**Recommendations on how the U.S. Government Can Facilitate Implementation of the White Paper**

APPROVED at October 13, 2011 meeting

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**Overview**

Since the publication of the White Paper, the U.S. Government has worked closely with CAFTA-DR Governments to facilitate progress towards White Paper goals. Approximately US$136.33 million dollars have been spent in six White Paper areas. As acknowledged in the January 14, 2009 First Biennial Report submitted to Congress, continuing projects have successfully targeted tens of thousands of children to remove and prevent them from the worst forms of child labor, improved the capacity of labor ministries to track and address cases, and have made progress towards facilitating a culture of compliance among CAFTA-DR countries. Furthermore, governments have met many of the legislative goals for freedom of association and collective bargaining.

Nevertheless, the ILO Verification Reports regarding White Paper implementation and other evaluations\(^1\) suggest that full implementation remains elusive. Concerns about labor law implementation (including freedom of association) remain particularly salient. As the initial wave of funding expires, and expectations for future funding are lower, raising the efficiency and effectiveness of program dollars is increasingly important.

U.S. Secretary of Labor, Hilda Solis, recently re-established the charter for and appointed members to the National Advisory Committee for Labor Provisions of Free Trade Agreements. At its initial meeting in August, this committee decided to devote some time to generating “(r)ecommendations on how the United States can facilitate full implementation of the recommendations contained in the White Paper” as required of USDOL by the Congress.\(^2\) The committee’s recommendations cover both “big picture” issues as well as some program-specific recommendations and are presented below in roughly that order.

**A. Progress in a broader development context: theory, baselines, and indicators**

Raising labor standards compliance through trade agreements is a goal that is perhaps best evaluated within a broader view of development. As a long-run concern, it is important to place progress and evaluation in the context of a development framework. One of the first steps towards reaching this goal in in the context of the White Paper is to try to identify clear measures of progress that can be compared to benchmark indicators. The committee recognizes current and previous work by the U.S. DOL and recognizes the difficulty in producing measures of several of the key areas of White Paper recommendations. For others that can be more easily measured, such as the incidence of child labor, labor cases, and domestic capacity (such as number of hours spent monitoring labor law violations); however, the committee

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supports using available data, and supporting the collection of additional data, that would help evaluate specific White Paper goals and their potentially broader effect on the rest of society. When successful, such indicators should help identify “best practices” that can be applied to other member countries.

B. Fostering Domestic Agency and Political Will

The United States Government has worked closely and collaboratively with governments of the region as part of the process of implementing the recommendations in the White Paper. The committee feels that CAFTA-DR countries need to retain ownership of the White Paper recommendations and that each country needs to be responsible for the full implementation of the recommendations for their country. There seems to be a clear need for USG support for the White Paper recommendations to be better coordinated, based on country needs and priorities, and focused on developing the necessary institutions and processes to help each country effectively implement and consistently enforce their national labor law. While each country has established a work plan and identified priorities, the committee recommends that country representatives should play a more active role in designing projects and selecting implementing organizations.

Such representation might start with, and draw from, a national committee (for each CAFTA-DR country) that follows the tripartite structure employed by the ILO-IFC Better Work Program. Such a committee should have representation from government, the private sector, and worker organizations (including representation from civil society) and might be convened by the State Department. These committees should increase the efficacy of program design and implementation by recognizing linkages across White paper priority areas. One specific way to increase such inclusion would be to support “design visits” prior to the finalization of proposal solicitation. These visits have worked in the past, and might continue to prove to be an effective way to increase stakeholder participation.

A larger role for partner countries in designing projects should have three key benefits. First, it would increase the sense of agency of each country and therefore have a positive effect on political will. Second, it should increase the efficacy of U.S. supported programs if country representatives have more information about the relevant obstacles to White Paper goals and can help develop country-specific indicators of progress. Third, it would help reduce redundancy across USG-supported programs because the country representative would be a point person for program selection. Agency, efficacy, and reduced redundancy are increasingly important as available program funding falls.

Concerns about political commitment within the CAFTA-DR countries continue to emerge with regards to White Paper goals. At a minimum, the USG may consider withholding technical assistance without sufficient evidence of political will (as measured by budget allocations or other tractable metrics). While not necessarily prescriptive, the committee recognizes that political will is a necessary condition for progress towards White Paper goals, which implies that
the reasonable expectation of success of program funding where political will is insufficient is greatly diminished.

C. Sustainability

As acknowledged in the January 14, 2009 First Biennial Report submitted to Congress, CAFTA-DR Governments have also made progress toward drafting and enacting labor legislation and reform to bring labor codes in line with the goals identified in the White Paper. Evaluation reports and popular sentiment include concerns about program sustainability. Many programs that have been funded and carried out with the goal of advancing White paper goals may not have any lasting impact unless they explicitly include provisions for fostering sustainability. Obstacles to sustainability include insufficient time to implement the intervention, changes in government personnel, lack of institutional will (or budget), and the creation of new structures or services without a sustainable funding source.3 As the current wave of funding winds down, the committee recommends emphasizing the importance of taking steps to foster sustainability for current programs. In addition, the committee recommends that sustainability be given a priority status in criteria for funding future programs under the reasoning that funding a short-term program with no permanent impact is an inefficient use of scarce funds. One specific way to support sustainability would be to support programs that strengthen stakeholder capacity.

D. USG Coordination and Integration

Both the CAFTA-DR Labor Capacity Building evaluation and committee members raised concerns about the fractured way that program funds are allocated (through the State Department and based on topic area). While recognizing some strengths of this approach, the committee recommends exploring the possibility of expanding allocation decision making towards a joint task force with representatives from USAID, Labor, and State. Such a taskforce should include experts outside these agencies to strengthen cooperation and program efficacy. This approach would have the advantages of reduced redundancy of program efforts, the possible establishment of shared criteria (for program selection and evaluation), and possibly a more efficient allocation based on full information of each agency’s full portfolio of talent.

E. Specific Short-run Concerns

The ILO Verification Report consists of a periodic review of progress towards White Paper goals and includes specific suggestions by country and topic area that represent immediate “next steps” to resolve specific issues. The committee recognizes and supports these “short-run” recommendations as important steps to make progress towards White Paper goals. The committee reiterates, however, that addressing the long-run and medium run concerns above are very important for achieving long-run improvements in labor conditions in CAFTA-DR countries.

3 Taken from the CAFTA-DR labor capacity building evaluation, p. 36.