracts.

### 3.2.2. CHANGES IN CONTEXT AND PROJECT ADAPTATION

The project context is dynamic. The evaluation team identified the following changes (and challenges) both within partner organizations and between organizations, and the project's response to these dynamics, which include:

#### ***Changes in organizational context of partners***

There was significant change in leadership of HLIB just prior to the start of the evaluation. The director resigned, leaving a gap in the agency's leadership. This was filled on an interim basis by one of the deputies. Most project partner agencies expressed lament with this departure. The head of IBCB the agency overseeing HLIB within the Prime Minister's Office, also resigned a few months before the head of HLIB's resignation. The ILO National Coordinator (NC) and project manager have met with the *ad interim* head of HLIB. The meeting was reportedly positive, and there is an expectation that given his familiarity with the project, little change may occur in the foreseeable future. However, a new head of the agency will be appointed eventually, and it remains to be seen what change that will bring for the agency and for the project.

### ***Challenging partnerships between agencies: RUEA and MLSA***

The RUEA officially declared its boycott of any activities involving the MLSA in 2022.<sup>5</sup> The reason, according to multiple interviewees, was related to a mistrust between the RUEA and the Government, which involved contrasting interpretations of Armenia's law on associations, issues with MLSA's regard for RUEA's constituent representation, and more broadly, trust building among the tripartite partners.

Several interviewees spoke to a broader state of affairs within the country that helps to interpret such a dynamic, such as the new government's favor of more Western-looking change, including the preference for NGOs that are perceived to reflect that change (and a sector from which many officials in the new government came) and a rejection of what may be considered enduring Soviet-era institutions and practices. Some of the employers' unions and trade associations are reportedly perceived to be among such institutions and practices.

The situation is an unfortunate challenge to tripartism and social dialogue in Armenia, greater than the project itself, yet which provides a backdrop to the project activities. The PAC has met only one time since the start of the project.<sup>6</sup> The evaluation notes three responses to this challenge. The ILO DWT employers' specialist based in Moscow traveled to Armenia when the boycott was announced to meet with the head of RUEA to convince him to participate in the project activities. He was somewhat successful in this effort, persuading RUEA that it is in their best interest to actively engage, yet overall, their participation has been minimal.

The project is also taking steps to change the quorum rules for the PAC, thereby making it difficult for the RUEA or any other member to stop proceedings through a boycott. In the previous TORs, at least 4 members, including at least one from each of the 3 constituent organizations (government, workers and employers) needed to be present. Thus, if any constituent were not present there would not be a quorum. In the new TORs, any 4 members of any organization need to be present in order to have a quorum.

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<sup>5</sup> On September 2, 2022, the president of RUEA addressed a letter to the ILO National Coordinator for Armenia, informing that "RUEA has ceased its cooperation with MLSA, including on projects implemented by different international organizations, including ILO." (Email correspondence with ILO project manager, January 5, 2023). The difficult relations were in effect long before September 2022, reflected in the project's infrequent PAC meetings.

<sup>6</sup> A second meeting did take place on January 26, just before the evaluation was finalized.

Through this change the project is introducing representatives of the sectoral associations and unions to join the PAC, thus moving the focus from the national tripartite levels to the sectoral level. In the previous PAC TORs representatives included 3 from RUEA and 3 from CTUA. In the revised TORs, representation is shared, with 2 from sectoral unions and 1 from the national association.

The project shared the revised TORs with no objections, and thus it was adopted. They will circulate it again via email, and written confirmation will be sufficient for its adoption going forward. Currently a MLSA is reviewing the Armenian translation of the English copy, as the English is the original reference. The change will provide the project with greater flexibility to manage the PAC.

### ***Challenging partnerships between HLIB and MLSA; and more broadly social partners and government***

In most countries the labor inspectorate function falls under the ministry's policy-making role. This arrangement is generally positive in that the applied experience and learning gained by the labor inspectorate feeds into the policy-making function of the ministry. In Armenia, challenges around building public trust in labor inspection mechanisms created concerns among some parties with respect to ensuring the labor inspectorate's independence and public perception of its independence. Placing the labor inspection function under the IBCB within the Prime Minister's office was an answer to this concern.

HLIB is a large complex organization that ensures observance of laws and other regulatory legal acts not only in the field of labour law, but also in the fields of ensuring sanitary and epidemiological safety of the population; medical care and service; circulation of medicine; and ensuring employee health and safety. Along with other inspection-oriented agencies in the country, it reports to the Government, Prime Minister and its own management board.

Staff of the IBCB is responsible to draft the laws and policies needed for the smooth operation of all inspection bodies, including HLIB. The Law on Inspection Bodies stipulates the management boards of all inspection agencies to include, among others, non-governmental organizations (NGOs) that represent the interests of consumers / citizens. Both the MLSA and the Ministry of Health co-chair the HLIB's management board and must answer to their concerns. However, the social partners are not members of the Management Board according to the Law; instead, two NGOs are members according to the law, raising questions about its relevance in addressing labor specifically and its issues on representation.

Further, it is worth noting the Committee of Experts on the Application of Conventions and Recommendations (CEACR) General Observation of 2020<sup>7</sup> points out that “establishing a requirement to obtain consent for inspections from other governmental agencies (contrary to Article 12(1) of Convention No. 81 and Article 16(1) of Convention No. 129)” undermines the labor inspection function (p. 3). The IBCB's Law on Inspection Bodies does exactly this, stipulating certain parameters for the conduct of labor inspection that are contrary to ILS.

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<sup>7</sup> [https://www.ilo.org/wcmsp5/groups/public/--ed\\_norm/--normes/documents/publication/wcms\\_752439.pdf](https://www.ilo.org/wcmsp5/groups/public/--ed_norm/--normes/documents/publication/wcms_752439.pdf)

In addition to the challenging legal structure governing labor inspection under the IBCB, there can be a lack of coordination between MLSA and HLIB, as conveyed by multiple interviewees. Where there is an institutional separation of policymaking and operations of the labor inspection function, the particular need for coordination among the competent authorities is vital.

The evaluation identified the project response to this situation largely as a research, capacity development and advocacy approach. Speakers at seminars and workshops have discussed challenges to an independent and sound labor inspection system in the country, and have trained on ILS. Further, the gap assessment produced clear analysis of the labor inspection system, and advocacy has occurred during capacity development events and other meetings.

### ***Broader operating environment***

In addition to the evolving partnerships discussed above, additional contextual issues must be noted, which include: remote capacity building via teleconference due to the pandemic and challenges to building rapport among stakeholders, which also impacted the pace of project implementation; the Government's attention was diverted to the escalation of conflict between Armenia and Azerbaijan over a six to seven-month period in 2020 (pre-conflict, conflict and post-conflict aftermath) and again in September 2022; and the war in Ukraine, which has impacted migration in-flows and real estate prices in the country. At the time of the evaluation, the project staff still did not have an office due to high real estate prices and lack of availability.

The assessment of multiple interviewees engaged in projects in Armenia, from UN Agencies and NGOs conclude that the combined challenges of the pandemic and war have caused delays, in addition to the political challenges to cooperation with the Government. Interviewees spoke of the lack of coordination between government agencies, with identifying who is the correct interlocutor being a specific challenge. It appears to be a moving target, challenging the project's advocacy-oriented research. The evaluation also notes the words of an ILO technical specialist engaged with HLIB, upon reflecting on the challenges of relationship building via online interaction:

*"I typically train on strategic compliance in a three-day workshop in person. Not being able to do that was a huge challenge."*

- ILO technical specialist

#### **3.2.3. PROJECT RELEVANCE TO UN MANDATE IN ARMENIA**

The UN reportedly has contentious relations with the Government given the latter's perception of limited international assistance to the large-scale escalation of conflict between Armenia and Azerbaijan. This is in despite of the proportion of overall aid to numbers displaced comparable to or even exceeding that of other conflicts around the world, according to the UN Resident Coordinator's Office in Yerevan. The evaluation did not pick up on difficult interactions between the Government and the ILO project team; indeed, the opposite was expressed, with appreciation for the project and for the support provided. Yet the project, implemented by the ILO as a specialized UN agency and co-signatory to the UN's Sustainable Development Cooperation

Framework (2021-2025)<sup>8</sup>, may find it of mutual benefit to further engage with other UN agencies and play a more active role in finding synergies within the context of this framework.

### 3.3. EFFECTIVENESS

#### **Main results:**

- *Overall progress has been made in developing models and frameworks, but stalled due to many internal review processes, such as achieving buy-in from senior HLIB leaders on procedures for the development of the ECMS;*
- *Enthusiasm and evidence of learning is identified as a result of project capacity building interventions; while institutional level adoption of change is still unclear;*
- *Gender is not mainstreamed into project strategies and activities, although there are various approaches adopted, primarily under LTO 1;*
- *There are differing views on the project's pace of implementation which reflect differing priorities and concerns.*

#### 3.3.1. EFFECTIVENESS IN REACHING LONG-TERM OUTCOMES

Overall, the project has done more work under LTO 1 and 2 as compared to LTO 3. The following discussion is organized by LTO and discusses achievements to date, the quality of those achievements and any challenges going forward.

#### ***LTO 1: Improved systems in the appropriate government institutions for enforcing and promoting Armenia's labor laws and standards in the mining and services sectors.***

The project has made progress toward reaching the two medium-term outcomes that contribute toward LTO 1: HLIB institutional functioning is improved for mining and services; and the labor inspectorate plans and conducts strategic inspections to address labor law violations in the mining and service sectors.

The project has mapped the critical procedures and processes that will be supported by the ECMS, and the wireframe for its development is currently under process. This will give the programmer the framework upon which to develop code and then develop the system. The ILO technical specialist on compliance described an iterative process with HLIB whereby reflection on practice led to discussion about policy and vice-versa. Without historical data on labor inspection to assess those enterprises at risk of not complying with labor standards, HLIB worked with the ILO technical specialist to generate data on which to base calculations. They have increased their number of inspections since the start of the project, meeting their target of 52 inspections planned.

Movement forward on finalizing the plan was described as a “slow dance” of getting buy-in from senior leaders. At the time of the evaluation, the project team approached the same consultant hired previously for mapping HLIB's workflow, hoping for his continued involvement in the project. An RFP was going to be soon issued for selecting a company to develop the ECMS.

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<sup>8</sup> <https://armenia.un.org/en/135999-united-nations-sustainable-development-cooperation-framework-2021-2025>

Interviewees representing HLIB described their satisfaction with the process and the outcome, and indicated that learnings from training are being applied by their labor inspectors. Those labor inspectorates interviewed by the evaluation team also described positive training experiences of learning experientially, yet were less satisfied with the online training experience as compared to in person. There was also appreciation expressed for the international aspect of the training content in exploring norms and standards, yet a request for its “localization” and greater degree of relevance to their context in Armenia.

Those interviewees who participated in the tripartite workshop on strategic compliance in April 2022 appreciated the opportunity to participate in the workshop, expressed appreciation for its importance, but believe that they are still waiting for important changes in the labor legislation. Without these changes, as several noted, any initiative becomes only knowledge.

ILO project inputs to the LC include amendments on sexual harassment and COVID-19.<sup>9</sup> The main obstacle referred to by stakeholders is the inability for inspectors to visit workplaces on unplanned visits. If this is not addressed in the LC once approved, there will be a challenge to the project LTOs, and indeed, the overall project objective.

***LTO 2: Increased access to judicial and non-judicial remedies related to labor laws and standards.***

The project has made progress toward achieving the mid-term outcome contributing toward LTO 2: employers, workers, law enforcement and legal practitioners utilize new and/or improved remediation processes.

A senior HLIB official noted their department’s improved understanding about the two different ways to resolve disputes introduced by the project: resolution through courts, and through ADR. He noted that before July 2021, he was aware of the courts only as a means for dispute resolution, a process that reportedly takes over six months. The project team reached an agreement with the workers’ representatives on the development of guidelines for internal grievance handling based on ILO’s relevant Recommendations and Guidelines. The project is currently in the process of recruiting a consultant for the development of these guidelines.

Multiple models of ADR were proposed by the project, along with an estimated costing for each. Based on these models, which reflected the approach adopted in Lithuania and other countries of interest for the RA. In addition, the project also supported the organization of a tripartite webinar in which the Norwegian ADR model was presented and discussed. MLSA developed their own, which is currently under review. An unofficial translation of the ADR document by the evaluation team is found in Annex 11. The MLSA’s adoption of this approach after a long review process is a noteworthy demonstration of their ownership.

As a means toward developing greater understanding about the labor law, the project engaged the Academy of Justice of the RA with the objective to introduce two blended-learning courses on international labor law and domestic labor law into their curriculum. As Armenia does not have specialized courts familiar with labor law, the project engaged with the Academy to support learning among law students, acting judges and prosecutors; and to support a broader

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<sup>9</sup> See section 3.3.6 below for a full discussion of LTO 1 approaches to gender.

environment of increased knowledge and support for labor protection. Negotiations and planning are ongoing for two courses that will run in 2024 for acting judges and prosecutors: one on International Labor Law to be designed January – June 2023; and one on RA labor law to be designed June to December 2023. They will be designed to both help update previous knowledge or to gain new knowledge on the topic. The course materials will be replicated and used by the Chamber of Advocates of the Republic of Armenia, extending the opportunity to lawyers interested in labor law.

***LTO 3: Active participation of social partners in promotion of compliance and access to remedies.***

The project has made the least progress on the two medium-term outcomes that contribute toward realization of LTO 3: Employers’ and workers’ organizations, and individual workers, utilize new technological tools to enhance compliance with labor laws or standards in the mining and services sectors; and social partners have increased motivation to promote workplace compliance.

One tool, Chatbot, was initially proposed, although it is unclear to the evaluation team if HLIB will pursue this activity on their own instead of as part of the project, or perhaps choose another tool. The evaluation team understands that given the RUEA’s boycott of the PAC, little progress has been made, and indeed, limited funds have been spent for LTO 3. Digital tools are an agenda item for the next PAC meeting, when tripartite partners finally agree to schedule it.

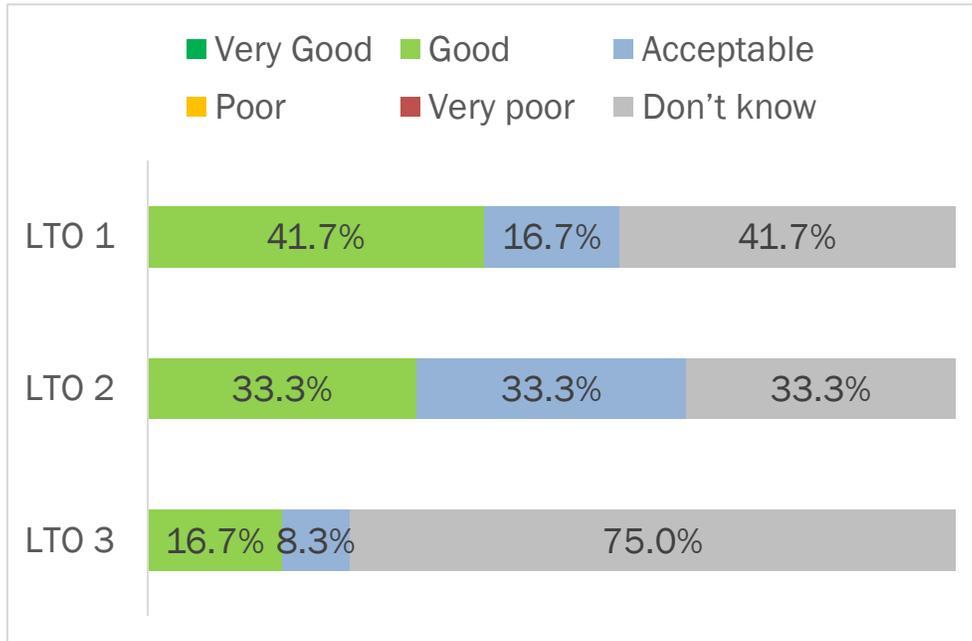
Contributing towards the increased motivation to promote workplace compliance on the part of the social partners, in September 2022, the project conducted a round table discussion on “Management methods and OSH related planning in the sectorial enterprises and strengthening social dialogue”. The participants in the round table interviewed by the evaluation team indicated that social dialogue is very important for industry representatives overall. By sharing each other’s experience and discussing risks faced by all parties, they can avoid repeating similar problems. In addition, during the meeting, the sectoral unions discussed the parameters for effective cooperation, which can serve as a basis for more effective cooperation in the future.

**3.3.2. STAKEHOLDER PERCEPTIONS ON EFFECTIVENESS: RESULTS OF SURVEY**

Twelve stakeholders indicated, on a 5-point Likert scale of very good, good, acceptable, poor, and very poor, a strong rating of “good”, particularly for LTO 1 at 41.7%, followed by 33.3% for LTO 2. For all 3 LTOs, a significant percentage of respondents indicated they don’t know enough to assess: ranging from 33.3% for LTO 2 to a very large 75% for LTO 3. The significant number of “don’t know” may reflect the wide range of stakeholders involved in the project, and the lack of familiarity for some who may only be involved in LTO 1, for example, as is the case for HLIB officials, and who may be unfamiliar with activities undertaken under LTO 3. Further review of the survey data (found in Annex 12) reveals that those who rated “good” include those more involved with the activities, e.g., HLIB officials in LTO 1 activities and MLSA officials in LTO 2 activities; while “don’t know” comments are among those who are not engaged, e.g., MLSA officials in LTO 1.

The evaluation team attributes the significant percentage of “don’t know” to reflect a lack of information sharing that would normally occur at PAC meetings. As noted above, the project had only one PAC meeting in February 2022 and struggles to schedule a second.

**Graphic 2: Armenian partner perceptions on project effectiveness by LTO**



**3.3.3. PROJECT ADAPTATION AND STRATEGIES**

The evaluation team notes the following interactions between project partners on various challenges for project implementation, strategies employed, and their resolutions:

***HLIB's interest in e-contracts***

In 2022, HLIB had expressed its intention to not implement an ECMS, preferring instead to develop an e-contract platform. The project team was intent on convincing HLIB that it needed ECMS more than it needed e-contracts. An ILO DWT representative described e-contracts as potentially harmful to labor protection in its objective to define the employment relationship solely as a formal written contract with certain specified details. Thus, in the absence of such a formal written contract, no employment is regarded to exist, and thus obligations may not be acknowledged and met. This ultimately is an issue for the LC in recognizing an employment relationship as how it may be characterized according to labor standards, rather than how the parties may characterize it through a written contract. This situation is contrary to ILO Employment Relationship Recommendation 2006 (No. 198)<sup>10</sup>, according to which, “the determination of the existence of such a relationship should be guided primarily by the facts relating to the performance of work and the remuneration of the worker, notwithstanding how the relationship is characterized in any contrary arrangement, contractual or otherwise, that may have been agreed

<sup>10</sup>

[https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:55:0::NO::P55\\_TYPE,P55\\_LANG,P55\\_DOCUMENT,P55\\_NODE:REC,en,R198,/Document](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:55:0::NO::P55_TYPE,P55_LANG,P55_DOCUMENT,P55_NODE:REC,en,R198,/Document)

between the parties”. In this context, by supporting the e-platform without any further amendments to national legislation, ILO would be supporting a practice that would be contrary to the ILS.

Another concern on the part of the project from a resource perspective was the inability of HLIB to focus on creating two systems at the same time, both ECMS and e-contracts. The project team worked to convince the HLIB (former) director of the value of ECMS. As another ILO DWT official noted, “He declared he was fine with Excel sheets and Dropbox (instead of a case management system); he just wanted e-contracts”. An agreement was reportedly arrived at to prioritize ECMS over work on e-contracts. It is likely this issue will need to be addressed again when there is a new director onboard for HLIB.

### ***Changes in project implementation: EU implementing partners and duplication***

It is, according to several interviewees familiar with the Armenian context, not unusual for the RA to approach multiple donors to fund the same initiative. In the case of HPART, there is another EU-funded project implemented by a consortium of three organizations who are engaged in developing various technological platforms and tools for HLIB. These include an alternate version of ECMS, which the ILO project has sought to understand and collaborate on so as to avoid duplication. The partnership, according to the ILO team was initially not transparent, and limited information was shared, which contributed toward delays. There appears to be areas of complementarity between the projects, which eventually was agreed upon. The evaluation team did have the opportunity to interview someone engaged with the EU-funded consortium, who described the challenging relationship at the start of the project, however, at present the project enjoys more fruitful collaboration.

### ***Changes in project implementation: Revising the PAC composition and rules***

As noted above, the PAC has met just one time due to RUEA’s boycott of the MLSA. In response, the project has taken steps to change the quorum rules for the PAC, thereby making it more difficult for any member to stop proceedings through their boycott. The project is also in the process of identifying representatives of the sectoral associations and unions to join the PAC, in order to ensure that in the event PAC is blocked, the project will still be able to deliver.

#### **3.3.4. PACING OF PROJECT IMPLEMENTATION**

The reason for the LC being under review for two years is, as many interviewees responded, ‘anyone’s guess’. Responses included bureaucracy, the inability of a champion to move it through the system effectively, and other priorities occupying government attention. The evaluation team did not identify any evidence in its delay to be a reflection on the project itself. All project partners noted the wait and its importance for project outcomes, as well as a concern for who will take on the position as the new HLIB director.

Other lengthy review processes internal to the Government and social partners include review of the various project outputs, including the assessment of the labor inspection system and mapping of labor inspection workflows. Further, there was mention of early consultations at the start of the project being difficult to organize due to the MLSA’s attention on social welfare programs over labor, and employers not giving sufficient attention to labor rights following several years of no restrictions during the abolition of the labor inspectorate. Similar to the Labor Code, the evaluation

did not identify such delay to reflect necessarily on the project itself but rather reflective of internal partner agency proceedings and the challenging operating environment in Armenia.

There is the perception on the part of the donor of a one-year delay in project activities, particularly as it relates to ECMS implementation. The ILO project team, when asked to what extent the project is behind schedule, indicated a three-month delay. DWT specialists providing technical assistance to the project indicated a delay and a wish for more time for the ECMS in particular. Yet overall, there is a sense of being on schedule with the confidence to complete all required deliverables by the end of the project.

The workplan annexed to the Project Document (Schedule C) indicates a planned focus on the development of the wireframes for the ECMS during Quarters 2, 3 and 4 of Year 2, and the building of the ECMS during Quarter 4 of Year 2, and Quarters 1 and 2 of Year 3. A full year is devoted to supporting its institutionalization and sustained use, from Quarters 2-4 of Year 3 to Quarter 1 of Year 4. According to this workplan, the project was to have just begun the building of ECMS in October to December 2022 timeframe (Quarter 4 of Year 2), at the time of this evaluation. The evaluation team estimates the project is approximately 3-5 months behind schedule.

The evaluation team identifies a possible reason for this difference in perception, resulting from a lack of clear understanding between the parties as to how far along in the process of developing, adopting, implementing and revising a complex system like the ECMS will be for HLIB. As one ILO official put it, when reflecting on the ILO's experience in other countries around the world, "It can take 3 to 5 years to institutionalize ECMS." Further dialogue on this and clarity on what the project will aim to have in place – whether it be a system that still needs to be tested and further developed or a system already tested – would assist with expectations.

**“It can take 3 to 5 years to institutionalize ECMS.”**

- ILO official

#### 3.3.5. PRIORITIES AND COMMON UNDERSTANDING OF PROJECT DESIGN

In exploring differing perspectives on the pace of project implementation, the evaluation team notes a possible difference in priorities among stakeholders representing the donor and ILO between greater emphasis and importance of LTO 1 over 2 and 3. This contrasts with the view of a more interconnected set of three LTOs of equal importance as contributing toward the project's overall objective. Contrasting views were further expressed concerning ADR (LTO 2) and whether this work undermines the work of HLIB (LTO 1).

The evaluation team acknowledges that, if there had been more time to explore this area of inquiry further, more discussion may have revealed further insight into these differences and perhaps greater clarification. Yet, there was sufficient inquiry into this to indicate to the team that further dialogue between stakeholders may well be warranted for the good of the project, since there may be implications for planning for the remainder of the program.

#### 3.3.6. GENDER

Gender discrimination is strong in Armenia, and it is embedded in the culture and national legislation. There are, however, positive signs of greater reception to gender equality within the

Government. While the Armenian Government has not ratified Convention 190 on Violence and Harassment, they have included a definition and prohibition of violence and harassment in an article in the draft Labor Code under review. Further, the Government's trade agreement with the EU stipulates the RA's obligation to promote gender equality in legislation. And in 2022, for the first time, a female leader of the CTUA was elected by delegates, demonstrating change and the prospect of increased advocacy on gender equality in policy and practice.

The project team has addressed gender in several activities, particularly under LTO 1, yet an overall project strategy to mainstream gender is not evident. When project partners were asked about gender, the vast majority did not identify it as a strong part of the project. The evaluation team identified the project's approach to gender to include:

- **Addressing gender in capacity building events.** The ILO technical specialist on gender talked about the project experience of reserving a module devoted to gender during training but facing challenges in receptiveness among participants. Reflection on this experience involved thinking about how gender may be presented in other more subtle and strategic ways.
- **Gender as embedded in strategic compliance.** One ILO technical specialist spoke of gender as "hardwired" into the strategic compliance process as part of LTO 1. All vulnerable populations are considered, and where there are workplaces with low income and a large female workforce, it is anticipated there will be significant issues to address from a labor inspection perspective. Along with gender, other demographic data observed include migration status and age.
- **Drafting an article on sexual harassment for the Labor Code.** Several members of the Moscow DWT who met with the Deputy Minister of MLSA were invited to offer draft language for an article on sexual harassment in the Labor Code.

### 3.4. EFFICIENCY

#### **Main results:**

- *Expenditures on project activities appear appropriate and balanced, with greater funds spent on LTO 1 as compared to LTO 2 and 3.*
- *The project has just recently organized itself to track actual versus outcome costs per LTO.*

Approximately 20 percent of the total budget of USD 2 million was spent by the last TPR, September 2022, with an estimated 40 percent of the project's planned budget for 2021 and 2022 spent by the project's midway point. There has been no expenditure on office rent for the project team since the start of the project, resulting in a saving of \$12,000 per year, and implementing capacity building activities online instead of in person amounted to more savings. While total expenditures are quite low for the project at midway point, a significant budget expense will be contracting the development of the ECMS for the latter half of the project.

More expenditures were made for activities falling under LTO 1, with more training provided and consultancy services employed. The evaluation team identifies expenditure of funds reported on as reflecting a balanced representation of activities completed to date.

The project keeps clear record-keeping of tracking planned versus actual cost, and, as a more recent development, a tracking of costs by outcome developed closely with the M&E specialist. By

the end of 2022 the project will have a clear outlook on costs versus planned by outcome area, which will form the basis for planning 2023.

### 3.5. IMPACT

#### **Main results:**

- *Many interviewees identified specific project outputs as providing significant progress, including MLSA's ownership over ADR, and the work done in mapping HLIB workflows for the development of ECMS.*
- *Some interviewees reflected on their observation of larger organizational learning resulting from engaging in the project's process-oriented work.*

Stakeholder perspective is largely based on their level of familiarity with the project LTOs, as noted above. Most interviewees pointed specifically to the outputs under each of the LTOs, including MLSA's ownership over ADR being based on a review of other country experiences, and now moving it forward internally for review. The mapping of HLIB workflows was also noted, a significant output that will contribute toward the development of the ECMS.

In addition to these outputs, there was reflection from several interviewees (all locally based) on broader change (and opportunity for change) that may, in the opinion of the evaluation team, lead to more significant impact. These include:

- ***Giving opportunity for collaboration based on organizational mandate.*** A trade union representative reflected on an exercise during training where participants developed a list of indicators to define and develop norms and standards for concrete issues in healthy and safe workplaces. She saw this as disheartening in the sense that she realized those norms were not known in Armenia yet positive as through the exercise they could discuss, explore together and learn. She noted, *"The ILO project somehow helps to disclose the realities of the problems in this field. The project gives such an opportunity for the main social partners to do so, it gives us a good basis for correctly using our capacity and finding solutions to the problems we identify."*
- ***A shift in regard to resource management.*** A representative of HLIB spoke about the new learning he acquired from the process of creating a digital platform for their work. He noted, *"The axis of development of each organization is controlling resources. (ILO's training has) given us knowledge to control human resources. They have projects of innovations for electronic platforms for making our work more comfortable. Now we are working out the platform for e-labor which is for creating agreements. I think in the 21st century it is very important. Our human resources are not enough for control of the whole sphere. I think this platform will have a strategic meaning for us."*

*"The ILO project somehow helps to disclose the realities of the problems in this field. The project gives such an opportunity for the main social partners to do so, it gives us a good basis for correctly using our capacity and finding solutions to the problems we identify."*

- Trade union representative

### 3.6. SUSTAINABILITY

#### **Main results:**

- *The project had developed a sustainability plan, identifying potential risks to manage and strategies for supporting sustained outcomes, including participation, ownership, and the institutionalization of project outputs.*
- *The project team demonstrated several strategies for managing risks to achieving project outcomes.*
- *Stakeholders identified greater possibility for sustained outcomes under LTO 1.*

The project's sustainability plan discusses a number of strategies for managing risks and promoting sustainable outcomes. These include promoting participation and ownership; and for frameworks developed by the project, support to the formalizing of these frameworks by stakeholders. Further, supporting the development of internal units to help sustain outcomes is another strategy identified. Lastly, ensuring dedicated resources for activities and to support demonstrated value of outcomes achieved for stakeholders are listed in the plan.

In a significant capacity-building intervention such as this project, and in a challenging political environment, an inevitable feature is the degree to which both the political will exists for change, and whether the institutional capacity for change is present. The evaluation identifies several instances of the project's ability to address these risks to sustainability, which, according to the original risk management plan, were not anticipated during the design phase:

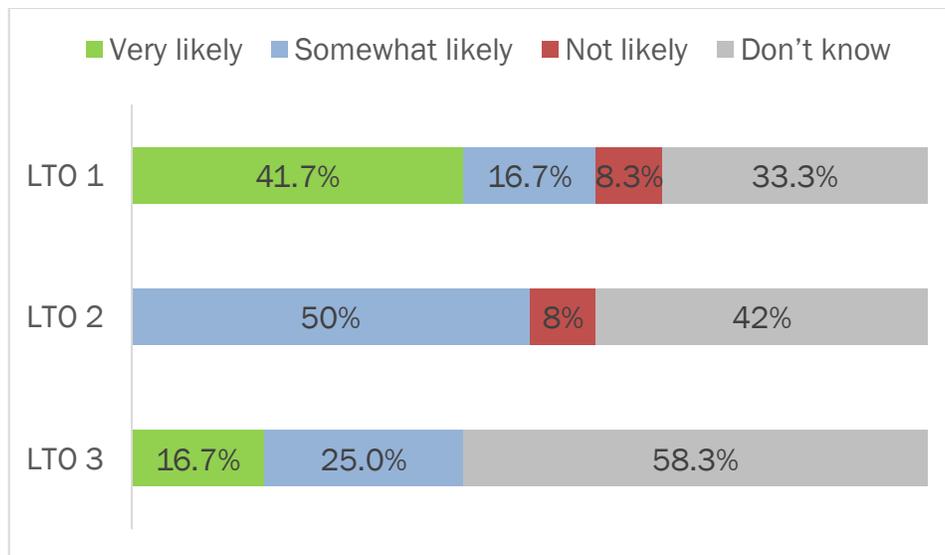
- ***Negotiating with HLIB:*** Project activities under LTO 1 are designed to take HLIB through a systematic process of reflection and learning, mapping and system design. The interest to take on the ECMS was initially met with some resistance, perhaps relating to the complexity of the EU-funded actors' involvement with the project and HLIB's desire to use (donor) resources in a way they saw more suitable. The project team's persistence in pushing forward ECMS acceptance involved education and advocacy *vis-à-vis* senior HLIB officials; the "slow dance" as one ILO official called it. The evaluation team acknowledges the team's identification of a risk and approach to sustainability in working with HLIB on this aspect of the project.
- ***Revising the PAC composition and rules:*** The challenge to social dialogue among tripartite actors, as discussed above, is much larger than the project's remit, however, is a vital aspect in how well the project can function. Project stakeholders who commented on this varied in their thinking as to how well the project could have anticipated this reality. Some believed this challenge was already apparent and part of the complex political environment before the project started; others believe the extent to which the tripartite relations have impaired project implementation could not have been anticipated. Given the project has, in the words of a DWT adviser, been a "casualty of the poor relationship between MLSA and the employers' association", the project team's decision to change the rules of the PAC quorum and bring onboard representatives of social partners in the chosen sectors represents a strategic move that addresses greater prospects for stronger outcomes and more sustainable impact for the project overall. An unanswered question

for the evaluation team is why did the project not do it sooner or was it possible to initiate this change sooner.

The survey results on stakeholder perceptions of sustainability by LTO point to a strong likelihood for sustained outcomes under LTO 1. On a 4-point Likert scale of “very likely”, “somewhat likely”, “not likely” and “don’t know”, 41.7% of the 12 respondents indicated “very likely” under LTO 1, compared to 16.7% under LTO 3. Half of respondents indicated “somewhat likely” for LTO 2 outcomes. Similar to the results on effectiveness, discussed above, significant numbers resorted to “don’t know” for all three LTOs, from 33.3% for LTO 1 to 58.3% for LTO 3.

Those who indicated “very likely” for LTO 1 include representatives of the following institutions: HLIB, IBCB, and trade union. A “don’t know” rating was given by representatives of HLIB, MLSA, Association of Judges and Academy of Justice. Survey data are found in Annex 13.

**Graphic 3: Armenian partner perceptions on sustainability by LTO**



Another aspect of sustainability is found within the project design. The evaluation team has come to interpret it as embedding principles of sustainability. Cultivating an environment of compliance through supporting social partner engagement (LTO 3) and developing curriculum design on labor law and dispute resolution (LTO 2) are long-term goals that work toward sustained outcomes. The implementation of the ECMS, once institutionalized and working well, can then be scaled from a few sectors to all sectors within Armenia. A pertinent question, perhaps for the summative evaluation of the project, may be to what extent were designed inputs sufficient to achieve each of the LTOs and the overall objective to a sustained level? Similarly, the extent of inputs with regard to a USD amount, would be of interest.

Lastly, the LC, which is not yet finalized and passed into law by the Parliament, presents a key role in project sustainability. The extent to which international labor standards are integrated into the law, and particularly the ability of labor inspectors to go into a workplace unannounced, will either help sustain the project outcomes or undermine them. This is a critical piece for the project and for labor protection in Armenia.

## 4. LESSONS LEARNED AND PROMISING PRACTICES

The evaluation identified the following four lessons learned and three promising practices:

### 4.1. LESSONS LEARNED

1. **Lesson Learned 1:** Online capacity building events may be effective in contributing toward individual learning, but in person capacity building events are vital for engaging in advocacy and building buy-in to changes introduced at the institutional level among project partners.
2. **Lesson Learned 2:** Significant time and resources are needed for developing and institutionalizing ECMS, and greater clarity on both process and end outcome can better facilitate communication and expectations.
3. **Lesson Learned 3:** While the project has coincided with the RA's interest to digitize functions within its agencies, thus leading to prospects for greater success, the passing of the LC and ensuring its conformity with ILS is paramount to either undermining or reinforcing the project's overall objective. The larger legislative framework has vital implications for the project's long-term sustainability.
4. **Lesson Learned 4:** Where similar objectives and activities are shared with another project, relevant actors need to engage to develop partnerships and coordinate workload in a timely and efficient manner.

### 4.2. PROMISING PRACTICES

1. **Promising Practice 1:** In an environment of low trust between social partners and government, expanding the membership of the PAC as appropriate and changing quorum rules may be a good strategy to continue project activities.
2. **Promising Practice 2:** Using indicators during training as a means for social partners to collectively define and explore the meaning of a standard for labor protection can facilitate effective learning and further promote the mandates of their respective agencies through the applied and process-oriented exercise.
3. **Promising Practice 3:** The use of two sectors as part of the project design contributes toward tripartite partners' application of their respective mandates, thus contributing toward greater organizational learning based on the project's process-oriented work.

## 5. CONCLUSION

The political changes in Armenia have created a dynamic that may be characterized as adversely affecting the complex relationships between government and social partners. On top of the challenging political dynamics in the country, the border conflict and escalation of violence, the pandemic, and the war in the Ukraine have all compounded the difficulties faced during the implementation of the project. The advocacy and relationship-building required by the project has been perhaps most affected by the inability to meet in person for meetings and capacity building events.

It is also within this context where there are significant legal considerations for the labor inspection function in Armenia. The Labor Code, the overarching framework for labor laws and policies, is stalled within the Government, and is not fully aligned with ILS; and HLIB, the labor inspection

function under the IBCB, is governed by a law that is not specific to labor inspection but rather to all inspection-oriented agencies.

There have been some delays in the implementation of project activities for a multitude of reasons relating to political dynamics within the country and relationships between tripartite partners. The evaluation has identified the project's significant progress in laying the groundwork for mapping HLIB workflows and developing the wireframes for the building of the ECMS under LTO 1. Arguably this is the most significant output of the project resource-wise and the evaluation found a delay of three-four months in their process. Tasks looking forward seem to be clear, and the project team is confident they will be able to make up the lost time.

The project's activities under LTO 2 as they relate to ADR assessments are complete, with the MLSA having taken up the project's recommendations and is now undertaking an internal review of their model. LTO 3 activities are implemented in cooperation with the EU-funded program, although less work has been accomplished than planned due to delays resulting from coordinating efforts and poor tripartite partnerships. The evaluation does note stakeholder appreciation for the project providing a platform to negotiate and fulfill their mandates to engage in social dialogue, and further institutional and programmatic objectives in protecting labor rights.

While frameworks and models have been developed, and capacity building activities have resulted in individual learning and overall positive reviews, the project and its stakeholders will be challenged to institutionalize these developments by the end of the project. Finally, the passing of the Labor Code will either support the project's achievements or undermine them, depending on the extent to which the Labor Code is aligned with ILS and supports an independent labor inspector function.

## 6. RECOMMENDATIONS

The evaluation team proposes the following recommendations based on the evaluation results. A summary for each recommendation, primary stakeholder(s) to implement the recommendation, supporting evidence and page numbers are found in Annex 10.

### ***Recommendations for USDOL ILAB/US Embassy in Yerevan and ILO senior officials:***

1. ***Discuss various aspects of labor protection in Armenia to arrive at a consensus-driven view, and to possibly strategize on shared advocacy objectives vis-à-vis the RA.*** Several areas of contrasting views emerged during the evaluation. These include the situating of the labor inspectorate (HLIB) under the IBCB and whether this indeed is positive for promoting labor protection in the country, given the current legislation; and whether e-contracts are good for labor. It is advised that both parties determine the extent to which their support for these configurations and initiatives are, indeed, providing effective protection to workers. The evaluation team suggests further reflection on this in the final evaluation for the project, and further dialogue and consideration by stakeholders in future planning.
2. ***Consider a coordinated advocacy strategy to address shortcomings in the Labor Code and to push for its approval into law.*** Consider investing more senior level time and support from the ILO DWT/CO-Moscow office to assist in moving the project forward in its partnerships and advocacy on the Labor Code. Status and seniority are important, and

such engagement may help. Such engagement with the US Embassy on the part of senior leaders of the regional office may also assist with coordination and shared communication, particularly as it relates to interpretation of the political context and supporting improved labor inspection policy and practice *vis-à-vis* the RA.

***Recommendations for USDOL ILAB and ILO project team:***

3. ***Gain clarity and agreement on the nature of all deliverables by the end of the project, particularly concerning the ECMS.*** Some prioritization may need to be agreed upon given the remaining time left. Sustainability of the ECMS should also be discussed.

***Recommendations for the ILO project team and ILO NC:***

4. ***Develop a gender strategy for the project that may serve as a living document for reflection and revision.*** Raising awareness about gender and other discriminatory social issues need politically savvy and skilled approaches in order to be successful within any cultural context. Mainstreaming gender into strategies and activities require reflection on ways and means, as well as opportunities within the cultural context. The evaluation team recommends the ILO project team, with support from the ILO DWT gender specialist, and in consultation with ILAB, to carry out an analysis of the desired program outcomes, assess opportunities and potential “wins” for promoting greater gender awareness at all levels of the project, and strategize on appropriate approaches to carry out those strategies. The project may consider drafting a gender strategy document, like a sustainability strategy, which may be a living document and serve as a basis for communication and reflection going forward.
5. ***Consider whether the project may develop its approach to a gender strategy further by addressing other kinds of discriminatory attitudes within the workplace, such as ethnic minorities or disabilities.*** While there were multiple stakeholders who indicated there are not ethnic minorities in the workplace in Armenia, consider exploring this more fully to identify if other kinds of discriminatory issues may be addressed as part of a larger social inclusion strategy.
6. ***Consider deepening exchange and consultation with UN Armenia colleagues to develop more comprehensive and complementary programs and projects that directly contribute toward the implementation of the UNSDCF.*** The ILO is advised to find ways to further its collaboration with UN Armenian colleagues. It is argued that given the politically challenging work environment, a more united UN would serve to advance a more cohesive agenda in the country, ultimately providing greater support to labor inspection.
7. ***Strive for greater integration of the project LTOs, particularly within the context of capacity building events and PAC meetings, to enable greater awareness and understanding of stakeholder involvement in an overall programmatic effort.*** While certain stakeholders were aware, there were many who were not, as reflected in the survey results and the evaluation team’s need to remind interviewees about the project components during interviews.
8. ***Determine ways to further contextualize training in the Armenian context.*** While the evaluation picked up on some areas of dissatisfaction among inspectors on training content – despite overall levels of satisfaction – specifics on what exactly can be further contextualized were not determined. Exploring this may be worthwhile for additional training planned.

**Recommendation for the RA:**

9. **Ensure ILS is adopted in the Labor Code, particularly with regard to labor inspectors' unannounced access to workplaces for inspection, and move it forward in the review process.** While an interest is to promote transparency and independence of the labor inspectorate function, developing the policies, tools, and capacity within the inspectorate should be the focus in building confidence among the general public, not to restrict the labor inspectorate function to carry out its work.
10. **Instead of the Law on Inspection Bodies, consider developing a new and separate law specific to the labor inspection body as a specific labor inspection agency that includes the social partners as members of the Management Board.** To support the independence and sound functioning of the labor inspection system in Armenia, it is vital to develop a new law specific to labor instead of using the ICBC's Law on Inspection Bodies.

# TERMS OF REFERENCE

Final Version | November 16, 2022

## INTERIM EVALUATION

### Helping Protect Armenians' Rights Together (HPART)<sup>11</sup> project

Funding for this evaluation was provided by the United States Department of Labor under contract number: 47QRAA20D0045. This material does not necessarily reflect the views or policies of the United States Department of Labor, nor does the mention of trade names, commercial products, or organizations imply endorsement by the United States Government.

#### List of Acronyms

|      |  |
|------|--|
| CEPA | Comprehensive and Enhanced Partnership Agreement |
| CTUA | Confederation of Trade Unions of Armenia         |
| DWCP | Decent Work Country Program                      |
| EU   | European Union                                   |
| GSP  | Generalized System of Preferences                |
| HILB | Health and Labor Inspection Body                 |

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<sup>11</sup> The project is known by local constituents as “PILRAT”.

|       |   |
|-------|---|
| ILAB  | Bureau of International Labor Affairs       |
| ILO   | International Labor Organization            |
| LC    | Labor Code                                  |
| LE    | Lead Evaluator                              |
| LTO   | Long-term outcome                           |
| MLSA  | Ministry of Labor and Social Affairs        |
| NC    | National Consultant                         |
| OSH   | Occupational safety and health              |
| OTLA  | Office of Trade and Trade and Labor Affairs |
| SDGs  | Sustainable Development Goals               |
| SFS   | Sistemas, Familia y Sociedad                |
| TAC   | Technical Assistance and Cooperation        |
| TOC   | Theory of Change                            |
| TORs  | Terms of Reference                          |
| USDOL | US Department of Labor                      |

### **Background and Justification**

The Office of Trade and Trade and Labor Affairs (OTLA) is an office within the Bureau of International Labor Affairs (ILAB), an agency of the U.S. Department of Labor (USDOL). ILAB's mission is to promote a fair global playing field for workers in the United States and around the world by enforcing trade commitments, strengthening labor standards, and combating international child labor, forced labor, and human trafficking.

As part of its scope of work, OTLA provides services, information, expertise, and technical cooperation programs that effectively support the international responsibilities of the U.S. Department of Labor and U.S. foreign labor policy objectives. Within OTLA, The Division of Technical Assistance and Cooperation (TAC) provides technical assistance to improve labor conditions and respect for workers' rights internationally. TAC works with other governments and international organizations to identify assistance that countries may require to improve the labor conditions of their workers.

This evaluation approach will be in accordance with DOL's Evaluation Policy<sup>12</sup>. OTLA is committed to using the most rigorous methods applicable for this qualitative performance evaluation and to learning from the evaluation results. The evaluation will be conducted by an independent third party and in an

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<sup>12</sup> [U.S. Department of Labor Evaluation Policy](#).

ethical manner and safeguard the dignity, rights, safety and privacy of participants. The quality standards underlying this evaluation are: Relevance, Effectiveness, Efficiency, Impact (to the extent possible), and Sustainability.<sup>13</sup> In conducting this evaluation, the evaluation team will strive to uphold the American Evaluation Association Guiding Principles for Evaluators.<sup>14</sup> A broader set of evaluative criteria or domains may also be considered depending on the learning objectives for this evaluation, including themes of design, equity, replicability, consequence, unintended effects, among others.<sup>15</sup> OTLA will make the evaluation report available and accessible on its website.

The United States Department of Labor (DOL), through its Bureau for International Labor Affairs (ILAB), has contracted with Sistemas, Familia y Sociedad (SFS) under order number 1605C2-22-F-00012 to conduct performance evaluations of technical assistance projects in Guatemala, Georgia, Armenia and Vietnam.

The present terms of reference (TOR) pertain to the interim performance evaluation of project *Helping Protect Armenians' Rights Together (HPART)*. This document serves as the framework and guidelines for the evaluation.

### **Project context**

Armenia's location, geography, and conflict dynamics, pose particular challenges for economic development and poverty reduction. Combined with a narrow exports base and a reliance on diaspora remittances, it makes the country particularly vulnerable to volatility in the global economy and in particular the global commodity markets. Armenia's trade relations are expanding. It joined the Russia-led Eurasian Economic Union in January 2015 and has remained interested in pursuing closer ties with the European Union (EU). It is a beneficiary of the EU's Generalized Scheme of Preferences Plus (GSP+) program, and signed a wide-ranging political cooperation instrument with trade cooperation components, the Comprehensive and Enhanced Partnership Agreement (CEPA), with the EU in November 2017. Armenia is also a beneficiary of the United States (U.S) Generalized System of Preferences (GSP) Program.

The government that was formed after the "Velvet Revolution" in mid-2018 continues to enjoy public support and has a wide platform to advance its reform agenda, which focuses on ensuring internal and external security, fighting corruption, creating the conditions for citizens to prosper, and the development of a competitive, participatory and inclusive economy.

The Labor Code of the Republic of Armenia (LC) was adopted in 2004 to regulate various aspects of collective and individual labor relations. Since its adoption, amendments on certain articles have been made every year, sometimes several times each year. The ILO supported revisions in 2010, but initiatives launched later in 2014 and again in 2017-2018 had a distinct focus on reform to reduce the "administrative burden" for employers. These more recent amendments were in contradiction to the Armenian Government's ratification of ILO conventions, in ensuring a balance between the rights

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<sup>13</sup> These criteria stem from [Better Criteria for Better Evaluation: Revised Evaluation Criteria Definitions and Principles for Use by the Organization for Economic Development's Development Assistance Committee \(OECD-DAC\) Network on Development Evaluation](#). DOL determined these criteria are in accordance with the OMB Guidance M-20-12.

<sup>14</sup> [American Evaluation Association's Guiding Principles](#).

<sup>15</sup> [Evaluative Criteria: An Integrated Model of Domains and Sources](#). *American Journal of Evaluation*, Rebecca M. Teasdale, 2021, Vol. 42(3) 354-376.

and interests of employers and workers. The LC was returned to relevant ministries for further improvement.

In 2019, the Government launched a reform of the “Labor Code of the Republic of Armenia.” The developed draft has undergone several discussions and consultations, including with the ILO. Based on the feedback and multi-stakeholder consultations held, the Government developed final draft amendments to the Labor Code and requested the ILO to provide comments. The ILO provided a Memorandum of Technical Comments in July 2021. The comments welcomed a number of the reforms proposed, but suggested others may need further adjustment to ensure conformity with relevant international labor standards. In addition, the Ministry of Labor and Social Affairs of the Republic of Armenia (MLSA) requested the ILO to provide feedback on the Labor Code amendments related to COVID-19 articles, which was submitted in October 2021.

Not much is known concerning the number and type of violations of labor legislation in Armenia, mainly because of the absence of a well-functioning inspection and judiciary system. The limited information that is available suggests that problems with regard to termination (unjustified dismissals, no final payment, and no prior notice), working hours and the (correct) payment of wages are major problems. The application of other aspects of the law, such as occupational safety and health (OSH), require further improvements. Armenia has yet to ratify the two ILO Fundamental Conventions on OSH (C155 and C187), as well as ILO Key OSH instruments (e.g.: Protocol 155 of 2002, C161, C167, and C184). In addition, Armenia lacks a National OSH policy, a sound OSH system and a national OSH program. Moreover, within the CEPA with EU, Armenia undertook the commitment to approximate national legislation with 27 EU OSH Directives.

In addition, 44 percent of all own account workers and 14 percent of wage earners in Armenia work in the informal economy. It is estimated to be much more widespread among men (22 percent of all male workers) than among women (13 percent).<sup>16</sup> The significant numbers of workers engaged in the informal economy poses particular problems for the regulatory and compliance frameworks and the protection of worker rights.

Although Armenia ratified the ILO Labor Inspection Convention, 1947 (No.81) in December 2004, since 2009 successive Governments have undertaken a reform related to the improvement of Inspection systems that was aimed to bring about a reduction of the administrative burden for employers. The Labor Inspectorate was transferred from the Ministry of Labor and placed under the coordination of Ministry of Health, and the mandate of the inspection services was limited only to issues related to OSH. In addition, the structure was inadequate to provide effective inspection services as required by relevant international labor standards.

Since 2016, the ILO, with the financial support from the EU, has been engaged in promoting the reform of the labor inspection system. Consultations with various related authorities, such as the Cabinet, the MLSA, and the Inspection Bodies Coordination Office were held. Representatives of the Republican Union of Employers of Armenia and the Confederation of Trade Unions of Armenia (CTUA) were supportive of the restoration of a fully operational labor inspection system.

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<sup>16</sup> [https://www.ilo.org/wcmsp5/groups/public/--europe/--ro-geneva/--sro-moscow/documents/publication/wcms\\_762029.pdf](https://www.ilo.org/wcmsp5/groups/public/--europe/--ro-geneva/--sro-moscow/documents/publication/wcms_762029.pdf)

The current Government is more supportive of the development of a full-fledged inspection service. Prime Minister Decree No. 755-L of June 2018 stipulated the reorganization of the Health Inspection Body of the Ministry of Health into a new agency – the Health and Labor Inspection Body of the Republic of Armenia (HLIB). On 4 December 2019, the National Assembly of the Republic of Armenia introduced amendments and additions to the Labor Code, restoring state control over the implementation of labor legislation. The Charter of the HLIB was amended in July 2020 (Prime Minister Decree 768-I) and introduced labor rights and labor relations into the mandate of the institution.

The ILO has provided advisory services and technical inputs in the reform process. In November 2017 and in June 2020, the ILO produced the situation analysis and an assessment of the needs of the Health and Labor Inspection Body for effective implementation of the Labor Inspection service. To date, the project has implemented seven capacity building initiatives for a range of stakeholders, including HLIB, labor inspectors, and social partners. Notable achievements in the project include the development of a strategic compliance plan with the participation of tripartite partners. Yet while progress has been made, the project team acknowledges the following challenges hampering the effectiveness of the labor inspection system in Armenia:

- (i) Restrictions to the free initiative of labor inspectors to conduct inspection visits (by defining the need, prior to conduct and inspection visit, for the verification of a defined ground and for obtaining the respective order);
- (ii) Limitation to the power of labor inspectors to perform inspection visits without prior notice (they have to notify the employer 3 working days in advance);
- (iii) Restrictions to the scope of inspection visits (through the mandatory use of specific checklists and by defining its scope, which cannot be changed, in the inspection visit order);
- (iv) Limitation of the frequency of inspection visits (through a system that defines the frequency of inspection visits on the basis of non-compliance risk indicators);
- (v) Limitation of the duration of inspection visits (limiting them to not more than 15 consecutive working days per year); and lack of human, financial and material resources.

Other international and domestic organizations are working on programming related to labor inspection and labor law in Armenia, notably the European Union’s (EU) funded program called “Labor Action: Collaborative Effort for Accountable and Inclusive Employment”, implemented by a consortium of 3 organizations: Union of Employers of ICT, Armavir Development Centre, and Kiraki Development Foundation. The ILO project has coordinated with the EU and their implementing partner to avoid duplication. The ILO project has also met with other organizations with relevant objectives, including: World Vision’s work on trafficking in persons, funded by the US Department of State; Solidarity Center’s support to trade unions; and the International Republican Institute’s support to the Standing Committee on Labor and Social Issues of the National Assembly.

### **Project objectives**

The project’s overall objective is: Greater compliance with labor law and increased access to judicial and non-judicial remedies.

Three interlinked Long-Term Outcomes (LTOs) are articulated in support of the overall objective:

LTO 1: Improved systems in the appropriate government institutions for enforcing and promoting Armenia's labor laws and standards in the mining and services sectors.

LTO 2: Increased access to judicial and non-judicial remedies related to labor laws and standards.

LTO 3: Active participation of social partners in promotion of compliance and access to remedies.

The LTOs reflect the project strategy, which is based on a direct link between 1) high performing labor market institutions (labor inspectorate, courts, and workers and employers' organizations), 2) the protection of labor rights and 3) the rule of law. In working toward its desired outcomes, the project aims to ensure that labor market institutions contribute to greater compliance with national labor law through building a strategic compliance system that looks beyond a traditional enforcement model.

The project intends to pilot the model and various tools developed within two sectors, mining and services, with the intent to empower workers to exercise their rights and motivate employers to meet their duty to comply. Project stakeholders will reflect on lessons learned from their application to the mining and services sectors and determine the extent of their application to other sectors and across the economy as a whole.

## **Purpose and Scope of Evaluation**

### **Evaluation purpose and scope**

This interim performance evaluation will assess the performance and achievements of the HPART project as its overall purpose, using the criteria of relevance, effectiveness, efficiency, impact and sustainability. The criterion of equity and gender will be assessed across all criteria. As a formative evaluation, the following objectives will be addressed:

- Determine whether the project is on track toward meeting its objectives and outcomes, identifying the challenges and opportunities encountered in doing so, and analyzing the driving factors for these challenges and opportunities;
- Assess the effectiveness of the project's strategies, the project's strengths and weaknesses, and identify areas in need of improvement (with particular attention to equity and inclusion, wherever relevant);
- Assess the project's plans for sustainability at local and national levels and identify steps to enhance its sustainability.

The evaluation will cover the project design and implementation period until October 2022 and will strive to address geographic coverage of the project, focusing on engaging stakeholders both in Yerevan and in the regional centers of the country.

### **Intended users**

The evaluation will provide OTLA, the grantee, participants and other project stakeholders or actors who have a concern, interest and/or influence on the labor rights problem the project is intended to address, an assessment of the project's performance, its effects on project participants, and an understanding of the factors driving the project results. The evaluation results, conclusions and recommendations will serve to inform any project adjustments that may need to be made, and to inform stakeholders in the design and implementation of subsequent phases or future projects as appropriate.

The evaluation report will be published as a standalone document on the USDOL website, and will provide the necessary background information for readers who are unfamiliar with the details of the project.

## Evaluation team

The evaluation team will consist of:

1. Lead Evaluator (LE)
2. National Consultant/ Monitoring and Evaluation Expert (NC)

The LE will be responsible for developing the methods in consultation with SFS, USDOL, and the project staff; assigning the tasks of the national consultant; directly conducting interviews and facilitating other data collection processes; analysis of the data gathered; formulation of evaluation results, conclusions and recommendations; presenting feedback on the initial results of the evaluation to the national stakeholder meeting and preparing the evaluation report.

The LE will work remotely while the NC will be present in Yerevan for interviews and able to travel outside to the regional centers. One member of the ILO project staff may help facilitate introductions for the NC, particularly in more formal government meetings. This person will not be involved in the interviews.

## Evaluation Questions

The evaluation will address the following questions using the Organization for Economic Co-operation and Development Assistance Committee (OECD-DAC) criteria.<sup>17</sup> The following criteria are used: relevance, effectiveness, efficiency, impact and sustainability. A recently published *American Journal of Evaluation* article by Rebecca Teasdale has also informed thinking on criteria identification for the evaluation, specifically on design issues as they relate to origins and scope. Lastly, as a guide in finalizing the evaluation questions, the evaluation team used a checklist on sound evaluation questions produced by the Evaluation Center at Western Michigan University.<sup>18</sup> An evaluation matrix outlining data sources and means for data collection for each of the questions can be found in Annex B.

## Relevance

4. To what extent are the project's objective, outcomes, and interventions (design) aligned with the needs, capacities, local processes, and priorities of the Government, other stakeholders, and populations intended to benefit from the projects?
5. How has the context (organizational structures, processes and procedures) changed during project implementation, if at all? How effectively has the project adapted to changes in its context to remain relevant to stakeholders, including changes in HLIB's authority?

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<sup>17</sup> Note that the OECD/DAC criteria have been revised as of January 2020:  
<https://www.oecd.org/dac/evaluation/revised-evaluation-criteria-dec-2019.pdf>.

<sup>18</sup> <https://wmich.edu/sites/default/files/attachments/u350/2018/eval-questions-wingate%26schroeter.pdf>

### **Effectiveness**

6. To what extent has the project made progress towards its overall objective and each of its three long-term outcomes and associated short and medium-term outcomes?
7. How does the organizational capacity of HLIB limit or facilitate the effectiveness of project interventions?
8. How well is the project adapting its strategies to address emerging challenges and opportunities?
9. How effectively has the project mainstreamed gender into its strategies and activities?

### **Efficiency**

10. To what extent were the project activities implemented, an effective use of resources?
11. To what extent has the project tracked the planned vs. actual cost per outcome? How was this knowledge applied in the project? How well was this knowledge used to help further project objectives?

### **Impact**

12. From the perspective of stakeholders, what has been the project's most significant progress to date?

### **Sustainability**

13. To what extent does the project identify and pro-actively address sustainability risks and opportunities including the readiness of the national institutions, actors/stakeholders to sustain and/or replicate the outcomes of the project?

### **Evaluation Method**

#### **Approach**

To achieve the purpose and objectives of the evaluation, the evaluation team will adopt an approach that focuses on three areas:

1. *Assessment of contextual factors and realities:* The evaluation team will gather and assess contextual information taking into account ILO programming objectives, both USDOL and Armenian Government priorities, and other partner agency interests and initiatives in order to check assumptions and the fit of the project's inputs and expected results.
2. *Assessment of conceptual analysis and frameworks:* The extent to which gender and consideration for marginalized populations is featured within project concepts and frameworks will be assessed.
3. *Assessment of project performance to date:* The evaluation team will undertake a broader assessment to understand the extent to which project outcomes are or have been achieved so far and prospects for their sustainability.

The following principles will guide the evaluation:

1. Gender, equity, cultural sensitivity and ‘Do No Harm’ approaches will be integrated into the evaluation approach.
2. Consultations will incorporate a degree of flexibility to maintain a sense of ownership of the stakeholders and beneficiaries, allowing additional questions to be posed that are not included in the TOR, whilst ensuring that key information requirements are met.
3. As far as possible, a consistent approach will be followed in each project site, with adjustments made for the different actors involved, activities conducted, and the progress of implementation in each locality.

### **Sampling strategy**

The evaluation team will adopt a purposive sampling strategy in conducting interviews and focus group discussions with a range of project stakeholders. The criteria for selection include identifying those stakeholders representing a wide range of both territorial centers in Armenia and stakeholder organizations (government, HLIB, social partners) as well as sector (mining and services). To identify those stakeholders to engage, the evaluation team carried out a mapping exercise of 7 capacity building interventions and workshops and determined a selection of those that were deemed important, together with the project team, in furthering the project’s 3 outcomes. “Important” was discussed as both content and numbers engaged, and the extent of its role in contributing toward desired outcomes. Those interventions include: the training on labor inspection guidelines and procedures in March 2022; the strategic compliance planning workshop for HLIB in June 2022; and the roundtable for social partners on management methods and OSH-related planning in the sectorial enterprises and strengthening of social dialogue in September 2022. All three of these activities contribute toward Outcome 1; and the third activity contributes toward Outcome 3. For Outcome 2, the evaluation team will also engage those stakeholders involved in meetings discussing the project’s research activity during its interviews.

The evaluation team will carry out an online focus group discussion with participants in the roundtable meeting. For engaging participants in the labor inspection guideline training and the strategic compliance planning workshop, the NC will travel over the course of 3 days to 3 territorial centers of HLIB: northern, eastern and western. Focus group discussions will be held with HLIB staff who attended the guidelines training, and interviews with senior HLIB staff who attended the strategic compliance planning workshop. The NC will not travel to the southern regional center due to conflict; instead, participants from this region will be invited to participate in an online focus group discussion.

### **Data collection**

A mixed method approach to data collection will be employed to collect both primary and secondary data through a review of project documents and relevant literature, semi-structured interviews, focus group discussions, and online survey.

### **Document review**

Project document will be reviewed throughout the evaluation process and will be used as a secondary source of data to triangulate with primary data collected. The evaluation will make use mostly of project documentation, but gray and scholarly literature may be identified as relevant as well. A list of documents reviewed will be annexed to the final report and may include the following:

- Funding Opportunity Announcement (FOA)

- PMP document and data reported in Annex A of the TPR
- Pre-situational analyses
- Project document and revisions
- Project budget and revisions
- Cooperative Agreement and project modifications
- Risk and Stakeholder Registers/Management Plans
- Sustainability and Exit Strategies
- Technical Progress and Status Reports
- Project Logic Models, Theories of Change and Monitoring Plans
- Work plans
- Correspondence related to Technical Progress Reports
- Management Procedures and Guidelines
- Research, reports, or materials produced
- Reports and statistics of relevant government bodies, and,
- Other project files as appropriate.

### **Semi-structured interviews with stakeholders**

The evaluation team will conduct approximately 45 KII/FGDs over 10 days with project stakeholders in Armenia or remotely by video or phone calls, as appropriate. The evaluation team will attempt to interview an equal distribution of male and female respondents among project beneficiaries. The evaluation team will conduct a KII with the ILAB Project Managers (former and current) and with representatives of all stakeholder and partner organizations. The tentative list of stakeholders to interview is found in Annex C.

### **Focus group discussions**

The local evaluator will visit a selection of project sites to conduct focus group discussions with those inspectors and representatives of social partners who have participated in the project's capacity building activities.

### **Survey**

The evaluation team will administer an online survey to ILO staff, tripartite partners, and ILAB (TBD) in English or Armenian (where relevant) to gather data on varying perspectives on project achievements and sustainability, along with additional questions as relevant. Data collected through the online survey will complement the data collected during interviews, focus group discussions, and document review, and will help support the development of an achievement and sustainability rating for the project at this point in its implementation. Annex D provides further discussion on the concepts of achievement and sustainability, and Annex E provides a draft template that will be further adapted for the online survey. In those interviews conducted face to face with Armenian stakeholders, the survey will be administered at the end of the interview via hardcopy.

### **Validation workshop with stakeholders**

Following the field visits, a remote stakeholder meeting will be organized by the project and led by the lead evaluator to bring together a wide range of stakeholders, including the ILO and other interested parties to discuss the preliminary evaluation results. The list of participants to be

invited will be drafted prior to the evaluation team's visit and confirmed in consultation with project staff during fieldwork. ILAB staff may participate in the stakeholder meeting virtually.

The meeting will be used to present the major preliminary results and emerging issues, solicit recommendations, discuss project sustainability, and obtain clarification or additional information from stakeholders, including those not interviewed earlier. The agenda of the meeting will be determined by the evaluation team in consultation with project staff. Some specific questions for stakeholders may be prepared to guide the discussion and possibly a brief written feedback form.

The agenda is expected to include some of the following items:

- Presentation by the evaluation team of the preliminary main results
- Feedback and questions from stakeholders on the results
- Opportunity for stakeholders to meet to present their views on progress and challenges in their locality
- Discussion of recommendations to improve the usability, potential for implementation and ensure sustainability. Consideration will be given to the value of distributing a feedback form for participants to nominate their "action priorities" for the remainder of the project.

A debrief call with USDOL will be held by the evaluation team after the stakeholder workshop to provide USDOL with preliminary results and solicit feedback as needed.

### **Approach to analysis**

The evaluation team will analyze both primary and secondary data collected to assess the performance of activities relative to expected results. The evaluation team's analysis, which will involve both quantitative and qualitative data, will rely on descriptive statistics such as counts, tabulated proportions, and means, to identify common trends, patterns, and any changes in stakeholders' motivation, behavior, capacity, practices, policies, programs, relationships, or resource allocation as result of project activities. The evaluation team will use project monitoring data and quantitative data collected during evaluation fieldwork triangulated with relevant qualitative data collected during interviews and FGDs, to articulate the evaluation results.

### **Ethical considerations and confidentiality**

The evaluation team will observe utmost confidentiality related to sensitive information and feedback elicited during the KIIs and FGDs. To mitigate bias during the data collection process and give informants maximum freedom of expression, only the lead evaluator and the local consultant will be present during KIIs. However, when necessary, ILO staff may accompany the evaluation team to make introductions, facilitate the evaluation process, make respondents feel comfortable, and allow the local evaluator to observe the interaction between ILO staff and the interviewees.

The evaluation team will respect the rights and safety of participants in this evaluation. During this study, the evaluation team will take several precautions to ensure the protection of respondents' rights:

- No interview will begin without receipt of informed consent from each respondent.

- The evaluation team will conduct KIIs and FGDs in a confidential setting, so no one else can hear the respondent's answers.
- COVID-19 precautions and social distancing will be implemented during face-to-face interviews and FGDs.
- The evaluation team will be in control of its written notes at all times.
- The evaluation team will transmit data electronically using secure measures.
- The evaluation team will talk with respondents to assess their ability to make autonomous decisions and their understanding of informed consent. Participants will understand that they have the right to skip any question with which they are not comfortable or to stop at any time.

Annexes E and F feature consent and right to use forms that will be shared with stakeholders.

### **Roles and Responsibilities**

**The Contractor is responsible for accomplishing the following items:**

- Providing all evaluation management and logistical support for evaluation deliverables within the timelines specified in the contract and TOR
- Providing all logistical support for travel associated with the evaluation
- Providing quality control over all deliverables submitted to ILAB
- Ensuring the Evaluation Team conducts the evaluation according to the TOR

**The Evaluation Team will conduct the evaluation according to the TOR. The Evaluation Team is responsible for accomplishing the following items:**

- Receiving and responding to or incorporating input from the grantees and ILAB on the initial TOR draft
- Finalizing and submitting the TOR and sharing concurrently with the grantees and ILAB
- Reviewing project background documents
- Reviewing the evaluation questions and refining them as necessary
- Developing and implementing an evaluation methodology, including document review, KIIs and FGDs, and secondary data analysis, to answer the evaluation questions
- Conducting planning meetings or calls, including developing a field itinerary, as necessary, with ILAB and the grantee
- Deciding the composition of field visit KII and FGD participants to ensure the objectivity of the evaluation
- Developing an evaluation question matrix for ILAB
- Presenting preliminary results verbally to project field staff and other stakeholders as determined in consultation with ILAB and the grantee
- Preparing an initial draft of the evaluation report for ILAB and grantee review
- Incorporating comments from ILAB and the grantee/other stakeholders into the final report, as appropriate
- Developing a comment matrix addressing the disposition of all of the comments provided
- Preparing and submitting the final report

### **ILAB is responsible for the following items:**

- Launching the contract
- Reviewing the TOR, providing input to the evaluation team as necessary, and agreeing on final draft
- Providing project background documents to the evaluation team, in collaboration with the grantee
- Obtaining country clearance from U.S. Embassy in fieldwork country
- Briefing grantees on the upcoming field visit and working with them to coordinate and prepare for the visit
- Reviewing and providing comments on the draft evaluation report
- Approving the final draft of the evaluation report
- Participating in the pre- and post-trip debriefing and interviews
- Including the ILAB evaluation contracting officer's representative on all communication with the evaluation team

### **The grantee is responsible for the following items:**

- Reviewing the TOR, providing input to the evaluation team as necessary, and agreeing on the final draft
- Providing project background materials to the evaluation team, in collaboration with ILAB
- Preparing a list of recommended interviewees with feedback on the draft TOR
- Participating in planning meetings or calls, including developing a field itinerary, as necessary, with ILAB and evaluation team
- Scheduling meetings during the field visit and coordinating all logistical arrangements
- Helping the evaluation team to identify and arrange for interpreters as needed to facilitate interviews
- Reviewing and providing comments on the draft evaluation reports
- Organizing, financing, and participating in the stakeholder debriefing meeting
- Providing in-country ground transportation to meetings and interviews
- Including the ILAB program office on all written communication with the evaluation team

### **Deliverables**

The evaluation deliverables include a written report detailing the results, conclusions and recommendations; stakeholder workshop and oral briefing to USDOL; and a one-page infographic of the evaluation results.

### **Briefing**

The LE will meet with ILAB staff to provide a post-fieldwork debrief in early December, during which preliminary results will be shared. A full learning event will be held virtually end of February with ILAB and stakeholders in Armenia to conclude the evaluation.

### **Written report**

Approximately ten working days following the evaluation team's finalization of fieldwork, a draft evaluation report will be submitted by the Contractor. The total length of the report will be approximately 30 pages, excluding annexes and will have the following structure and content.

1. Table of Contents
2. List of Acronyms
3. Executive Summary
4. Project Description
5. Purpose and scope of evaluation
6. Evaluation approach and method
7. Results
8. Conclusions
  - a. Lessons learned
  - b. Best practices
9. Recommendations
10. Annexes
  - a. Summary of TORs
  - b. References
  - c. List of documents reviewed
  - d. List of interviewees and focus group discussion participants
  - e. Stakeholder workshop agenda and participants
  - f. Table of summary results
  - g. Table of summary recommendations

The executive summary will be no more than five pages, and will provide an overview of the evaluation, summary of main results and key recommendations. The results section will respond to each of the evaluation questions, with supporting evidence. The format will not be in a question and response format, but the results and discussion will be responsive to each evaluation question. The evaluation team will strive to formulate no more than 10 key recommendations that are clearly linked to the results and that are action-oriented, directed to specific stakeholders and implementable. The annexed table of summary results will provide each evaluation question and summary response. The annexed table of summary recommendations will feature each recommendation, a summarized reference to the evidence in the body of the report, and responsible stakeholder.

The first draft of the report will be circulated to OTLA and the grantee individually for their review. The lead evaluator will incorporate comments from OTLA and the grantee/other key stakeholders into the final reports as appropriate. Along with the revised report, the lead evaluator will provide a comment matrix, listing each comment and response.

While the substantive content of the results, conclusions, and recommendations of the report shall be determined by the lead evaluator, the report is subject to final approval by ILAB/OTLA in terms of whether or not the report meets the conditions of the TOR.

The electronic submission will include 2 versions: one version, complete with all appendices, including personally identifiable information (PII) and a second version that does not include PII such as names and/or titles of individuals interviewed.

## **Infographic**

A one-page infographic summarizing the evaluation results, conclusions and recommendations will be shared with USDOL.

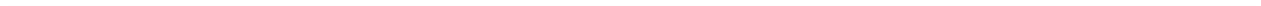
## Timeline

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

| Task  | Responsible Party     | Date                |
|---|-----------------------|---------------------|
| Final TOR submitted to DOL/OTLA for approval  | SFS (evaluation team) | Nov 4               |
| Question matrix and data collection instruments submitted to DOL/OTLA for review                          | SFS (evaluation team) | Nov 7               |
| Final approval of TOR by DOL/OTLA   | USDOL                 | Nov 10              |
| Send finalized TOR to ILO   | SFS                   | Nov 10              |
| Fieldwork/Data Collection   | SFS (Evaluation Team) | Nov 14-25           |
| Interactive stakeholder validation session  | SFS (Evaluation Team) | Nov 30              |
| Post-fieldwork debrief call with USDOL  | SFS (Evaluation Team) | Dec 1               |
| Initial draft report for 48-hour review submitted to ILAB and ILO   | SFS                   | Dec 14              |
| 48-hour review comments due to SFS  | USDOL and ILO         | Dec 20 (ILO Dec 16) |
| Disseminate draft report and executive summary to ILAB, ILO, and other key stakeholders for 2-week review | SFS                   | Dec 23 / Jan 9      |
| 2-week review comments due to SFS   | USDOL and ILO         | Jan 20              |
| Revised draft report submitted to ILAB and ILO  | SFS                   | Jan 31              |
| ILAB approval to finalize report  | USDOL                 | Feb 7               |
| Draft infographic/brief document submitted to DOL/OTLA  | SFS                   | Feb 14              |
| Final 508-compliant report submitted to ILAB  | SFS                   | Feb 17              |
| DOL/OTLA comments on draft infographic/brief  | USDOL                 | Feb 17              |
| Final infographic/brief submitted to DOL/OTLA (508 compliant)   | SFS                   | Feb 24              |
| Final approval of infographic/brief by DOL/OTLA (508 compliant)   | USDOL                 | Feb 28              |
| Final edited approved report and infographic/brief shared with grantee (508 compliant)                    | SFS                   | Mar 3               |
| Virtual Learning Event for ILAB and other stakeholders  | SFS (Evaluation Team) | Mar 3               |

## **ANNEX B: LIST OF INTERVIEWEES AND FOCUS GROUP DISCUSSION PARTICIPANTS**

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## **ANNEX C: STAKEHOLDER WORKSHOP LIST OF PARTICIPANTS**

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## ANNEX D: DISCUSSION OF TERMS FOR ONLINE SURVEY AND OVERALL ASSESSMENT

### ACHIEVEMENT

“**Achievement**” measures the extent to which a development intervention or project attains its objectives/outcomes, as described in its performance monitoring plan (PMP).

For assessing the achievement of program or project outcomes, the evaluation team will consider the extent to which the objectives/outcomes were achieved and identify the major factors influencing the achievement or non-achievement of the objectives/outcomes. **As an interim evaluation**, the evaluation team will also consider the likelihood of the objectives/outcomes being achieved by the end of the project if the critical assumptions hold, as well as the extent the project requires course corrections to bring it back on track.

Project achievement ratings should be determined through triangulation of qualitative and quantitative data. The evaluation team should collect **qualitative data** from key informant interviews and focus group discussions through a structured data collection process, such as a survey or rapid scorecard. Interviews and focus groups can also provide context for the results reflected in the Data Reporting Form submitted with the Technical Progress Report (TPR). The evaluation team should also analyze **quantitative data** collected by the project on key performance indicators defined in the Performance Monitoring Plan (PMP) and reported on in the TPR Data Reporting Form.

The evaluation team should consider the reliability and validity of the performance indicators and the completeness and accuracy of the data collected. The assessment of quantitative data should consider the extent to which the project achieved its targets and whether these targets were sufficiently ambitious and achievable within the period evaluated. The assessment should also consider the extent to which the project achieved targets in an equitable manner and (if relevant) whether the targets for specific underserved groups were appropriate and sufficiently ambitious and achievable within the period evaluated.<sup>19</sup> **The evaluation team will assess each of the project’s objective(s) and outcome(s) according to the following scale:**

- **High:** met or exceeded most targets for the period evaluated, with mostly positive feedback from key stakeholders and participants
- **Above moderate:** met or exceeded most targets for the period evaluated, **but** with mixed or neutral feedback from key stakeholders and participants
- **Moderate:** missed most targets for the period evaluated, **but** with mostly positive feedback from key stakeholders and participants

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<sup>19</sup> The project team has identified gender as an equity issue within the project context. Other minorities or underserved groups may be identified by the evaluation team during the course of the evaluation through analysis of the project context and interventions.

- **Low:** missed most targets for the period evaluated, with mostly neutral or negative feedback from key stakeholders and participants

## SUSTAINABILITY

“**Sustainability**” is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn. When evaluating the sustainability of a project, it is useful to consider the likelihood that the benefits or effects of a particular output or outcome will continue after donor funding ends. It is also important to consider the extent to which the project considers the actors, factors, and institutions that are likely to have the strongest influence over, capacity, and willingness to sustain the desired outcomes and impacts. Indicators of sustainability could include agreements/linkages with local partners, stakeholder engagement in project sustainability planning, and successful handover of project activities or key outputs to local partners before project end, among others.

The project’s Sustainability Plan (including the associated indicators) and TPRs (including the attachments) will be key (but not the only) sources for determining its rating. **The evaluation team should assess each of the project’s objective(s) and outcome(s) according to the following scale:**

- **High:** strong likelihood that the benefits of project activities will continue after donor funding is withdrawn and the necessary resources<sup>20</sup> are in place to ensure sustainability
- **Above moderate:** above average likelihood that the benefits of project activities will continue after donor funding is withdrawn and the necessary resources are identified but not yet committed
- **Moderate:** some likelihood that the benefits of project activities will continue after donor funding is withdrawn and some of the necessary resources are identified
- **Low:** weak likelihood that that the benefits of project activities will continue after donor funding is withdrawn and the necessary resources are not identified.

In determining the rating above, the evaluation team will also consider the extent to which sustainability risks were adequately identified and mitigated through the project’s risk management and stakeholder engagement activities

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<sup>20</sup> Resources can include financial resources (i.e. non-donor replacement resources), as well as organization capacity, institutional linkages, motivation and ownership, and political will, among others.

## ANNEX E: SUMMARY OF RESULTS BY EVALUATION QUESTION

| No. | Criterion     | Evaluation question  | Finding summary  |
|-----|---------------|--|--|
| 1   | Relevance     | To what extent are the project's objective, outcomes, and interventions (design) aligned with the needs, capacities, local processes, and priorities of the Government, other stakeholders, and populations intended to benefit from the projects?                       | Partner agencies consistently expressed full alignment of their organizations' mandates, needs and priorities with the project. HLIB officials expressed appreciation for the digital aspect, which is aligned with RA priorities; and MLSA expressed appreciation for the ADR. Social partners were generally onboard with project objectives.              |
| 2   |               | How has the context (organizational structures, processes and procedures) changed during project implementation, if at all? How effectively has the project adapted to changes in its context to remain relevant to stakeholders, including changes in HLIB's authority? | There is evidence of an interactive process on strategic compliance planning with HLIB that led to reflection on both policy and practice. There is evidence of the ILO project team both adapting to their evolving context in a way that promotes project activities, as well as resisting partner requests that in their view challenge desired outcomes. |
| 3   | Effectiveness | To what extent has the project made progress towards its overall objective and each of its three long-term outcomes and associated short and medium-term outcomes?   | The project has experienced delays. The most progress toward reaching objectives is under LTO 1 as well as LTO 2. Overall progress has been made in developing models and frameworks, but stalled due to internal review processes and the challenging political dynamic.  |
| 4   |               | How does the organizational capacity of HLIB limit or facilitate the effectiveness of project interventions?   | The project has developed a dynamic partnership with HLIB in engaging on strategic compliance planning and development of the ECMS. There has been reticence to change at the institutional policy level, yet individual capacity and learning is evident.   |
| 5   |               | How well is the project adapting its strategies to address emerging challenges and opportunities?  | The evaluation identified several strategies adopted by the project in response to emerging challenges and opportunities. These include changing the PAC rules and membership; promoting ECMS as a preferred objective over e-contracts; and negotiating   |

|    |                |  |   |
|----|----------------|--|---|
|    |                |  | with the EU-funded program on project deliverables.   |
| 6  |                | How effectively has the project mainstreamed gender into its strategies and activities?  | Gender is not mainstreamed into project strategies and activities, although there are various approaches adopted, primarily under LTO 1.  |
| 7  | Efficiency     | To what extent were the project activities implemented, an effective use of resources?   | Expenditures on project activities appear appropriate and balanced, with greater funds spent on LTO 1 as compared to 2 and 3.   |
| 8  |                | To what extent has the project tracked the planned vs. actual cost per outcome? How was this knowledge applied in the project? How well was this knowledge used to help further project objectives?  | The project has just recently organized itself to track actual versus outcome costs per LTO.  |
| 9  | Impact         | From the perspective of stakeholders, what has been the project's most significant progress to date?   | Many interviewees identified specific project outputs as providing significant progress, including MLSA's ownership over ADR, and the work done in mapping HLIB workflows for the development of ECMS. Yet some reflected on their observations of larger organizational learning resulting from engaging in the project's process-oriented work – despite challenges among tripartite relationships. |
| 10 | Sustainability | To what extent does the project identify and pro-actively address sustainability risks and opportunities including the readiness of the national institutions, actors/ stakeholders to sustain and/or replicate the outcomes of the project? | The project has developed a sustainability plan, identifying potential risks to manage and strategies for supporting sustained outcomes, including participation, ownership, and supporting institutionalization of project outputs. The project team demonstrated several of these strategies. Stakeholders identified greater possibility for sustained outcomes under LTO 1.                       |

## ANNEX F: SUMMARY OF RECOMMENDATIONS

| No. | Recommendation  | Summary of supporting evidence with relevant page numbers in report in parentheses  | Party to whom the recommendation is directed toward                         |
|-----|---|---|---|
| 1   | Discuss various aspects of labor protection in Armenia to arrive at a more jointly informed view, and to possibly strategize on shared advocacy objectives vis-à-vis the RA.  | The report notes several areas of disagreement related to the institutionalization of labor inspection in the RA and the e-contract initiative. Further sharing of information and development of more informed strategies could better support the RA in moving forward with labor inspection. (Pages 24-25)   | USDOL ILAB / US Embassy in Yerevan and the ILO (senior level)               |
| 2   | Consider a coordinated advocacy strategy to address shortcomings in the Labor Code and to push for its approval into law.   | The ILO has provided various inputs into the Labor Code over the past several years, which constitutes an advocacy strategy, yet the RA's delay and continued challenges with passing the Labor Code, and specifically with regard to unannounced visits by labor inspectorates will undermine project objectives. (Pages 36-37)  | USDOL ILAB / US Embassy in Yerevan and the ILO (senior level)               |
| 3   | Gain clarity and agreement on the nature of all deliverables by the end of the project, particularly concerning the ECMS.   | Given delays and challenges for the project, clarity on the deliverables is advised for both implementing partner and donor. (Page 26)  | USDOL ILAB and the ILO (technical level)                                    |
| 4   | Develop a gender strategy for the project that may serve as a living document for reflection and revision.  | There is indication of an ad hoc approach to gender, and it is advised to explore an overall approach and strategize on ways to advocate for and implement such a strategy with the remaining time of the project. (Page 31)  | ILO project team and ILO DWCT gender specialist                             |
| 5   | Consider whether the project may develop its approach to a gender strategy further by addressing other kinds of discriminatory attitudes within the workplace, such as ethnic minorities or people with disabilities. | While several stakeholders indicated there are few or no ethnic minorities in the workforce in Armenia, and thus gender is the only issue to address, the evaluation team suggests further reflection to more comprehensively assess what discriminatory attitudes may exist, and to consider expanding on the gender strategy discussed above to include an overall social inclusion strategy. (Page 31) | ILO project team, the ILO DWCT gender specialist, in consultation with ILAB |
| 6   | Consider deepening exchange and consultation with UN Armenia colleagues to develop more comprehensive and   | Given the challenging political context in Armenia, higher levels of participation in the UNCT's strategies and overall approach may provide for  | ILO NC, ILO regional senior leaders, and ILO project team                   |

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|    | complementary programs and projects that directly contribute toward the implementation of the UNSDCF.   | mutual benefit in influencing labor protection policy. (Page 26)  |                                      |
| 7  | Strive for greater integration of the project LTOs, particularly within the context of capacity building events and PAC meetings, to enable greater awareness and understanding of stakeholder involvement in an overall programmatic effort. | While certain stakeholders were aware, there were many who were not, as reflected in the survey results and the evaluation team’s need to remind interviewees about the project components during interviews. (Pages 31 and 35)   | ILO project team                     |
| 8  | Determine ways to further contextualize training content in the Armenian context.   | Overall, there were high levels of satisfaction with the training delivered by the project, yet the evaluation picked up on ways to improve upon training content. This involves further localization of the training content into the Armenian context for greater relevance. (Page 22 and 27) | ILO project team and ILO DWCT Moscow |
| 9  | Ensure ILS is adopted in the Labor Code, particularly with regard to labor inspectors’ unannounced access to workplaces for inspection, and move it forward in the review process.  | The Labor Code is instrumental to labor protection in Armenia, and will undermine any project’s effort, including HPART, should ILS not be integrated and passed into law. (Pages 24 and 25)  | RA                                   |
| 10 | Instead of the Law on Inspection Bodies, consider developing a new and separate law specific to the labor inspection body as a specific labor inspection agency that includes the social partners as members of the Management Board.         | To support the independence and sound functioning of the labor inspection system in Armenia, it is vital to develop a new law specific to labor instead of using the ICBC’s Law on Inspection Bodies. (Page 23)   | RA                                   |