



ILO EVALUATION

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This evaluation has been conducted according to ILO's evaluation policies and procedures. It has not been professionally edited, but has undergone quality control by the ILO Evaluation Office.

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List of Acronyms

| | |
|----------|---|
| ALGI: | Association of Lao Garment Industry |
| CTA: | Chief Technical Advisor |
| C.81: | ILO Labour Inspection Convention |
| DWCP: | Decent Work Country Programme |
| EU: | European Union |
| GSDC: | Garment Skills Development Centre |
| IDA: | International Development Association |
| ILO: | International Labour Organization |
| IO: | Immediate Objective |
| LFTU: | Lao Federation of Trade Unions |
| Lao PDR: | Lao People's Democratic Republic |
| LMD: | Labour Management Department (of MoLSW) |
| LNCCI: | Lao National Chamber of Commerce and Industry |
| M&E: | Monitoring and evaluation |
| MoLSW: | Ministry of Labour and Social Welfare |
| NSEDP: | National Socio-Economic Development Plan |
| NIU: | National Implementation Unit (of Ministry of Industry and Commerce) |
| NPC: | National Project Coordinator |
| NCE: | No-Cost Extension |
| PAC: | Project Advisory Committee |
| PAD: | Project Appraisal Document (World Bank) |
| PRODOC: | Project Document (proposal document) |
| SDG: | Sustainable Development Goals |
| SME: | Small Micro-Enterprise |
| TDF: | Trade Development Facility |
| TDF-2: | Second Trade Development Facility |
| WIC: | Workplace Improvement Committee |
| WIP: | Workplace Improvement Plan |
| WTO: | World Trade Organization |

Executive Summary

Background and Context

This document reports on the findings of a final evaluation of the International Labour Organization's (ILO) "Improving the garment sector in Lao PDR: Compliance through inspection and dialogue" project, funded by the International Development Association (IDA) through the Trade Development Facility 2 (TDF-2) fund. The evaluation was commissioned in June 2017, under ILO's evaluation policies, and conducted by an independent evaluator.

The project aimed to improve working conditions, productivity and competitiveness in the Lao PDR garment manufacturing sector by strengthening the national labour inspection system to ensure compliance with national labour laws in line with international labour standards. It worked with the Ministry of Labour and Social Welfare (MoLSW) to strengthen the capacities of the Labour Management Department (LMD) to improve labour inspection in Lao PDR. The project also worked to improve knowledge of rights and responsibilities under the Lao PDR labour law, and improve working conditions in factories through workplace improvement committees (WICs) and workplace improvement plans (WIPs). The goal of this work was to make the garment factory more competitive and productive.

The project is funded by a multi-donor fund through the 2nd stage of the Trade Development Facility (TDF-2), which is administered by the National Implementation Unit (NIU) of the Ministry of Industry and Commerce, and made available to the Government of Lao PDR through the International Development Association (IDA) of the World Bank.

The project was scheduled to start in June 2014 and designed to run for 33 months until February 2017. Due to delays in negotiating the contract, the project eventually started in January 2015. In mid-February 2017, the NIU agreed to a no-cost extension (NCE) to run until August 2017.

The development objective of the project was:

"To improve compliance and working conditions and to increase competitiveness of the Lao garment industry."

The project had three immediate objectives (I.O.s):

"I.O. 1: The capacity of the labour inspection system in Lao PDR is improved so that it can effectively undertake labour inspection functions for the benefit of workers and employers in the garment sector.

I.O. 2: Workers and employers in the garment sector are aware of their rights and obligations and understand how to achieve compliance.

I.O. 3: Factories improve working conditions and productivity through workplace cooperation using the Project advisory and training services"

Purpose, Scope, and Clients of the Evaluation

The TOR laid out the purpose of this evaluation as

"The purpose of this evaluation is to assess the relevance of the intervention objectives and approach; establish how far the intervention has achieved its planned outcomes and objectives; the extent to which its strategy has proven efficient and effective; and whether it is likely to have a sustainable impact. It is an opportunity to take stock of achievements,

performance, impacts, good practices and lessons learned from the implementation of the project to improve productivity, competitiveness and labour standards in the garment manufacturing sector, where a majority of workers are female.”

This is a final evaluation conducted under ILO’s evaluation guidelines. It covers the entire period of the project, and seeks to understand the successes and challenges of implementation, and identify lessons learned and emerging good practices which can be used for future project design both in Lao PDR and elsewhere in the region, as well as offering recommendations to the tripartite constituents on future activities.

The evaluation used a mainly qualitative methodology, combining a desk review of secondary data with skype calls, semi-structured interviews, and a short stakeholder rating survey. The evaluation was conducted by an external evaluator who had no prior connections to the project. A field visit of 5 days to Lao PDR allowed for data collection from various stakeholders including MoLSW, the core group of Labour Inspectors, the Association of Lao Garment Industry (ALGI), Lao National Chamber of Commerce and Industry (LNCCI), the Lao Federation of Trade Unions (LFTU), the Garment Skills Development Centre (GSDC), employees at garment factories, donors, and various consultants and staff who had worked on the project. A stakeholder de-brief to present initial findings and discuss recommendations was held at the end of the evaluation mission.

Findings

The evaluation found the project to have implemented the majority of activities and achieved most of the short-term outputs identified in the PRODOC. The project has been implemented in a short period of time, and the project has supported some significant policy changes and strengthened capacities of various partners. However, the long-term impact of the project is very much dependent upon the actions of the tripartite constituents in the next six months to one year. The work of the project requires follow-up to ensure the changes are institutionalized. Final judgements on value for money, long-term impact, and sustainability are thus dependent upon the willingness and resources of the tripartite constituents, particularly MoLSW, to consolidate the gains of the project.

Relevance

The project was found to be relevant to the needs of the stakeholders in Lao PDR. The project was initially designed to address issues of competitiveness within the garment industry through strengthening the capacities of the labour inspectorate to support the factories to improve working conditions, and worker and management knowledge of labour rights and obligations. The project has evolved to focus on strengthening the labour inspector system as a whole through using the garment factories as pilots for new policies, procedures and training. The strengthening of the labour inspectorate is very relevant to the needs of country as a whole, and not just the garment industry. It aligns with Lao PDR’s strategic plans and its attempts to align with various international labour standards and the Sustainable Development Goals (SDGs).

The project has responded effectively to the needs of the LMD, and to a lesser extent to those of the garment industry and its workers. The project has not been particularly effective at mainstreaming gender and thus responding to the specific needs and vulnerabilities of women who work in the garment industry, the majority of whom are under 25, poorly educated, and new to the capital.

The project aligned with ILO’s strategic priorities. It supported targets with the Lao PDR Decent Country Work Programme (DCWP), the Programme and Budget Outcomes for 2018-19, and various ILO conventions, in particular C.81.

Validity of Project Design

The problems identified during the project design are still relevant. Awareness and respect for labour law, working conditions in the factories, and concerns over productivity levels still remain, although some improvements have been made on the first two in the pilot factories. The labour inspectorate remains a key tool in addressing many of these issues, and thus the strengthening of the Labour Management Department (LMD) remains relevant to the context.

The project responded effectively to most of the recommendations of the mid-term evaluation. Relevant adjustments to the project were made which have supported the achievement of the I.O.s. Outstanding issues remain, which are being addressed in the closing months of the project.

The main concerns with project design come from the ambitious nature of the project and whether the systems used in the project are sustainable. The project was too short to ensure the changes from the project are systematized with tripartite partners' operating procedures. The design also created a system where Labour Inspectors provided in-depth support for participating factories. Although this allowed the project to encourage participation of the factories, and gave the Labour Inspectors a platform to test their new skills and tools, it is not a sustainable approach in the long-run. The project was unable to expand to more factories as originally planned, and the lack of mandatory elements meant the participation of the pilot factories was very varied. The participation is on voluntary basis, and the project works with an industry which in Lao PDR faces considerable competitive disadvantages compared to neighbouring countries, magnifying the profit considerations of the factories.

Effectiveness

The project has achieved most but not all of its I.O.s, and questions remain about the long-term impact and sustainability of the gains made by the project. The project has strengthened the capacity of the LMD and improved the functioning of the labour inspectorate. Improvements in knowledge of labour rights and obligations have been made in the pilot factories, and there is evidence of at least some improvement in working conditions in many of the pilot factories. However, the scope of the gains in the factories is less than the original ambition of the project, as the project did not expand the number of pilot factories after the first year. The gains in knowledge and working conditions vary between factories, and it is not clear how well project gains have been disseminated among factory floor workers. It is not possible to identify whether productivity has improved or not as a result of the project.

The project has had the support of the tripartite constituents but could have been improved with better pro-activity from the LFTU, ALGI, and the LNCCI. Ownership of the project since the mid-term has improved, particularly from LFTU as they have become involved in more activities, but there is still a tendency to see the project as owned by ILO and MoLSW, rather than a coordinated effort of all the parties. Progress towards achievements was often dependent upon government processes, and the volume of responsibilities of some key MoLSW staff delayed responses to requests and activities at times during the project.

The project has made important steps in strengthening the capacity of MoLSW on information management and monitoring and evaluation (M&E). ILO supported the development of a labour inspection checklist, compliant with C.81, and the Labour Inspectors have been training on its use and piloted tested it recently. However, to safeguard the sustainability of these gains, MoLSW needs to ensure the information management system to collect, collate, and analyse information from the provinces and districts is installed and Labour Inspectors given training on its use. MoLSW also needs to ensure the management structure and system for coordinating with the provinces and districts is clear so the information is obtained in a timely manner.

The project has been less successful in strengthening the M&E capacities of the garment industry. Although WIPs have been developed, it has proved difficult for updated plans to be obtained, which may partly be a function of a lack of clarity as to who is responsible for doing this.

Effectiveness of Management Arrangements

The internal management of the project has been generally effective. The project received regular support for various technical experts in Bangkok, which has supported capacity building and the development of tools. The project was open to the use of innovative approaches from the technical experts. The project had a relatively stable staff base. There were two CTAs but the efficient recruitment process meant only minor gaps in placement. The national staff provided a strong team to support the CTA but the loss of the national staff in February 2017 because of them identifying other positions before the NCE was approved was a minor challenge to implementation at the end of the project, but more importantly means the loss of institutional knowledge within ILO for future projects.

Efficiency

The project budget was \$1.3 million. The project will not utilize all of the budget. The project has used project resources in an efficient manner, with the exception of the purchase of a vehicle which has not been used due to a lack of budget for a driver. The distribution of resources between I.O.s is justified, and the project has been able to leverage the support of technical expertise in Bangkok effectively.

A judgement on the overall value for money of the project depends upon the actions taken to ensure sustainability by the project partners in the coming months. If the gains can be sustained, particularly by institutionalizing the policy changes in the LMD, then the impacts of the project should spread to sectors and workers beyond the immediate beneficiaries, and the value for money of the project should increase. However, if the necessary steps are not taken and so the impact is not felt beyond the short-term impacts during the project itself, it would be hard to justify the donor's investment.

ILO should also consider if there are ways they can reduce the cost of expatriate staff for smaller projects. The cost of the CTA took up 36% of the budget. Whilst very effective, and needed for the project, it is a high cost, particularly compared to the cost of national staff. Cost-sharing expatriate positions by more than one project could address this issue.

The project was too short for the ambitious nature of the PRODOC. The project required significant policy changes in I.O.1 to support the activities in I.O.2 and I.O.3. The original timeline expected these changes to be made in the early months of the project. This was too ambitious, and these changes took time. Although most of the project activities will be complete by the end of the project, the impact of them is lessened by the limited time-frame of the project, and questions about sustainability increase as a result.

Impact

The evaluation found the project had made a positive contribution to policy changes and updated labour inspectorate practices within I.O.1. The approval of Ministerial Decision 4277, the development of the labour inspection checklist and the requirement for its use to be mandatory during labour inspections, and the development of a labour inspection manual covering 7 key areas of labour inspection, have been good developments in the goal of establishing a functioning labour inspectorate that supports Lao PDR's compliance with international standards and norms. The impact on the

ground is yet to be felt significantly because the development of the policy and guidelines took time, and have only recently been approved.

The project also had some impact in the pilot factories. Supporting the development of WIPs and WICs had ensured working conditions had improved in the factories which had addressed the concerns raised in the WIPs. The project had also been successful in increasing awareness of labour rights and obligations within factories, although because of the difficulty in obtaining permission for workers to attend training, or meet with the survey consultant and evaluator, it is not clear how effectively these messages have been spread to the factory floor workers. LFTU has begun to address this concern, but their work has been limited to date. There was general agreement along the project stakeholders that the impact on productivity was either limited or there simply was no way to assess the impact.

Sustainability

The sustainability of the project, and by extension the overall judgement on success, will be dependent upon actions taken by the tripartite constituents, with the support of ILO, in the next few months and years. The major impact of the project has been in the LMD. The project has supported the development of policy and practical changes which give the possibility of a strong and effective labour inspectorate developing in the coming years. The changes could allow for the inspectorate to reach not just the garment industry, but also other key industries in Lao PDR, such as construction, mining, agricultural, and tourism. However, to achieve this, MoLSW needs to ensure their strategic plan is finalized, provincial inspectorate plans which complement the national plan are developed and implemented, a suitable budget for the LMD is secured, the information management system is finalized and operationalized, and clear lines of reporting for the Labour Inspectors are finalized in a manner which provides mentoring, back-up, and management. The Government of Lao PDR will need to support regulatory enforcement as well. This is a challenge which impacts the ability of the Labour Inspectors to take enforcement action. If this is addressed and the above actions are taken, then the policies and tools put in place by the project should prove sustainable.

There is less evidence of sustainability of the project within the garment sector. The project designed a structure which saw the Labour Inspectors providing regular advisory services through support in setting up WICs and implementing WIPs. While this allowed the core group of Labour Inspectors to develop their skills and pilot test products, it does not support scale up to other factories or industries, because the Labour Inspectors will not have the time to provide this. To continue the work in the garment factories, either the factories themselves, ALGI, and LFTU need to take more initiative to implement activities, or another project needs to be designed to provide support. If another project is designed, it should include mandatory elements that require participation in certain activities from the participating factories.

The project has had some success in building local capacities. The capacity of MoLSW to run a functioning labour inspection system has increased through adopted policies, improved strategic planning, and stronger knowledge of Labour Inspectors. MoLSW has been conducting training itself to the provincial Labour Inspectors which is a positive sign. The caveat to this, is that the issues listed above need attention to ensure sustainability, and MoLSW is under-staffed and under-resourced which increases the challenges of completing all necessary activities. There is some evidence the awareness and understanding of LFTU towards the need for factory floor representation and collective bargaining are starting to increase, although more work is needed to solidify these gains. ALGI and LNCCI have also been involved in training during the project, and as such their awareness of labour inspection and labour law has increased. However, more pro-activity by the garment sector is needed

to take on tasks necessary for compliance which should be the responsibility of the garment sector and not the Labour Inspectors.

Gender Concerns

Although some gains have been made during the project, awareness of gender equality and issues such as sexual harassment remain low. Project participants have received training on gender equality, and the labour inspection checklist contains sections on gender and other forms of discrimination, which is a positive development. However, the evaluation gave a clear impression that stakeholders do not consider these issues to be particularly serious or widespread, despite the factory survey consultant being privately told of a number of serious issues.

The project did not mainstream gender in the manner laid out in the PRODOC. The needs assessment conducted at the start of the project makes only fleeting references to gender concerns, and the project has not supported the factories in developing policies on sexual harassment.

Given the low baseline the project started at, the gains that have been made should be welcomed. It is also not surprising that intentions such as helping factories develop policies on sexual harassment could not be completed. Simply ensuring that training could be given to factory employees is a start. However, it would be wrong to say the project did all it could have on gender issues. For future projects, it would be advisable to have gender mainstreaming issues as a specific output or outcome of the project, and also to identify a women's organization who can be an implementing partner either during the design or early stages of implementation of the project.

Recommendations

| Recommendations | Addressed To | Priority and Timeframe | Resource Implications |
|--|---|---|--|
| 1. Ensure the provinces develop plans for labour inspections which complement the national labour inspection plan | MoLSW | High ASAP | Requires budget to be allocated |
| 2. Identify who will mentor and manage the Labour Inspectors after the project has ended. Clarify reporting lines. | MoLSW | Medium ASAP | Time and potentially salary |
| 3. Finalized the database and develop standard operation procedures listing responsibilities, including what analysis will take place. | MoLSW | High Urgent | Requires start-up and maintenance budget |
| 4. Identify ways to strengthen the capacity of the Labour Inspectors to conduct training. | MoLSW and ILO | Medium Ongoing | Include in future projects |
| 5. Be more flexible on visits (especially visits which include training.) Schedule at times which are easiest for workers to attend. | MoLSW | Low Ongoing | Limited |
| 6. Authorise other partners to support Labour Inspections. LFTU, ALGI, and LNCCI all have something to offer the labour inspection process. | MoLSW and other tripartite constituents | Medium Ongoing | Limited |
| 7. Strengthen presence of LFTU in factories by ensuring LFTU lead training, promote collective bargaining, and support the separation of management from Union leaders. | LFTU and ILO | High Ongoing | Consider how to include in future projects |
| 8. Identify who will lead the WIC process. | Tripartite constituents | High ASAP | Limited |
| 9. Support in developing case studies of emerging good practices to help sell the project to new stakeholders | ILO and ALGI | Medium Before the end of the project | Cost of consultant |
| 10. Try to include support for Labour Inspection in new project in different sectors. There are synergies to other work; rural development, OSH, women's empowerment. | ILO | High Ongoing | Requires donor support in projects |
| 11. Consider a specific objective on gender equality. Conduct a stakeholder analysis at the start/design stage of projects to identify women's groups that could be an implementing partner for the project. | ILO | High Ongoing | Requires donor support in projects |
| 12. Review how ILO can provide more continuity for projects and staff for stand-alone project, considering the lack of a country office. | ILO | Low Ongoing | Requires donor support |
| 13. If vehicles are included in a project, ensure either budgeted for a driver or driving requirement included in TORs. Review process of handing over vehicles in similar situations. | ILO | Low Ongoing | Consider when designing project budgets |

Background and Project Description

Background

The project was developed in 2013 as part of the second TDF fund. TDF-1 was a vehicle to support the accession process to the World Trade Organization (WTO) for Lao PDR. TDF-2 was developed to provide continued support to the Government of Lao to fulfil its objectives of meaningful poverty reduction through higher rates of economic growth. TDF-2 is a multi-donor fund supported by the World Bank, Australia, the European Union (EU), Ireland, and Germany. The funds are managed by the Government of Lao PDR, and the contract is between the Ministry of Industry and Commerce and ILO.

The ILO project was funded under component B2 of TDF-2 “Labour standards and manufacturing productivity”. This component sought to build on activities of TDF-1 and use the wider experience of ILO’s Better Work approach to improve competitiveness and productivity through focusing on the national labour inspection system and improving working conditions in the garment factories.

The grant for the project was awarded to ILO in a non-competitive bid process which recognized ILO’s unique position and abilities relevant to the project’s goals. Negotiation for the project was lengthy, and took place between January 2013 and July 2014. As a result, the project started later than original envisaged. The project began in January 2015, and was initially scheduled to run until the end of February 2017. At the end of 2016, the project was granted a 6 month NCE, and now will end at the end of August 2017.

The garment sector in Lao PDR is the largest manufacturing sector in the country, and the second largest formal sector employer behind the government. The industry employs around 28,000 workers in approximately 60 exporting and 50 sub-contracting factories. Despite this, Lao PDR’s garment sector is small compared to its neighbours such as Thailand, Vietnam, and Cambodia. It suffers from comparative disadvantages including high transport costs due its landlocked status, and labour shortages because of a high turn-over of staff, competition from other industries, and a much higher minimum wage in neighbouring Thailand.

The workforce is mostly women under 25 who come from rural locations outside of Vientiane. They often have low educational levels and come to Vientiane to earn money to send back to their families and/or to generate funds to support their education. Many see the work as a temporary opportunity until better opportunities arise. Other workers see the work as seasonal, providing an opportunity to earn money outside of the key agricultural seasons, and return home to their farms when needed. The awareness of labour rights and contractual obligations is very low.

Firms complain of low productivity, with a tendency to blame workers for being low skilled, uneducated and having a poor work ethic. There is little recognition that poor work conditions and abuse of labour rights also contributes to low productivity. Due to the high turn-over of staff, factories are reluctant to invest in training their staff, and thus the sector remains trapped in a low production cycle.

Despite 85% of the workforce being female, a World Bank survey found ownership of garment factories is male dominated, with two thirds being male owners. Management in the factories is more equal, with half of the managers being female¹. Awareness of gender issues such as sexual harassment

¹ World Bank survey of Lao garment sector, 2012

or gender equality is very low, and perceptions of traditional gender roles affect which positions men and women are likely to work in in the factories.

Regulatory uncertainty and enforcement are a problem in Lao PDR. One of the problems identified by the project was a lack of clarity over the legality of ministerial decisions on labour inspection. The ability of Labour Inspectors to enforce regulations and sanction non-compliant companies is challenged by this lack of clarity and limited willingness to support enforcement.

Project Description

The project was designed to address the concerns of productivity and working conditions in the garment industry. The project was initially promoted by ALGI, who requested the implementation of a Better Work project. The Project Appraisal Document (PAD), makes regular reference to the idea of drawing on the successes and experiences of the Better Work programs in Vietnam and Cambodia. During the design of the project, it was agreed a full Better Work program was not suitable because of the small size of the Lao PDR garment industry or feasible within the budget allocated to this component of TDF-2. The project instead was designed to replicate elements of the Better Work program, and mobilize the resources of the Labour Inspection Unit of MoLSW to promote working conditions improvement.

The project was funded under component B2 of TDF-2:

“Building on activities in the garments sector under TDF-1, as well as the wider experience of the "Better Work" approach, this component will aim to improve productivity, competitiveness and labor standards focusing on the garments manufacturing sector, an industry where a majority of workers are female. Activities will include (i) a factory standards improvement scheme; and (ii) the transition of the Garment Skills Development Centre towards financial and operational independence.”

The project was responsible for activity (i).

The overall project strategy was to work on three levels. The PRODOC stated the project will:

“build the capacity of the labour administration and the labour inspection to achieve compliance, using up-to-date ILO tools and methodologies and reflecting lessons learned from working with labour inspectorates in the region. It will develop and implement an awareness-raising strategy for workers and employers so that they are aware of rights and obligations under the labour law. Thirdly, it will build on these first two elements and implement a targeted compliance strategy for the garment industry.”

The development objective of the project was:

“To improve compliance and working conditions and to increase competitiveness of the Lao garment industry.”

The project had three I.O.s:

I.O. 1: The capacity of the labour inspection system in Lao PDR is improved so that it can effectively undertake labour inspection functions for the benefit of workers and employers in the garment sector.

I.O. 2: Workers and employers in the garment sector are aware of their rights and obligations and understand how to achieve compliance.

I.O. 3: Factories improve working conditions and productivity through workplace cooperation using the Project advisory and training services (Immediate Objective 1, Output 1.7 is directly linked to this I.O.)”²

A series of activities were laid out under each I.O., with indicators and monitoring approaches laid out in the project’s logical framework.

The project has a theory of change which argues that the development of labour inspection skills and the creation of enterprises’ WICs would lead to the labour inspectors to support the WICs identification of compliance issues and production improvements. This in turn would lead the enterprises to remedy compliance issues and improve production, which allow buyers to respond to the improved competitiveness and demonstrated compliance. At its core, the project focused on the idea that improved working conditions would help the enterprises reduce constraints such as turnover which harm productivity in Lao. The increase in productivity would increase competitiveness, and this, along with the greater attention to working conditions, which has become increasingly important for multi-national companies subject to social pressures, would lead to the Lao PDR garment industry becoming more attractive to international buyers.

Unlike a Better Work program, the project did not have mandatory elements for participating factories. It also did not have a certification process to enable factories to present their compliance with international labour standards to potential buyers. The role of the enterprise assessor and assessment staff, which in a Better Work project is under the authority of ILO, was designed to be played in part in this project by the Labour Inspectors. The project envisaged them being responsible for both enforcing Laos PDR’s labour laws, and supporting the factories through helping to set up WICs and offering advice on how to address identified improvement needs.

- Implementation responsibilities

The TDF-2 fund was managed through the National Implementation Unit (NIU) which is part of the Ministry of Industry and Commerce. The NIU is responsible for oversight of the funds distributed through TDF-2, and ILO reported to them throughout the project. A project advisory committee (PAC) was formed to support the project, which consisted of representatives from key stakeholders including the NIU, the donors, MoLSW, LTFU, and LNCCI.

The project was staffed by three permanent ILO staff. An international CTA was appointed at the start of the project. The original CTA chose to not renew her contract after the first year, and a second CTA was recruited and in-post within two and a half months of the first CTA leaving. The CTA was supported by two national staff members, a National Project Coordinator (NPC) and an Administrative Assistant. The NPC took up her position in May 2015, and the Administrative Assistant in April 2015.

The project was originally planned to be completed at the end of February 2017. A NCE was discussed with the NIU during 2016, but not finally agreed to until mid-February 2017. By this time, both the NPC and Administrative Assistant had found alternative employment. As a result, the project has been without national staff support since February. The CTA’s contract ended at the end of June, and the

² The PRODOC contains two different descriptors for I.O.3. On page 17, where the I.O.s are first written, I.O.3 is “The Project’s assessment, advisory and training services allow factories participating in the Project to adhere to national labour law and international labour standards and improve competitiveness through workplace cooperation.” However, in every other location of the PRODOC, and in the progress reports, the I.O. is written as described above in the narrative of this report. For the purposes of the evaluation therefore, it is taken that the more common version, and the one used in progress reports, is the accepted I.O. that ILO worked to achieve.

project will be remotely managed through Bangkok, with support from ILO's Country Representative in Lao PDR.

The project has been housed within MoLSW. MoLSW have provided office space for ILO, and have received support from MoLSW staff on certain administrative functions, such as coordinating with the factories. This has particularly been the case since ILO's two national staff left the project.

The project receives technical backstopping from the Decent Work Team-Bangkok. The CTA reports to the Director of the ILO Country Office for Thailand, Cambodia and Laos and works closely with the Labour Administration and Labour Inspection Specialist based in Bangkok. Other ILO expertise is provided from the Bangkok Office for various experts in trade unions, enterprise development, and gender.

Purpose, Scope, and Clients of the Evaluation

The purpose of the evaluation as laid out in the TOR was to conduct a final evaluation as per ILO's Evaluation Policy. Evaluations are conducted by independent consultants who do not work for ILO nor have any connection to the project being evaluated. Evaluations give ILO, the tripartite constituents, other implementing partners, and donors, the opportunity to assess the appropriateness of design, how effectively and efficiently the project was implemented, and understand what impact the intervention has had and will continue to have.

The TOR laid out the purpose of this evaluation as

"The purpose of this evaluation is to assess the relevance of the intervention objectives and approach; establish how far the intervention has achieved its planned outcomes and objectives; the extent to which its strategy has proven efficient and effective; and whether it is likely to have a sustainable impact. It is an opportunity to take stock of achievements, performance, impacts, good practices and lessons learned from the implementation of the project to improve productivity, competitiveness and labour standards in the garment manufacturing sector, where a majority of workers are female."

The evaluation is intended to provide lessons that help inform the design of future programs in Lao PDR and elsewhere in the region, and reflect on the country-level implementation of the principles enshrined in ILO conventions, most specifically the Convention on Labour Inspection (C.81) and the Promotional Framework for Occupational Health and Safety Convention (C.187).

The evaluation's scope covers the entire period of the project, including design and implementation. The TOR required the evaluation to address the achievement of objectives, explaining how these had been (or not been) achieved. The evaluation sought to look at expected and unexpected outcomes. It covers impacts and outcomes at various levels including government policy, capacity gains of tripartite constituents, and impacts on factories and garment sector workers.

The intended users (or clients) of the evaluation are the management team of the project, the GOVERNANCE unit of ILO, ROAP (the administrative unit), and NIU, IDA and contributors to the multi-donor fund as the administrators and donors of the grant. The evaluation is also intended for use by MoLSW, LFTU, LNCCI, ALGI, and other implementing partners who have an interest in the project.

Evaluation Criteria and Questions

ILO's evaluation guidelines³ expect evaluations to follow the five main criteria laid out in the OECD/DAC Principles for Evaluation of Development Assistance⁴. These are relevance, efficiency, effectiveness, impact, and sustainability. The standardized criteria allow ILO and other users to compare the results of evaluations between programs. ILO also expects gender to be mainstreamed in its evaluations. This evaluation added an additional criterion, gender equality, to the standard 5 criteria. A final criterion of 'special aspects to be addressed' was included. These questions are answered within the other criteria in the report. The questions for each criterion are laid out below.

Following review of the initial draft, the Evaluation Manager suggested adding sections for validity of project design and effectiveness of management arrangements. These were not separate criteria considered during the evaluation but added to support the ease of reading of the report and to separate out key areas identified by ILO during the first reading of the draft. As such, particular questions were not developed for these sections, but the points were drawn out from data gathered to answer the questions below.

| Evaluation Criteria | Key Evaluation Questions |
|---------------------|--|
| Relevance | <p>1.1 Has the project responded to the real needs of the project stakeholders in Lao PDR?</p> <p>1.2 Do the problems and needs that gave rise to the project still exist or have changed significantly?</p> <p>1.3 Did the project address the major causes of vulnerability and respond to prevalent forms of exploitation among garment workers, especially women workers?</p> <p>1.4 Was the project design adapted as per the midterm evaluations' recommendations- appropriate for achieving its intended development impact?</p> |
| Effectiveness | <p>2.1 To what extent did the project achieve the three immediate objectives set forth in its logical framework?</p> <p>2.2 How effective was the internal management of the project? (Including strategy and work planning, staffing arrangements and capacities, governance and oversight, monitoring system, technical backstopping support from ILO DWT-Bangkok, GOVERNANCE-Geneva, etc.)</p> <p>2.3 Was the project successful in obtaining the support and cooperation of government and social partners at national level?</p> <p>2.4 Were implementing partners strategically selected and effective in carrying out the project activities? (i.e. possess the necessary project management skills and achieve the objectives outlined). If yes/no, why?</p> |

³ http://www.ilo.org/eval/Evaluationguidance/WCMS_168289/lang--en/index.htm

⁴ <http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

- 2.5 Have the capacities of partner organizations been nurtured and supported on collection and analysis of M&E data?
- 2.6 Has a management information system been established to ensure that data is regularly analysed and incorporated in management decision-making? Has M&E data been disaggregated to show the project results for women and men and different stakeholder groups?
- Efficiency
- 3.1 Was the project's use of resources optimal for achieving its intended results? (Financial, human, institutional and technical, etc.)
- 3.2 Were activities completed on-time/according to work plans?
- 3.3 Was the funding and timeframe sufficient to achieve the intended outcomes?
- 3.4 Which project activities represented the greatest value for money in terms of achieving specific objectives of the project?
- 3.5 Were cost-sharing arrangements or in-kind contributions sought from partners to complement the project's resources? (From other ILO projects, inter-agency initiatives, cooperation with tripartite constituents and CSO partners, etc.) Which were the most effective for leveraging project resources?
- Impact
- 4.1 What impact did the project activities contribute to policy and practices related to labour law enforcement, improvement of working conditions, enterprise productivity and gender equality?
- 4.2 What changes did the project contribute to women and men garment workers?
- 4.3 What additional impacts do stakeholders foresee emerging after its completion?
- Sustainability
- 5.1 Were strategic plans developed and implemented to ensure the sustainability of the project's results among the target groups?
- 5.2 Which project-supported tools been solidly institutionalized by partners? Have any been replicated or adapted by external organizations?
- 5.3 Which project activities at national and local levels show evidence that they will likely continue after external funding is discontinued?
- 5.4 Has there been any local and/or private sector support provided for the project activities?
- 5.5 Has the project been successful in supporting the development of an enabling policy, legal framework, and institutional environment for sustainable changes in effective labour law enforcement?
- 5.6 Did the project work through local systems and processes and strengthen the capacity of these institutions?

| | |
|---------------------------------|--|
| | 5.7 Were tools, research, outcome documents and other knowledge products developed and broadly disseminated under the project? |
| Gender Equality | 6.1 Did the project activities benefit women and men equally? (Including migrant workers and government and social partner representatives) |
| | 6.2 Has the project supported the government to adopt gender-sensitive labour policies and enforcement mechanisms? (reflecting relevant the ILO Conventions/Recommendations) |
| | 6.3 Has the project been effective at addressing the vulnerabilities of women workers in highly gendered garment sector work? |
| | 6.4 Were risks to gender equality identified and appropriately managed? |
| Special Aspects to be Addressed | 7.1 What was the impact of the synergies between the project and other initiatives in the area? |
| | 7.2 To what extent the project has promoted ILO's mandate on social dialogue and international labour standards? |

Methodology

The evaluation methodology was designed during the inception period to meet the needs of the agreed TOR initially developed by ILO, and agreed upon by the evaluator during the contracting period. Certain changes to the methodology were discussed and agreed between the evaluator and the CTA as the field data mission developed based on logistical realities. None of the changes materially affected the validity of the findings.

The evaluation was heavily qualitatively focused relying on semi-structured individual and group interviews as the main source of data, along with a focus group discussion with the core group of Labour Inspectors. The evaluator also collected stakeholder ratings for five key questions related to the I.O.s of the project. Secondary data was reviewed during the inception period and on an on-going basis for reference points during the data collection mission.

Data Collection

Desk Work

- Document review

The initial stages of the evaluation involved the CTA collating and emailing the evaluator a series of relevant project documents. This included the PRODOC with logical framework and budget, 4 progress reports, the mid-term evaluation and management response, translations of the Government of Lao PDR's Ministerial Decision 4277 and the national labour inspection plan, the latest WIPs and details of issues identified at the garment factories, and up to date financial reports. Additional documents identified as relevant were sent by the CTA and other key ILO staff during the inception period and the evaluation mission. A full list of reference documents is at annex 6.

- Factory survey

A key document sent during the inception period was the report on the survey of factories conducted by a national external consultant in May 2017. The survey was conducted in 8 factories through a

series of FGDs with factory management, WIC members, and floor workers. The evaluator was sent the report of the survey and the transcripts of the interviews from each factory. The evaluator met with the consultant during the evaluation mission to ask questions concerning the survey. The report provided valuable secondary data for the evaluation. Its importance was magnified because it proved very difficult to persuade factories to agree to meet with the evaluator during the mission.

- Skype Calls

The evaluation conduct Skype calls with ILO staff involved in the project during the inception period. Initial calls included two conversations with the CTA in order to gain understanding of the context of the project, current status, and challenges, as well as plan the mission schedule. An introductory call with the evaluation manager was also held. Calls with various back-stopping staff were held in the week prior to the mission. This included the Specialist in Labour Administration and Labour Inspection based in Bangkok who is the lead technical back-stopper for the project, and the Specialist on Labour Administration and Labour Relations, who work the original PRODOC and led negotiations with the NIU on the project design. Skype calls with ILO experts who have provided training during the project were also conducted. The calls were with a Specialist on Workers Activities and an Enterprises Development Specialist. Email communication in lieu of a Skype call was conducted with a Gender Specialist. A total of 7 Skype calls were held with 1 female (2 calls in total) and 5 males.

Field Visits

A data collection mission of 5 days was conducted in Vientiane, Lao PDR. Stakeholders deemed to be relevant to the evaluation included MoLSW, the core group of Labour Inspectors, ALGI, LFTU, LNCCI, the factories, GSDC, AusAid, the World Bank, the NIU, the EU, the consultant who conducted the factory survey, and the former National Project Coordinator for ILO. Regular discussions and briefings were held with the CTA on an on-going basis.

The following data collection tools were used:

- Semi-structured interviews

Semi-structured interviews formed the majority of data collection events. Interviews were conducted both individually and in groups, dependent upon the availability of various stakeholders. The largest number of individuals in a group interview was 4. Interview guides were developed during the inception period, and revised on an on-going basis as new questions and lines of enquiry arose from initial findings. A total of 12 interviews were held with 22 participants (10 F, 12 M). This included two group interviews in pilot factories where the evaluator was also able to observe factory conditions and be shown changes that have been implemented as a result of the WIPs.

- Focus Group Discussions

One FGD was held with 10 Labour Inspectors (6 M, 4 F). A series of pre-planned questions were put to the participants. Break-out groups were used to encourage participation of all participants.

- Stakeholder Ratings

The evaluation used a similar approach to the mid-term evaluation, to gain an understanding of the perception of stakeholders of the project. Five questions related to the I.O.s of the project were asked at the end of interviews and FGDs. These questions were posed to all stakeholders except the donors and NIU. During the FGD, the labour inspectors were asked to vote individually. In the group interviews, a collective consensus was reached among the interview participants for each question. A total of 18 responses were collected.

- Stakeholder De-briefing

On the final afternoon of the evaluation mission, the evaluator facilitated a debriefing for project stakeholders. Members of the PAC were invited to attend. Representatives from MoLSW, ALGI, and the NIU attended, in addition to the CTA (3 F, 3 M). MoLSW's representatives included officers from the Labour Inspection Unit and the Department for International Cooperation. The debrief gave an opportunity for the initial findings of the evaluation to be presented, and the stakeholders to reflect on the project's successes and challenges.

Limitations and Potential Sources of Bias

- Access to factories

The main limitation of the evaluation is the limited access to the factories during the evaluation mission. The initial agreement between the evaluator and the CTA had been for the evaluator to visit three factories during the mission, and speak to WIC members, managers, and floor-workers. Despite considerable effort by the CTA, the ILO National Coordinator for Laos, and the MoLSW liaison officer, it proved difficult to obtain permission from the factories to visit. The reasons for this were unclear. The factory managers need to obtain permission from owners for visits to take place, and it is suspected they were unable to obtain such permission.

Visits to two factories were arranged by the MoLSW liaison officer. However, on both occasions, the factories only made management staff initially available to talk to the evaluator. On one visit the factory did send for a floor worker who is on the WIC, but the conversation took place in front of the HR Manager, and so there is considerable potential for the responses to have been biased.

This limitation is mitigated to a considerable degree by access to the report and interview data from the factory survey which was conducted about a month and a half before the evaluation. The work was undertaken by an independent consultant and was specifically designed to address whether the project had met I.O.s, expected outcomes, and project activities. However, the survey faced a similar limitation to the evaluation, that of access to factory floor workers. The consultant was able to have greater access to floor workers than the evaluator, but this was still limited and done in the presence of factory management.

The limited access to factories led to a change in the methodology during the evaluation mission. The inception report had suggested obtaining 2-3 case studies detailing the reasons for success of particular factories in engaging in the project, and comparing these to factories where there had been less uptake of the project's products. The goal of this had been to try to document lessons learned that could be useful for future engagements. The limited access to the factories meant this option could not be utilized as the data was doing this was not available.

The change in approach was discussed between the evaluator and the CTA. A recommendation developed from these discussions is for ILO to contract the national consultant who conducted the survey to develop case studies with 2-3 of the best performing factories in the project. These would aim to detail the reasons for the strong involvement of the factories and also try to gather more data related to productivity and turn-over of staff which is currently not included in the data collection of the project.

- Translation

Interviews during the mission were mainly conducted through a translator. This naturally reduces the efficiency of interviews as messages and nuances can be lost during translation. The translator identified by ILO was an experienced translator who spoke extremely good English. As such the effects on the evaluation of the need to use translation are judged to be minimal.

Findings

Relevance

The project was found to be relevant to the needs of the project stakeholders in Lao PDR. The project addressed the gaps identified in the needs analysis conducted by ILO in 2015. The project was originally designed to respond to the needs of the garment industry to become more competitive. It was designed in to strengthen the LMD to replicate elements of a Better Work project. As the project has developed it has evolve to address the broader needs of labour inspection in Lao PDR, using the garment industry as a pilot testing ground. Overall the project has responded better to the needs of the labour inspectorate than the garment industry.

- Government of Lao PDR Strategic Priorities

The project complimented the strategic objectives of the Government of Lao PDR's 7th and 8th National Socio-Economic Development Plans (NSEPD). Support to the garment industry is a key feature of the 7th NSEPD, and strengthened labour laws, ensuring compliance with international ILO conventions, and strengthening the capacities of provincial and district staff to enforce the laws are an important feature of the 8th NSEPD.

The project has made strong gains in developing policies and tools which are compliant with international labour standards. The Government of Lao PDR's 8th NSEPD (2016-2020) identifies labour standards, labour law and the protection of workers as being important to reducing poverty in the country through continuous inclusive and sustainable growth. This is Outcome 1 of the NSEDP.

Outcome 1, output 5; 'Improved Public/Private Labour Force Capacity' states the goal of 'Create employment opportunities for Lao workers that are consistent with international labour standards. Ensure that Lao workers are protected by effective labour laws and domestic and international ILO Conventions.' To achieve this, the plan sets out the target of 'Improve regulations and mechanisms that ensure compliance with labour laws as revised in 2014, and upgrade the capacity of responsible provincial and district staff to ensure effective implementation of these laws.'

The project was designed during the period of the 7th NSEPD (2011-2015). The 7th NSEPD highlighted the importance of the employment created by the garment industry, and the need to continue to invest in it. The 7th NSEPD also focused improving and simplifying the rules and organizational structure of public sector administration.

The project also had success in influencing the policies of the MoLSW and the LMD. These will be addressed in the effectiveness and impact sections of the report.

- Relevance to ultimate intended beneficiaries

The ultimate intended beneficiaries of the project are the women and men who work in the garment factories, and the Labour Inspectors. Additional intended beneficiaries would include workers in other sectors who benefit from improved working conditions as a result of the increased knowledge of the Labour Inspectors. This group is more long-term, and would not have benefitted during the period of the project.

The project was relevant to the needs of the Labour Inspectors. Particularly in the final year of implementation, the project addressed a number of issues identified in the needs assessment conducted by ILO. This included working to ensure a cadre of full-time inspectors, developing tools for inspections, and building their capacity and confidence to conduct inspections. Certain concerns with

sustainability and laid out later in the report, but the activities themselves were relevant to the Labour Inspectors. Should the questions of sustainability be satisfactorily answered, then workers in factories beyond the pilot enterprises and in other sectors can benefit from the project as well.

The World Bank survey of the Lao PDR garment sector (2012) identified that workers were not well aware of labour laws or their rights. Many identified working conditions as being 'difficult and demanding'. The organization of workers was limited due to a lack of presence of the LFTU with floor workers. The project tried to address these concerns through I.O. 2 and 3. Project activities include awareness raising of labour rights and responsibilities in factories, and through the piloting of the WICs and WIPs in the participating pilot factories. This meant the activities were relevant to some of the needs of the ultimate beneficiaries, although the varied success in different factories and the concerns laid out in the next two paragraphs limit the achievements to a degree.

- Gender equality and major causes of vulnerability of garment workers

The project performed less well under this criterion in the areas of gender equality and addressing the main causes of vulnerability and exploitation of garment workers. The project has worked to address issues of gender equality, but the impact of this has been marginal, particularly in regard to stakeholders' understanding of the problems of gender inequality. The project achieved some, but not all, of the outputs on gender equality set out in the PRODOC.

The project was able to address some of the vulnerabilities of workers in the garment factories which participated in the project but the limited work on gender equality, and the lack of expansion beyond the initial 12 pilot factories reduces the impact of the project in this area. The limited reach of the LFTU in the factories also means that workers have limited fora for addressing concerns and grievances. The WIPs have given an opportunity to improve employer/worker dialogue, and there is evidence that this has been at least temporarily effective in many of the pilot factories. However, the WIPs are still effectively managed by the factory management, and the trade union representative is often the senior manager in the factory. This limits opportunities for workers to freely voice concerns and the LFTU to address worker vulnerabilities.

- ILO Priorities

The project was also relevant to ILO's DCWP, and its regional and global objectives on the promotion of labour inspection, working conditions, and decent work. ILO was able to leverage its comparative advantage of access to the tripartite constituents in order to support the development of ministerial decisions and utilization of tools which are compliant with ILO C.81.

Although the project was developed during the period of the last DWCP, the project continues to align with the current DWCP 2017-2021, demonstrating the continued relevance to Lao PDR. Specifically, the project supports priority 2, "Promote ratification and implementation of international labour standards", with outcome 2.1; "Increased quality of labour standards and protection through Labour Law implementation" and outcome 2.2; "Increased ratification and application of international labour conventions." The project also supports the cross-cutting priority; "Strengthen tripartite cooperation and social dialogue", particularly as the project has tried to work to improve the positioning of LFTU within the garment factories.

The Sustainable Development Goals (SDGs) were not in force before the design and start of the project, but the alignment of the project to certain elements of the SDG demonstrates its continued relevance. The project is aligned with goal 8, "Full and productive employment, and decent work for all", particularly 8.8, "Protection of labour rights and OSH, including migrant workers". The project also contributes to ILO's programme and budget outcomes (2018-19), specifically, outcome 7, "Promoting workplace compliance through labour inspection".

The project was effective in using ILO's comparative advantage. One of the main advantages ILO enjoys compared to other agencies working in this field is its access to senior policy makers of the tripartite constituents. In this project, the CTA and other ILO technical experts, have worked well with the Deputy Director General of MoLSW, the Director General of the LMD, and other key staff within MoLSW. This has helped facilitate key policy changes. ILO has also been able to engage other stakeholders including LFTU, ALGI, GSDC, and the factory management through appropriate use of its relevant technical experts based in Bangkok. This has particularly been the case as the project has gained speed in the last year and a half. For example, ILO's Specialist on Workers' Activities has been able to develop awareness within the LFTU of the need for collective bargaining and greater representation of workers in recent months. The access ILO enjoys, along with the strong technical knowledge held within the organization, are key advantages, and the project has leveraged these well.

Validity of Project Design

As discussed above, the project was relevant to the needs of the garment sector and the LMD. However, there were some challenges in the design of the project which affect impact and sustainability.

Although appropriate in many features, the design of the project was too ambitious for a two-year project, which may have been a function of the delay in project negotiations. This led to a re-thinking of certain outputs in 2016, following the recommendations of the mid-term evaluation. While this meant the reach of the project within the garment industry was reduced, the changes allowed the project team to work on trying to consolidate and institutionalize the project gains.

The mid-term evaluation made a series of recommendations, most of which have been acted upon. As a result, the project design was adapted accordingly. A management response was developed for the recommendations and updated in January 2017. The evaluation agrees with the responses written to the mid-term evaluation recommendations which lay out the status of the actioning of the recommendation. The exception to this assessment is the response to recommendation 11; "Report on gender mainstreaming in the progress reports" with the response, "The gender dimension is now covered in the technical progress reports." Although the reports do briefly touch on gender issues, these are only with respect to I.O.1, and the reports do not present the detail on gender mainstreaming which was originally proposed in the PRODOC.

Action on some of the responses is still outstanding or ongoing, although this is accurately detailed in the management response. Work on address how to communicate the results of the project to external stakeholders is still outstanding and the work on developing a labour inspection plan is still not fully complete. These issues are addressed in later in this report.

The voluntary nature of the participation of garment factories, and the role the Labour Inspectors played in developing the WICs and WIPs with the factories are the main issues of project design which affect impact and sustainability. These will be discussed in more detail later in the report, but briefly, the project was not able to expand beyond 12 pilot factories and the participating factories were requested but not required to update their WIPs and implement factory improvements. This has limited the scope of the project, and reduced the impact. The participation is on voluntary basis, and the project works with an industry which in Lao PDR faces considerable competitive disadvantages compared to neighbouring countries, magnifying the profit considerations of the factories. As such persuading factories to participate without the hook of a Better Work label was challenging. The Labour Inspectors played a key role in helping the factories develop the WICs and WIPs, and this is not level of involvement is not sustainable if the Government of Lao PDR wants the Labour Inspectors to be able to inspect other sectors and more factories.

Effectiveness

- Achieving Immediate Objectives

The project was effective in delivering most of the planned I.O.s, with the caveat that the long-term or broadness of the impact of some objectives can be questioned.

The project has strengthened the capacity of the LMD. The success of the work with the LMD is anchored by the approval of Ministerial Decision 4277, the development of a labour inspection checklist, and the dissemination of a manual on 7 key topics of the labour law⁵. These achievements are compliant with C.81, and provide a strong policy framework for the work of the LMD.

The knowledge of a core group of labour inspectors has improved as well. Discussions during the evaluation demonstrated the core group has a much better understanding of labour law and how to apply when conducting inspections. Participations in the FGD indicated their confidence had increased as a result of the project, and thus feel more able to conduct their responsibilities in the factories. Feedback from the factories in both the evaluation and the survey showed that factories believe the Labour Inspectors offer more as a result of the project than they did even six months or a year ago. However, reservations were still expressed as to whether the knowledge of the Labour Inspectors was sufficient yet.

During the project period, MoLSW reduced the number of Labour Inspectors from 300 to 70, and appointed a group of 12 to be a core group for the project. Prior to the project, labour inspection was conducted by individuals who had various responsibilities, not just labour inspection. As such, inspections were carried out infrequently, if at all, by this group of 300. In response to the needs assessment recommendations, reflections within MoLSW, and the mid-term evaluation recommendations, MoLSW agreed to consolidate labour inspection within a group of 70 full-time inspectors. MoLSW has begun a process of training the Labour Inspectors in the provinces. Two trainings have so far been conducted, with a third planned for July 2017. The training is being conducted by MoLSW officers themselves using knowledge and training materials gained through the project. While the evaluation was unable to judge how effective the training has been because time did not allow for travel to the provinces, the roll-out of training, and the fact it is being conducted by MoLSW staff and not ILO, is promising in itself.

I.O. 1 states the purpose of improving the capacity of the labour inspection system is so effective labour inspection which benefits workers and employees in the garment sector can be undertaken. The project has been effective at building the capacity of the LMD, and particularly at encouraging structural reforms and policy changes. However, these changes took time. Ministerial decision 4277 was only approved in December 2016, and the checklist was piloted in the third quarter of 2016. Prior to this, the Labour Inspectors had supported the garment factories in setting up WICs and developing WIPs. This though was limited to the 12 pilot factories, and it is far from clear that the Labour Inspectors will have the time or resources to support WICs in other factories or industries. There have been limited inspections so far, and MoLSW will need to ensure a strong management structure is put in place, and the Labour Inspectors are supported to do regular, as well as issue/complaint based inspections, with a detailed plan and clear reporting structure.

⁵ The topics in the Labour Law Guidelines Manual are OSH, minimum wage, fundamental principals and rights at work, working hours, social security, and employment contracts.

This highlights one challenge of the project; namely the reliance on government processes in order to implement activities and achieve outcomes. The potential for key individuals within MoLSW to address project issues has been constrained by the over-loaded nature of their responsibilities. As such, timely responses to requests and the implementation of activities has been varied, which effects the overall delivery of outputs. Certain assumptions listed in the PRODOC, such as the expectation that the Government of Lao PDR would ratify C.81, requires cabinet approval and so is beyond the scope of MoLSW's individual influence.

I.O. 2 calls for workers and employers in the garment sector to be aware of their rights and obligations, and understand how to achieve compliance. Training has been conducted by ILO experts, Labour Inspectors, and LFTU on various topics. The training has been given to factory managers and the workforce. Over 600 workers and managers have been trained through the project. Feedback given during the factory survey demonstrated the training had had some impact on increasing the knowledge of workers and employers on rights and obligations. Participants shared they had a better awareness of health and safety, minimum wage laws, overtime rules, cleanliness at work, and the social security system.

The factory survey found it was difficult for floor workers to attend training because it takes them out of the production line. The management in most factories had not connected the idea that accepting reduced production on training days could be compensated for by the training increasing the production of the factory overall. Short-term profit considerations were given greater priority. There does appear to still be reluctance to release workers for training activities. However, training for workers had taken place, and it does seem these workers have a better knowledge of their rights and responsibilities. The training has often been passed onto other workers, either through word of mouth, or in some factories by the HR manager arranging separate sessions to pass on the information themselves, but it was not possible for either the evaluation or the factory survey to gauge how effective the training is or any gains in knowledge.

I.O 3 was designed to build on the work of I.O. 1 and 2, to improve working conditions in pilot factories who participated in the project. The project has partially achieved this objective. There have been improvements in working conditions in most of the factories which participated in the project but there was common consensus from many of the project stakeholders, including the factory management, that it was too early to identify if there had been gains in productivity as a result of the project.

Of the 12 factories who participated in the project, 10 have established WICs and 8 have developed WIPs. The core group of Labour Inspectors were assigned particular factories to support and WICs were established in the second half of 2015. By the end of 2015, 5 of the factories had developed WIPs, with the others developing them in 2016. The second progress report for the project stated that Labour Inspectors had committed to facilitate WIC meetings once a month. Data of visits of the Labour Inspectors was only available up to January 2017 by the time of the evaluation. The data shows that for most factories, the Labour Inspectors did visit once a month initially, but this had decreased after a few months. The factories also reported in the factory survey that they did not meet once a month any more either. This is perhaps not surprising.

Various comments included:

“Every 2-3 months, depending on the situation concerning the issues (i.e. have they been resolved)”

“It also depends if we have letters in the comments box. If we don’t see any letter we don’t meet regularly”

“Some months, we have problems to discuss in the WIC, some months we don’t have a problem”

Statements on the regularity of WICs from the factory survey

The pro-activity of the factories to meet without the Labour Inspectors varied between enterprises. During the evaluation, one of the factories visited indicate they would keep the WIC functioning even if the Labour Inspectors were not able to continue visiting the factory, and one of the factories said they needed the Labour Inspectors’ involvement to continue the WIC. Responses in the factory survey also showed that many factories rely on the presence of the Labour Inspectors for WIC activities to happen:

“If district team comes then we meet. They come to assess if factory conditions have improved”

“So far we met twice with the district staff. Normally we don’t really meet. If the district staff comes we meet the team. The District team does not come that often”.

Statements on the impact the Labour Inspectors have on the regularity of meetings from the factory survey

The evaluation was shown evidence of improvements which have been made to the factories as a result of the WIPs. These included painting yellow lines to demark safe areas to walk, the covering of open sewer drains to reduce the smell in the lunch area, and the installing of safe water dispensers. The factory survey also suggested that managers and workers feel that working conditions have improved because of the project. 7 out of the 8 factories visited for the survey felt the conditions had improved. In addition to physical conditions, other conditions such as factories respecting the minimum wage, over-time pay, and maternity rights had improved. One factory manager revealed they had not understood how the minimum wage was calculated but after training for the Labour Inspectors, had recalculated their rates leading to wage increases for staff.

The core group of Labour Inspectors had a mixed opinion as to whether working conditions had improved as a result of the project. Many believed that there had been some improvement at the margins, but this was often the easily ‘low-hanging fruit’ and some of the more substantial issues, such as ensuring contracts were compliant with labour law, or adjustments to building structures which were large-scale or expensive. The WIP system helps to raise issues of concern, but the final decision on whether to invest resources to ensure improvement rests with the factory owners. For bigger changes, there were examples given of owners being reluctant to make changes. This include resolving the problem of heat in the factory or repairing a damaged roof. To make further improvements ILO and ALGI need to identify ways to highlight the benefits of making these changes. Show-casing the one of the more active participant factories in the project, and demonstrating the gains they have made could help achieve this. The limited regulatory enforcement culture contributed to the uncertainty as to whether major changes would be made. Labour Inspectors shared they were not confident in issues fines or in whether the fines would be enforced. One positive example of a factory owner complaining about a fine to MoLSW but still be required to pay the fine was shared, but this will need to be enforced more broadly if the project is to have long-term success.

The project has not attempted to measure productivity in the factories and many stakeholders believe it is not possible to say whether productivity has increase or not. In the stakeholder rating questions asked at the end of interviews, 56% said the project had helped productivity a little, 28% said they were unable to judge and 11% said it hadn't helped at all. In the factories themselves, the opinion on productivity was similarly mixed. Some felt that productivity may have increased due to reduced staff turn-over, and at least one factory was able to demonstrate a marked improvement in staff turn-over since being trained on the correct application of the minimum wage. Others felt there had been no change.

The lack of a measurement tool for productivity makes it difficult to assess how effective the project has been in achieving this I.O.. A direct measure for productivity would have probably had too many independent variables making causality difficult to prove. External factors such as economic conditions, changes in garments produced when new orders arise, or the maintenance of machinery could all be factors outside the project's control which affected productivity. Comparing changes in productivity in participating to non-participating factories could have provided more detail, but given the difficulty in persuading even the participating factories to allow access to their locations, it would have probably have been difficult to persuade a non-participating factory to allow data collection. However, it could have been possible for the project to have set up a monitoring system to collect proxy indicators in the pilot factories. In particular, collecting data on staff turn-over per month would have been (and probably still is) possible. Conducting a staff satisfaction survey was another potential option.

- Developing M&E Capacities

Strengthening the LMD's capacity to collect, manage, and analyse data was a key activity in I.O.1, and vitally important for the long-term sustainability of the action. I.O.3 also had activities related to M&E. Output 3.4 required the measurement and reporting of progress in the factories.

To be able to manage a comprehensive national strategy for Labour Inspection in not just the pilot factories, but other garment industry enterprises as well as other sectors such as mining and tourism, MoLSW needs a system to track the implementation of the labour inspection plan, particularly its implementation in the provinces, and supports the analysing of meta-data to give a clear indication of where to target resources and what challenges might arise.

The project has made substantial steps in strengthening the M&E capacities of the LMD, but as with many of the other successes of the project, the work is in its early stages, and the commitment of MoLSW to institutionalize the M&E structure and sufficiently budget for it will be crucial in the coming months.

The project supported the development of a standardized check-list for labour inspectors. The check-list has been piloted and has been made mandatory for all inspection visits. The checklist was developed with the support of ILO's technical experts and is compliant with C.81. It includes questions about gender and other forms of discrimination. The checklist collects both quantitative and qualitative data and provides MoLSW with the opportunity to collect standardized information across sectors and provinces concerning the volume and results of inspections. MoLSW has also developed a labour inspection plan which lists objectives, indicators, activities, and resources needed to implement the plan. Measurement of many of the indicators, and thus the ability to monitor the implementation of the plan, will depend on having a functioning M&E system in place.

This is all strongly positive for the project. The challenge MoLSW faces in the coming months is completing this work. According to key MoLSW personnel, the national plan for labour inspection is

95% complete. The goal of the Ministry is to develop a three-year plan from 2017-2020 which fits into Government of Lao PDR's five-year NSEDP. This would be the first time the LMD has had such a plan. The monitoring system is 70-80% complete but the Ministry is yet to decide what platform it will be housed on. There is a need to ensure the system is usable by the provincial labour inspectors, and so will have challenges over access to computers and the internet, and training, but also needs to ensure that the limited resources in the central Ministry are not overwhelmed. If the process ends up being that the inspection forms are sent into a central location for data entry, it is highly likely the system will fail. A practical solution which is manageable by the provincial Labour Inspectors, but puts the responsibility on them to complete an electronic form will need to be found.

Concerningly, MoLSW does not yet have a budget allocated for labour inspection, and so does not know how much it can allocate to an M&E system. This will be addressed more in the sustainability section.

The project also aimed to ensure measurement and reporting on the WIPs in the factories. There is less evidence that this is being institutionalized as per the project's vision. The PRODOC stated that after one year of completion, the WIC would prepare a progress report detailing areas of improvement that have been made. This has not been done by any factory, although in some of the factories, WIPs are updated regularly with details of changes made as a result of the WIC's intervention. This is sporadic though. At the time of the evaluation, the project was able to supply the evaluator with WIPs from 8 factories, but many of these had not been updated since early 2016. The evaluator did see evidence that some factories are updating their WIPs but on their own but have not shared the updates with the Labour Inspectors (or the Labour Inspectors have not updated the records they share with the LMD). Although responsibilities for updating and reporting on the WIPs were agreed, they often are not followed. HR Managers should be responsible for updating the WIPs, but many do not prioritise this, and some have indicated the Labour Inspectors should be responsible for undertaking this role. The Labour Inspectors are supposed to be responsible for submitting the WIPs to the project liaison officer in the LMD, but this often was not done. These concerns would need to be answered if this element of the project is to be carried forward, and both the issue of who manages the Labour Inspectors and who is responsible for the WICs and WIPs will be discussed more in the sustainability section.

- Support of Tripartite Constituents and Selection of Implementing Partners.

Support for the project from the tripartite constituents and other implementing partners has been strong but the actual ownership of the work has been mixed. The mid-term evaluation highlighted that LNCCI, LFTU, and ALGI tended to see the government as taking the lead in the project. Although, there has been some evidence of greater involvement in the last year, the ownership of the project seems to still reside mainly within MoLSW and ILO. This may reflect the reliance or deference to government systems in Lao PDR and may impact the sustainability of the project's gains.

The key implementing partner in the project was MoLSW, with the social partners being important actors too. By and large, the selection of implementing partners was automatic because they were the agency aligned with the project's activities. MoLSW houses the LMD, and thus was always going to be the main partner. The LFTU is the only trade union in the country, and so their engagement was also important. On the employers' side, the project engaged with ALGI, LNCCI and GSDC. ALGI pushed the original project and were needed to engage the factories. As their parent organization, LNCCI was an obvious choice to be part of the PAC.

MoLSW has provided strong in-kind support to the project through allocation of office space and particularly since ILO's national staff left at the start of the year, through a liaison person who has

supported the CTA in contacting factories, developing request letters, and arranging trainings and meetings. MoLSW have also taken stronger ownership of the project by approving Ministerial Decision 4277, making the checklist mandatory, disseminating the labour inspection manual, and consolidating the LMD into a core of 70 full-time inspectors who they have taken responsibility to train. This addresses many of the concerns raised in the mid-term evaluation. MoLSW will need to take more control over the planning of training and management of the core group of Labour Inspectors now ILO does not have personnel working on this project. This is vitally important for the sustainability of the project.

The social partners have had some involvement in the project, but if the factory improvement element of the project is to be taken forward, will need to become more involved in the future. The structure of future work will be discussed in the sustainability section but there will probably need to be more impetus from the private sector to sell the benefits of factory improvement, and potentially finance future activities. LFTU have become more involved in the project since the mid-term evaluation. ILO has supported by bringing their technical experts to Lao PDR to offer training and guidance. LFTU have conducted training in the factories to raise awareness of worker rights and the labour law. There is potential for much deeper involvement, including working to have more representation among factory workers.

The mid-term evaluation also recommended “investigating concretely how the GSDC can be used to offer training in a sustainable manner at the enterprise level, where enterprises pay for services.” GSDC was originally developed through funds in TDF-1, and has received funding in TDF-2. Its main role is to develop skills related to production rather than working conditions. However, ILO did contract it to conduct soft-skills training for managers. The goal of this was to teach skills which promote effective and respectful management, and thus reduce management-worker tensions. This was conducted in May 2017, and feedback from a production manager who spoke with the evaluator suggested it had made an impact in how the dealt with issues with their team; “I shout less now, and try to resolve things more gently.”

The GSDC manager shared the difficulties she faced in persuading factories to pay for their services. Many of the managers had complained to her about registration fees and were of the opinion it was the responsibility of the government to provide skilled workers, and so they should pay for the training. Factories are also concerned about losing staff and worry that if they send staff to the training centre, other factories will use the opportunity to meet the workers and persuade them to join their factory. As such, she has had some success selling training to factories in their premises. This though is training in skills development for the production line, such as sewing or tailoring. The soft-skills training was financed by ILO. It remains doubtful whether factories would be prepared to pay for soft-skills training as the outcomes are not immediately apparent but take hold over a longer period of time as the skills learned begin to have some effect. Without being able to demonstrate quick and measurable impact, the chances of uptake remain low unless strong support is given by ALGI or other stakeholders.

The main gap in the selection of implementing partners is the absence of a women’s organization to support gender mainstreaming and education on gender equality. There are a number of women’s civil society organizations working in Lao PDR. For future projects, it is recommended that a gender assessment be conducted either during design or in the very early stages of the project, and an implementing partner selected to support the gender mainstreaming of the project.

Effectiveness of Management Arrangements

The project has been managed by the CTA in Lao PDR with backstopping provided from Bangkok by the Specialist in Labour Administration and Labour Inspection. The project employed a NPC and an Admin Assistant. Financial management and administrative oversight was provided by the Administrative Unit in Bangkok.

Recruitment was conducted efficiently. The initial CTA was in place by the start of the project, and by the general standards of recruitment in international development projects, replacing the initial CTA within two and a half months is fairly efficient. The opinion of one of the project's donors is that there were learning periods for two CTAs rather than one affected the project delivery 'strongly'. This concern was not raised by other stakeholders. It is recognized that the loss of institutional memory, the need for a new staff member to build relationships, and learn the context and particularly government systems, will have some impact on the delivery of the project, though opinion of whether delivery was 'strongly' impacted varied between stakeholders. The cost-effectiveness of the staffing is discussed in the efficiency section.

The main challenge to the project has been the lack of national staff in the last six months of the project. The project has had a reasonably stable staffing base. However, the project has faced the same problem many stand-alone projects face; staff turn-over towards the end of a project. Facing delays in knowing whether a NCE would be approved or not, both the NPC and the Admin Assistant found other jobs and as a result left the project in January 2017. The CTA took over all responsibilities between February and June as a result, although received support from a designated liaison officer in MoLSW. The project chose not to temporarily recruit admin support for the last few months of the project because it was believed, probably correctly, that the effort needed to train and orientate that person would be greater than the short-term benefits they would provide. It is understandable that staff, who have concerns such as family responsibilities to consider, would chose to secure employment for themselves. If the ILO wishes to strengthen the national capacities of its own staff, and develop strategies for mentoring NPCs to take over future projects, it may need to consider if there are ways to provide greater guarantees about career development and future projects. It would perhaps be incumbent upon donors to provide early indications of NCEs and follow-up projects. Without these guarantees, ILO is going to face problems of losing qualified national staff and needing to start mentoring again with every new project.

ILO does not have permanent representation in Laos PDR. Instead it has a National Country Coordinator and individual projects. As a result, the CTA reported directly to the Director of the Country Office for Thailand, Cambodia and Laos. Regular phone calls were held with the Technical Backstopper in Bangkok, and formal progress reports completed every six months. The process seems to have worked effectively. The main concern identified in the project was the sometimes lengthy process for approval of expenditure on activities. However, in 2017 approvals of expenditure requests were received much faster than in 2016.

Efficiency

A review of the current financial management reports shows that the project is currently underspent, and likely to remain underspent by the end of the project. The project was late starting, and this may have had some impact on the underspend, although the NCE was designed to try to account for this concern. The project has achieved most of its planned activities, and so the fact there is remaining budget suggests the project was originally over-budgeted. A budget revision was done in June 2016,

and a further one for the no-cost extension in February 2017, but the project is still scheduled to be underspent.

The tables below detail the total budget, actuals spent, and balance remaining for I.O.s and other expenses in Table 1, and for outputs per I.O. in Table 2. 42% of the original budget was allocated to personnel, with 28% for I.O. 1, 11% for I.O. 2, and 6% for I.O.3. Program support was allocated 7% of the costs with miscellaneous and M&E being allocated 3% each. I.O. 1 was the outcome which laid the foundation for the other two outcomes, and so the larger allocation of resources is reasonable.

In terms of actual allocation, the personnel percentage rises to 48%. This is due to the underspend on activities currently. As in-country personnel costs will now be zero for the last two months of the project, this percentage would be expected to drop. The amount it does drop will depend on how much of the remaining budget is spent on outstanding activities.

Areas which have underspend include both training and the production of training curricula. The reason for the underspend often seems to be that funds were allocated in two parts of the budget, and thus there was not such a need for the budget. Development of information on the labour law, training curricula for labour inspectors, and training curricula for factories overlap in many ways, and thus the project could economize. Other underspends can be traced to the reduction in the number of pilot factories from the original PRODOC plan. Not expanding in the second year to 20 factories meant less training needs and a smaller volume of awareness materials.

The TOR for the evaluation asks the evaluator to make a judgement on value for money. Overall this is hard to do because of the questions concerning the sustainability of the project, and the actions needed to be taken in the coming months to secure the status of the project. If the gains of the project are lost through inaction, then it would be hard to justify spending \$1.3 million to temporarily improve working conditions in 12 factories, and train around 600 workers on labour law and their rights. However, if the gains in the LMD are institutionalized and ALGI and LFTU can support continued work on factory improvement in the garment sector, then there is the potential for the gains of the project to diffuse out to many more workers in the garment factories and other sectors beyond, and potentially support some level of productivity gains. If this is achieved, then the investment of the donors could be seen to have provided good value for money.

On actual spend to date, the project has spent 27% of its budget on output 1, and 6% each on outputs 2 and 3. After the budget realignment, it had been scheduled to spend 28%, 11%, and 6% on outputs 1, 2, and 3. The higher level of percentage expenditure on output 1 appears justified. This is the output which has had the most successful achievements, and it the foundation for the other outputs. It has also produced important policy changes which may support long-term sustainability, and thus provides greater value for money than short-term gains. Activity 1.1 and 1.2 utilized 28% of the outcome's budget, which is a significant amount. However, the results of these activities were critical for the project's success. Training the labour inspectors also used a significant proportion of the budget, but as the process of training the larger group of 70 labour inspectors is now carried out by MoLSW, the value for money of this activity is increased.

Activities where one could question if there had been as good value for money would be 1.4 and 1.8. 1.4 involves ensuring MoLSW coordinates better with the districts and provinces. Although work has been done to improve the lines of communication, provincial plans which align with the national labour inspection plan have not been developed, and there remain questions on the management chain. This threatens the sustainability of the project. Activity 1.8 involved advocacy to persuade the Government of Lao PDR to ratify C.81. This has not yet been successful. Should efforts move forward in the coming months then this activity could be considered good value for money, but at the moment,

the activity has not produced the hoped-for results. Work has taken place on raising awareness of C81, but it was an ambitious output to include in the project. The lack of ratification has not impacted on the delivery of other outputs and activities. The PRODOC originally stated, 'Ratification of C. 81 forms an essential element of sustainability'. As noted elsewhere, a determination on value for money is dependent upon steps taken by the tripartite constituents in the coming months, and ensuring the development of a strategic plan and satisfactory budget, along with ensuring ratification of C.81, and important goals for MoLSW to achieve.

The area of under-spend which stands out significantly is activity 1.6. Ensuring a working management information system is critical to institutionalizing the gains of the project. With the funds available, it would be hoped that MoLSW will utilize them and finalized the system by the end of the project. A grant of 19,000 was submitted to ILO Bangkok for approval in July 2017. It is important that the work be finalized by MoLSW to ensure a functioning management information system.

Table 1: Budget, Actuals and Balance Remaining of Outcomes, Personnel, and Other Costs

| | Budget | % of Total | Actual | % of Total | Balance | % of Total Balance |
|--|------------------|-------------------|------------------|-------------------|----------------|---------------------------|
| I.O. 1 The capacity of the labour inspection system in Lao PDR is improved so that it can effectively undertake labour inspection functions for the benefit of workers and employers in the garment sector | 380,105 | 28% | 310,474 | 27% | 69,630 | 37% |
| I.O. 2 Workers and employers are aware of their labour rights and obligations and understand how to achieve compliance | 151,498 | 11% | 73,011 | 6% | 78,487 | 42% |
| I.O. 3 Factories improve working conditions and productivity through workplace cooperation using the Project advisory and training services | 81,934 | 6% | 66,283 | 6% | 15,651 | 8% |
| Personnel | 567,677 | 42% | 562,493 | 48% | 5,183 | 3% |
| M&E Costs | 36,483 | 3% | 22,398 | 2% | 14,084 | 8% |
| Misc | 43,982 | 3% | 57,011 | 5% | -13,028 | -7% |
| Prog Support | 88,318 | 7% | 70,657 | 6% | 17,660 | 9% |
| Total | 1,350,000 | 100% | 1,162,331 | 100% | 187,668 | 100% |

Table 2: Budget, Actuals and Balance Remaining of Outputs per Outcome

| | Budget | % of output | % of total | Actuals | % of Output | Balance Left |
|--|----------------|-------------|------------|----------------|-------------|---------------|
| 01.01-National labour inspection plan adopted by MoLSW and endorsed by PAC | 63,237 | 17% | 5% | 63,237 | 20% | 0 |
| 01.02-A Labour inspection policy is adopted by MoLSW | 23,142 | 6% | 2% | 23,339 | 8% | -197 |
| 01.03-Legal framework (laws and regulations) is in compliance with ILO principles on labour inspection | 6,823 | 2% | 1% | 6,823 | 2% | 0 |
| 01.04-Ministry of Labour and Social Welfare able to coordinate inspection services in all provinces and districts | 32,885 | 9% | 2% | 32,885 | 11% | 0 |
| 01.05-Labour inspectors have appropriate capacity and tools to undertake labour inspections effectively and to provide advice to the social partners to achieve compliance | 117,354 | 31% | 9% | 96,209 | 31% | 21,145 |
| 01.06-Labour inspection services are able to collect and manage data and information | 39,607 | 10% | 3% | 759 | 0% | 38,848 |
| 01.07-Labour inspection pilot plan is adopted for the garment sector, with the participation of the MoLSW, the provincial and district labour offices | 62,977 | 17% | 5% | 57,142 | 18% | 5,835 |
| 01.08-By the end of the Project the country ratifies ILO Convention on Labour Inspection, 1947 (No. 81) | 34,080 | 9% | 3% | 30,080 | 10% | 4,000 |
| Output Total | 380,106 | 100% | 28% | 310,475 | 100% | 69,828 |
| 02.01-Agreement amongst the tripartite partners through the PAC on the training strategy of the project | 11,487 | 8% | 1% | 7,234 | 10% | 4,253 |
| 02.02-Labour law guides on priority issues developed, disseminated and part of the Project training curricula | 29,431 | 19% | 2% | 29,431 | 40% | 0 |
| 02.03-Awareness raising and outreach materials are developed and disseminated | 21,480 | 14% | 2% | 5,480 | 8% | 16,000 |
| 02.04-Training curricula and tools on workers rights, industrial relations and productivity are prepared based on ILO materials and adapted to the Lao situation | 20,100 | 13% | 1% | 0 | 0% | 20,100 |
| 02.05-Training delivered to workers and employers | 69,000 | 46% | 5% | 30,866 | 42% | 38,134 |
| Output Total | 151,499 | 100% | 11% | 73,011 | 100% | 78,487 |
| 03.01-WIC created, with workers representatives freely elected by the factory workers | 11,008 | 13% | 1% | 14,851 | 22% | -3,843 |
| 03.01.02 - Labour inspection assists in creating WICs | 30,887 | 38% | 2% | 28,112 | 42% | 2,775 |
| 03.02-Initial assessment undertaken by WIC on how to achieve compliance with national and international standards, with the assistance of the labour inspectorate | 27,740 | 34% | 2% | 23,321 | 35% | 4,419 |
| 03.03-Workplace Improvement Plan (WIP) agreed and implemented, measured against indicators of progress | 12,300 | 15% | 1% | 0 | 0% | 12,300 |
| Output Total | 81,934 | 100% | 6% | 66,283 | 100% | 15,651 |

The use of resources has for the most part been efficient, although the purchase/use of the project vehicle has been problematic. The vehicle was included without a driver in the original budget. The first CTA used the vehicle but the second CTA did not wish to drive, and the national staff were also reluctant to drive it themselves. As such the project team have used taxis for the last year and a half. As a result, the vehicle has remained parked at MoLSW's office for a number of months now. The vehicle will be handed over to MoLSW at the end of the project. For future projects, it is recommended that either a driver is budgeted for, or at least one of the other project positions' TOR includes a requirement to be willing to drive for project purposes. ILO also should review its policy concerning the hand-over of vehicles if a situation like this arises in other projects.

The most expensive element of the project was the salary of the CTA. The cost of the CTA for the project has been just under \$480,000. The two CTAs have been in place for a total of 28 months of the project. This equals approximately \$17,000 per month for the CTA. By contrast, the NPC cost the project \$56,000, at \$2,700 per month, and the Administrative Assistance cost \$28,000, at \$1,300 per month. The PRODOC originally saw part of the CTA's role as being to "serve for at least 24 months, working closely with a national project coordinator, mentoring the national coordinator to take over the project." This did not happen as the CTA remained in position for longer than the NPC. The project is only due to run for 30 months anyway, and so the PRODOC always foresaw the CTA as being in position for the majority of the project.

The work of both CTAs has been very valuable to the project, bringing experience and expertise it would be hard to find within Lao PDR. However, as noted the cost of an expatriate staff member is very high. By comparison, even the more expensive NGOs rarely charge more than \$8,000-10,000 per month for expatriate staff. ILO will need to consider in smaller projects such as this one, if spending 36% of the budget on one position is justified in future. One potential option could be for ILO to try to cost-share between projects. Providing more national staff support, could free up the CTA to be responsible for 2 projects rather than one. An alternative would be to focus more carefully on the mentorship element of the project so that a NPC can take over, with strong support from Bangkok, earlier in the project.

- Project Length

Although the resources were sufficient, indeed probably too much, for the project, the project length was too short for the ambitions of the project. This is partly a function of the length of time it took the project to start. However, the design of the project was ambitious and also contributed to the need for a longer project. A common feedback from the majority of evaluation participations was they felt the project should have been longer. The project's initial activities involved the adoption of a national labour inspection plan and policy, the drafting of policies which were compliant with international standards, and the adoption of C.81 by the Government of Lao PDR. These activities were to form the base for the rest of the project; the capacity building of the Labour Inspectors through training and pilot testing, the improvement of knowledge on rights and responsibilities in the factories, and the development of WICs and WIPs. Although these activities could begin to take place in parallel to the initial activities, the strength of them would come through having the policy changes in place. For example, the Labour Inspectors could start to support the factories to develop WIPs, but their knowledge of labour law was always going to be stronger once the new policies were in place and had been explained to them in training. Implementation as a whole has relied on going through government processes, which although effective in strengthening ownership of the project, has impacted the efficiency of delivery.

Policy changes take time. They need to be drafted and re-drafted, are often dependent upon several layers of review, and are subject to competing priorities in various departments. It is notable that despite considerable advocacy work by ILO, the Government of Lao PDR still has not ratified C.81. Many of the activities have been completed towards the tail end of the project, making it harder to build momentum and solidify capacity gains. Ideally, a longer project would have allowed for work on achieving policy change and the adoption of tools and instruments, followed by an intensive period of pilot testing in various factories.

- Timeliness of Activities

The project started later than expected, and a number of activities were behind schedule in implementation. This is strongly linked to the over-ambitious nature of the project design described above. The PRODOC foresaw the labour inspection plan, pilot plan for the garment sector, and legal framework all being in place in the early months of the project. The policy changes and adoption of plans took far longer than expected. This also led to delays in ensuring the labour inspectors had the tools to conduct labour inspections. Persuading factories to participate in the pilot scheme also took longer than originally planned which also delayed activities in the second and third I.O.

Most of the project activities will be completed by the end of the project but outstanding issues, such as finalizing the labour inspection plan and budget, and ratifying C.81 need to be addressed by the project partners in the coming months.

- Cost-sharing

There has been relatively little cost-sharing in the project, although MoLSW has made relatively significant in-kind and non-financial contributions. MoLSW has provided office space for the project, been responsible for writing official communications with factories, and provided staff time for training, and more recently administrative support. ALGI and LFTU have provided staff time; ALGI in working to persuade factories to participate in the project, and LFTU in conducting training at factories. Factories have also provided space for training, which otherwise would have required training facilities to be rented (it is of course in their own interests to do this as it reduces the time their staff are away from the production line).

There have therefore been some in-kind contributions from tripartite constituents and other partners. However, with the exception of MoLSW, these have been fairly minimal. It is not apparent that the project tried to obtain cost-sharing arrangements. It is unlikely the pilot factories would have contributed financially to the project, and not clear that they or any of the tripartite constituents were in a position to make contributions anyway. This does bring questions of sustainability, which will be addressed later.

The project had limited opportunity to develop synergies with other projects in Lao PDR. However, a project on rural development which ILO is developing is incorporating training for Labour Inspectors in the provinces. This is a positive development, and ILO is advised to consider how to include labour inspection into future projects in other sectors so as to help expand the successes of this project out beyond the garment sector whilst consolidating the gains of the project.

ILO staff in Bangkok expressed appreciation for the willingness of the project team to use new and innovative products. The Decent Work team had piloted a training to strengthen business management and networking skills for Small Micro-Enterprises (SMEs), and are planning to pilot a new training scheme that encourages peer-to-peer facilitation and learning to considerably lessen the costs of training.

Impact

There is evidence that the project has had short-term impact and worked effectively to achieve many elements of the I.O.s. Whether the impacts will be long lasting or disseminated further beyond the immediate beneficiaries of the project will depend upon the actions of the tripartite constituents and ILO in the coming months and years. As noted above, the project was fairly short in duration, and so expecting comprehensive and long-lasting impacts may be optimistic.

The project had four main short-term goals; improving the capacity of the labour inspection system, initially for the benefit of the garment sector, improving awareness of labour rights and responsibilities among employers and workers in the garment sector, improving working conditions in the factories, and improving productivity in the factories (the last two are part of the same I.O.). The overall development goal of the project was to improve compliance and working conditions in the factories to make the Lao PDR garment industry more competitive.

Overall, the evaluation judges there to have been impact within the LMD, in knowledge of workers and employers, and with working conditions in the factories. There may have been improvements in production levels at some factories but these are hard to judge and probably marginal. The area where the gains have the strongest potential for long-term impact are in the labour inspection system because they have been structurally and policy based.

- Labour Inspection System

There have been substantial policy impacts as a result of the project. Ministerial Decision 4277 lays out the structure of the LMD, the responsibilities of the labour inspectors, the authority they have to act, and the sanctions they are able to impose. 4277 was developed in close collaboration with social partners and ILO. It was developed to be compliant with C.81, and thus should the Government of Lao PDR ratify C.81, the labour inspection structure will already be in place to ensure implementation.

The project has also supported MoLSW to develop an action plan that lays out measurable objectives and indicators. This was another key target of the project and is important for beginning the process of institutionalizing the labour inspection system into MoLSW. According to MoLSW, the plan is 95% finalized. The plan needs to be finalized and approved, and the data management system complete to ensure the gains from the project are protected. Of critical importance is MoLSW being able to allocate a budget that supports implementing the plan, including allocating funds for the management information system, and sufficient petrol allowances for the Labour Inspectors to be able to visit enterprises on a regular basis.

Another key impact has been the reduction of the number of Labour Inspectors from over 300 to 70. Although this may seem counter-intuitive, the reduction has improved the focus and efficiency of the LMD because it now can rely on a group of Labour Inspectors whose work is full-time committed to labour inspection responsibilities. It also makes it easier to train the Labour Inspectors and ensure they reach a competent level of knowledge and skills.

The training of the full cadre of Labour Inspectors is only in its infancy and so it is not possible to make a judgement on the impact of this work. However, a core group of 12 Labour Inspectors were assigned to this project by MoLSW. They have received intensive training from the project and been responsible for working with the factories on their WIPs and pilot testing new labour inspection tools.

The work of the project has had impact on the core group of Labour Inspectors. The Labour Inspectors and MoLSW self-reported their knowledge of labour law and ability to work with the factories had

improved. The Labour Inspectors identified they had gained an increase in confidence when visiting factories, and respect from the enterprises because of their increased knowledge. Evidence of this impact is backed up by reports from other stakeholders. 83% of stakeholders who were asked during the evaluation believed the Labour Inspectors were well equipped with the skills and knowledge to support the garment factories and 17% said they were somewhat equipped. ALGI, LNCCI, and LFTU also indicated they believed the knowledge of skills of the Labour Inspectors had improved, and as a result had been able to improve the support given to employers and workers. One stakeholder linked this to the development and approval of Ministerial Decision 4277.

“The respect towards the Labour Inspectors has improved since the introduction of 4277. Factories are more confident in the qualifications and skills of the Labour Inspectors. This is because they know the ILO experts have trained the inspectors”

During the evaluation, the Labour Inspectors appeared knowledgeable about their role and the Laos PDR labour law. The box below shows their responses when asked as a group to describe the key responsibilities of a labour inspector. These demonstrate a good awareness of their role and responsibilities.

Question: What are the key responsibilities of a Labour Inspector?

1. Disseminate and enforce the labour law
2. Provide instructions and counselling sessions on labour law
3. Enforce laws and regulations related to labour management
4. To facilitate dialogue between employers and employees
5. To inspect and manage labour
6. To consolidate the information, report, and present the results of the inspection
7. To address the issues and provide solutions on any matters related to labour management
8. To provide on-site support for both employers and employees in legal compliance
9. To support both employers and employees in legal compliance
10. To support both employers and employees in OSH

Responses in the factories about the Labour Inspectors were more mixed than among the other stakeholders. Both the evaluation and the factory survey found an appreciation for the support the Labour Inspectors could give and a belief they had made a difference in working conditions in the factories. However, concerns were voiced about how deep the knowledge of the Labour Inspectors was. Some factories believed the Labour Inspectors should be able to provide more specific knowledge and others felt they did not visit often enough.

“The Labour Inspectors provide general direction, but they do not pinpoint the issues or give us detailed guidance on how to correct faults and comply with international standards.”

“Yes, this project is very good but our labour inspectors who provide knowledge or information need to be better equipped to do their job, in terms of the way they deliver knowledge and activities”.

Responses from factory employees during factory survey

The project is not the only intervention in the factories aimed at improving working conditions and achieving compliance. CARE International are also conducting a project which works with the LFTU, ILO has a five-year collaboration with the LFTU on supporting Decent Work, and the factories have

regular audits from suppliers which sometimes includes pre-audit support to address problems. The managers and employees were often unable to distinguish between what impact the project had had, and what impact other interventions had had, making it difficult to attribute some of the impacts to the project.

Several stakeholders suggested that the impact of audits was stronger than the impact of the project. ILO does not usually provide certification to factories on compliance, and in this project, all that is being offered is a MoLSW certificate of participation. As a result, some factories question the relevance of the project to them, and this was one of the reasons for the project being unable to expand beyond its original pilot group of 12. Audits are seen as far more important by the factories, and the factories believed an important function of the project was helping them to be compliant for audits or international buyers. One HR Manager was very clear that the reason his factory joined the project was to allow it to reach certain standards so they could attract buyers. That said, should the factories fulfil the requirements of the labour inspection checklist, they would be compliant with international standards. Ensuring the factories are aware that this work would help them pass audits should be stressed by ALGI and the Labour Inspectors in any future projects.

There is also difference of opinion about what the role of the Labour Inspectors should be, and this is a question MoLSW will need to address in the coming months. Many of the factories see the role of the Labour Inspectors to be providing detailed advice on how to ensure compliance with international standards, a role significantly more involved than the traditional function of identifying transgressions, monitoring improvements, and levying sanctions if necessary. Indeed, one of the problems of continued sustainability and ownership of the project is that many enterprises see a lot of responsibilities as laying with the government. One factory believed that the government or ILO should be responsible for seconding a staff member to them permanently to give ongoing advice on compliance issues. Training of workers was also something raised by factories. Many of garment factory workers are poorly educated, and Laos PDR does not have an effective TVET system for the industry. As such the factories have to train workers themselves, and many feel this should be the government's responsibility.

- Awareness of labour rights and responsibilities within the garment sector

There is some evidence to suggest that awareness of labour rights and responsibilities has improved. The project has conducted training attended by least 640 factory staff (although it is possible that some workers attended more than one workshop, and so not necessarily 640 separate individuals). Messages from training have also been passed onto other workers by managers and other attendees. It is difficult to judge how effective this work has been in improving awareness. It is generally believed there was a very low baseline in awareness of knowledge of the start of the project, and the evaluation visits, the factory survey, and information from other stakeholders does demonstrate an increase in awareness of Lao PDR labour rules. Because access to the floor workers was not possible for the evaluator, and limited for the factory survey consultant, a definite understanding of how much awareness of labour rights has increased is not possible. However, indications from various stakeholders suggest that workers do have a better awareness of the minimum wage, working hours, overtime, and maternity rights. Factories described how workers are now able to check the overtime calculations they post in the factories and talk to their supervisors about any queries they have.

Management in the factories also described how they had a better awareness of certain rules and regulations. One factory described how they recognized they had not been paying the minimum wage as a result of training from the project. Recalculating salaries had had a direct impact on reducing turnover from approximately 30 a month, to under 5 per month.

Managers and workers also raised that they wanted the Labour Inspectors to visit the factories regularly to give guidance or rulings on particular issues of labour law. For example, one factory was not clear on whether Lao Women's Day was an official holiday or not. The fact the factories were requesting this kind of information, reinforces the evidence that the Labour Inspectors are respected more than they used to be in the factories.

Feedback was shared with the evaluator that the training style of the Labour Inspectors needed to improve. The current approach often involves reading directly from manuals without thought given to interactivity or participation. The project has also trained LFTU to conduct trainings. The evaluation was not able to obtain feedback about their style, but given the sustainability of the project will be in some way dependent upon knowledge gains being passed on by Labour Inspectors, LFTU, and other stakeholders, it would be valuable for further training of trainer workshops or on-the-job mentoring to be conducted by either ILO or MoLSW. This would complement work that has already taken place.

The project also aimed to improve awareness of responsibilities under Lao PDR labour law. One of the repeated complaints of the employers and employers' representatives, as well as some other stakeholders, is that workers in Lao PDR do not understand their responsibilities. There was a tendency during the evaluation to blame the worker for problems the factories faced. This included accusations such as the workers are lazy, they are not educated enough for the work, because they are from rural areas they don't understand how to act or behave in a factory. Problems mentioned included workers leaving contracts without any notice or being unwilling to learn new skills. The concerns of managers are cited in early project documents such as the World Bank survey, and based on the evaluation findings clearly still exist. Factories are genuinely worried about both the limited supply of labour and turn-over of staff. However, these responses generally show a lack of awareness of challenges and vulnerabilities that workers face, and suggest work is still needed to be done on awareness raising of worker vulnerabilities.

- Improving working conditions in the factories

The evaluation found evidence that working conditions had improved to an extent in some of the factories involved in the project but performed unevenly between factories, and due to the decision to not expand the project to more pilot factories, the project had an impact in less factories than originally intended. A total of 10 factories established WICs and 8 developed WIPS. The impact of this work varies between factories, and appears to be very much dependent upon the enthusiasm of the HR Manager for pushing the improvements, and their ability to persuade the owner of the need to make changes.

There have most certainly been changes in the factories which improve the lives of the workers, and these most probably would not have happened without the project's intervention. As such, the project has had at least a short-term impact on working conditions. Participants in 7 out of 8 factories included in the factory survey indicated they believed the working conditions had improved. Physical examples of this included the installation of water fountains with safer water, installing concrete covers on an open sewerage line which passed the lunch area, and the installation of fans or air conditioning to cool the factory down. Workers reported messages being passed onto workers concerning cleanliness and time-keeping. Other non-physical improvements included overtime and the minimum wage being calculated more accurately.

As noted above, many factory managers and employers were unclear as to whether the improvements had come as a result of the project, or because of client audits or other factors. Review of the work improvement plans suggests the WIPs have had some impact on working conditions, as issues

identified in the WIPs have been acted upon, so even if the motivation for fixing issues was linked more to client audits, the WIPs have played a role in helping identify issues and suggest resolutions.

Various stakeholders also indicated communication between the management and the workers had improved in the factories because of the WICs. Participants in the factory survey highlighted that workers are now involved in WICs. If factories had a committee similar to a WIC before the project, they generally did not include workers in them. The inclusion of workers has allowed for better workplace communication, and a forum to air concerns. However, both the evaluation and the factory survey had difficulties accessing workers because they were working on the production line, and the involvement of workers is still limited in many factories. There was a belief among some participants in the evaluation and survey, that if the Labour Inspectors do not come as regularly, then the factory would revert to its previous system and not continue the WICs with worker involvement.

A further concern raised was that factories have generally resolved the issues which are easier to resolve, such as keeping the factories cleaner or providing clean drinking water, but not the more complex issues. One example of this is the problem of heat in a factory. Resolving it would take some investment from the factory, and the manager has been unable to obtain the permission of the owner. Some stakeholders also indicated that managers were much more likely to address issues that might have an impact on the factory floor and production, such as cleanliness in the factory, than an issue related to the comfort of workers outside of working hours. An example given was one manager's very negative reaction when workers suggested the toilets in the dormitories needed improvement. Significant changes suggested in the WIPs require the permission of owners, who often are not based in Lao PDR. It is not clear whether some of these issues will be resolved or not. As previously noted, enforcement of regulations in Lao PDR is often weak and thus the incentives for factories to make changes in a project which relies on voluntary participation are limited.

- Improving Productivity

As discussed in earlier sections of the report, it is not possible to ascribe improvements in production to the project. Many stakeholders argued that the project had been too short and there were too many other variables to suggest the project had made a difference to productivity. The project did not develop productivity baselines to try to measure changes. The project does have one proxy baseline; the WIPs. These provide details of the changes made in factory conditions. It may be possible to obtain more quantitative information from the factories such as changes in staff turn-over. One factory did indicate in the evaluation that their turn-over had reduced considerably. Changes in productivity could be inferred from these changes; based on the theory that improved working conditions, reduced turn-over and increased staff satisfaction will improve productivity. However, with the information currently available it is not possible to identify whether the project has led to a change in productivity levels or not.

Other Changes

In addition to the intended impact contained within the I.O.s, the PRODOC also specifies intended changes in other areas.

- Gender Equality

Recognizing that a large majority of garment factory workers in Lao PDR are women, who are often under 25, from rural areas, and with a low educational background, the project pledged to incorporate gender dimensions into all aspects of its work.

The project has had some success in addressing gender concerns but evidence from the evaluation and factory survey suggests there is still very limited awareness of gender issues across the stakeholders.

The project was successful in persuading MoLSW to increase the number of female labour inspectors. Ministerial Decision 4277 requires that labour inspection structures at all levels must have at least 30% female representation. MoLSW increased the core group of inspectors to include 4 women, and thus reach the 30% threshold.

The project has also conducted workshops on gender equality, gender and fundamental principles at work, and sexual harassment. This has had the impact of raising awareness of the issues to some extent. Both factories visited by the evaluator reported that the training had helped them to reconsider which jobs are suitable for men and women. As a result, they had some men working on production lines traditionally considered women's roles, such as sewing, and to a lesser extent, women working on some of the more physical jobs previously assigned only to men.

Despite this, the findings of both the evaluation and the factory survey, and feedback from some ILO staff who'd given training is that the understanding of gender issues, particularly sexual harassment is still very limited. The survey found sexual harassment is often viewed as joking and not a serious issue. However, a number of serious incidents were related to the consultant privately after the group sessions. During the evaluation visits, the responses to questions about sexual harassment were that it wasn't a problem in the factories. When asked what were the main problems of gender equality, most responses were that either there wasn't a problem of gender equality or in some cases that women had more rights (maternity leave, time-off for breast-feeding) and so men were discriminated against not women.

During the FGD with the Labour Inspectors, the women were engaged and active in leading group exercises and participating in group discussions, which is promising for their future engagement in the work. However, when questions about gender equality were asked, the discussion was mainly taken over by the male Labour Inspectors with little contribution from the women. When asked about sexual discrimination, the Labour Inspectors reported how some jobs, such as accountancy roles, in the factories were only open (unofficially) to single women. This opens many potential questions about sexual harassment and the factories attitudes towards married women, but the main reason for this issue being raised appeared to be to highlight how men were discriminated against.

There was quite a low baseline of understanding of gender issues among most of the project stakeholders. As such the project has had some success in raising awareness of certain concerns. This though is only an initial step and more work will be needed to be done in future if any gains are to be strengthened and sustained.

- Capacity Building of Social Partners and Other Implementing Partners

As well as working to strengthen the capacities of the LMD, the project also sought to strengthen the capacities of social and implementing partners. This included the LFTU, ALGI, LNCCI, and GSDC. The project included these organizations in most of the trainings and workshops conducted by ILO experts. A number of representatives of these organizations identified that they had a better awareness of the labour inspection system and labour law.

Representatives from social partners shared that they had been able to join in practical training which involved joining a labour inspection visit, and this had been important in helping them understand how the system worked. However, since the training they had not been invited to participate in any labour inspections. LFTU informed the evaluator that they wanted to be more involved in labour

inspections and asked permission of MoLSW to join future inspections, but this request was rejected. The needs analysis noted that article 175(9) of the Labour Law provides that one of the rights and responsibilities of labour inspectors is to invite “agencies representing employers” and “agencies representing employees” (including trade unions) to participate in labour inspections. It would strengthen ownership of the project by the social partners as well as consolidate capacity gains if they were asked to participate more in the inspections, and MoLSW would be advised to ensure more participation, particularly from LFTU in future.

The PRODOC, mid-term evaluation, and needs assessment all note the limited presence of the LFTU within private garment enterprises. The mid-term evaluation stated:

“The possibilities to build LFTU capacity and ownership are limited... There are also clear indications that inclination for real involvement at the enterprise level is limited. Of the 10 volunteering enterprises, an enterprise level trade union presence exists in only the largest, and its orientation appears not entirely to represent the enterprise workers' interests. The project is not sufficiently resourced to attempt to pilot the LFTU's reorientation toward representational work at the enterprise level, as has been done in Vietnam, with the help of BWV.”

There is some indication that the project has had some success in strengthening recognition within the LFTU of importance of being involved at the factory floor level. ILO's Trade Union expert has trained LFTU on issues including collective bargaining and expanding their presence with workers. The LFTU has joined other stakeholders on learning visits to Vietnam and been exposed to industrial reforms and the links to Better Work there. The LFTU shared with the evaluator they would like to be more involved in labour inspections and have representatives on the WIPs. These are all positive gains in awareness. However, there is limited evidence of impact within the factories. In both the factories the evaluator visited, the HR Manager was also the Union representative for the factory. Neither recognized the obvious conflict of interest of having the workers represented by senior manager within the factory. These findings are supported by the results of the factory survey.

Sustainability

The project has had successes in achieving many of the key elements of the I.O.s in the logic model. The impacts described above include policy changes in the LMD, improvements in working conditions in participating factories, and building awareness of labour law among workers and employers. To date these are short-term impacts. The long-term impact of the project, and as a result its success and value for money, depends on how well the tripartite constituents can leverage the gains of the project into sustainable change. This will depend on actions taken to consolidate the project gains in the next few months and years.

- Policy changes and strategic plans

Achieving policy change is a substantial achievement of the project. The project has supported MoLSW to develop a system, which if implemented effectively can provide continued impact in the coming years, and can impact in other sectors and not just the garment sector. To further solidify these gains, MoLSW needs to ensure there is a budget to implement it effectively and clear lines of responsibility. The chances of the long-term sustainability of the policy changes would also be greatly enhanced if Lao PDR were to ratify C.81, and thus ensure a legally binding commitment to the international standards of labour inspection.

- Role of Labour Inspectors moving forward

One of the challenges to long-term sustainability comes from defining the role of the labour inspectors in the future. Indeed, it is one of the weaknesses of the design of the project, that in trying to replicate elements of the Better Work model, it committed the labour inspectors to a role in this project which very likely is unsustainable moving forward. The core group of labour inspectors has worked with 12 factories to initiate WICs and develop WIPs. There are over 60 exporting factories and 45 subcontracting firms in the garment industry, and many other industries which require labour inspection. Even with the consolidation of the LMU so that the 70 labour inspectors are dedicated to labour inspection, it would be impossible for the Labour Inspectors to offer the same level of support to the factories they have given in this project. In particular, visiting the factories every month would be difficult to schedule.

MoLSW and the social partners will need to decide what role they want the Labour Inspectors to play moving forward. There is potential for the other implementing partners to play a greater role in supporting the factories. ALGI and LFTU are both positioned to provide support on installing WICs, developing WIPs in the factories, and ensuring the factories are regularly updating the WIPs, which would allow the Labour Inspectors to play a lesser role of ensuring compliance while still continuing to offer guidance during their inspection visits

- Operations of LMD

MoLSW and the LMD also need to continue to develop their organizational and management structure. This is closely linked to decisions about the future role of the Labour Inspectors. An issue raised in the mid-term evaluation concerned the management structure of the labour inspection system. The Labour Inspectors were employed by the provinces and districts, and this limited the ability of MoLSW centrally to assert control over labour inspection. The consolidation of the number of Labour Inspectors, the approval of Ministerial Decision 4427, and the development of the labour inspection plan, have all been important developments in helping to institutionalize the changes the project has supported. However, there is more work needed to ensure long-term stability. Most of the Labour Inspectors are still employed by the provinces, and as yet MoLSW's strategic plan has not been extended to set targets for the provinces.

The management of the Labour Inspectors also needs to be clarified. The level of experience of the core group of Labour Inspectors is very low. Of Labour Inspectors who attended the FGD for the evaluation, the longest any of them had worked as an inspector was 4 years, and the average length of service was 2.5 years. Traditionally in a work setting, newer workers would have more experienced staff to manage and mentor them. This is not available to the core group of inspectors, and may well be the case in the provinces as well. MoLSW is currently under-resourced and its staff are very busy.

The Deputy Director General of MoLSW and the Director General of the LMD are pro-active in addressing concerns which arise, but have many different responsibilities to fulfil and travels regularly. MoLSW should therefore consider the chain of responsibilities for managing the Labour Inspectors. Designating a senior and experienced officer to provide guidance, back-up, and management to the Labour Inspectors is important. The Labour Inspectors will require someone who can support them if they are challenged by enterprises on sanctions or rulings and who can provide advice on issues which arise. The weakness of enforcement on regulatory requirements within Lao PDR provides a challenge here. They also need someone who will oversee their work schedules and push them to conduct inspections and report correctly if they are not doing so. There have been questions raised by some stakeholders about the motivation levels of the core group of inspectors. These seem to have reduced considerably as the core group has received more training. However, the project has struggled to get

updates on WIPs and factory related issues from the Labour Inspectors in recent months. The delegation of work also seems inefficient currently. One of the factories visited informed the evaluator that four Labour Inspectors come to the factory when they conduct visits. This is not an effective use of time and is not sustainable if MoLSW want to ensure labour inspection in other enterprises and sectors.

A further challenge in the future is going to be the management of labour inspection reports. The checklist has the potential to provide MoLSW with plenty of useful and actionable data but only if there is a system to manage and analysis the data. MoLSW is currently deciding on what platform the data informational management system should be based on. Any system will need to balance the skills of Labour Inspectors and their access to computer equipment and the internet, with the need of MoLSW to be able to process information quickly and effectively. Should the system end up being that Labour Inspectors send all their reports in to MoLSW to be manually entered, then it is likely the system would become overwhelmed and the opportunity to analyse the data be lost.

Many of the challenges above are related to management structure. Who the Labour Inspectors report to, who they develop their work plans with, who follows up if visits are not made, and who manages the data collection system all need to be decided. If the Labour Inspectors will continue to report to provincial managers, then how MoLSW coordinates with the provinces also needs to be clarified.

MoLSW also needs to secure the budget for the LMD. Funds will be needed for ongoing training, for petrol allowances to ensure the inspectors can access work sites-which are often quite remote, and to manage and maintain the database. The budget needs to be linked to the three-year labour inspection plan, and realistic for the required tasks. It also needs to include any funds which are necessary to ensure the provinces develop and implement their labour inspection plans.

- Sustainability of WICs and WIPs

The evaluation found only marginal evidence of sustainability within the factories unless there is continued engagement by ALGI, LFTU or another project. There are enterprises where the messages of the project have been taken on-board, and the improvements should be sustained. However, this is quite dependent on the individual motivations of the senior manager in the factory, and their relationship with the owner, and is restricted to only a few best-performing factories. The factory survey, opinions of most stakeholders, and visits to the factories during the evaluation suggested that most factories would not continue implementing the WIPs without support from the Labour Inspectors.

The key question which MoLSW, LNCCI and ALGI, LFTU, and the factories themselves need to answer is who should be responsible for supporting the WIPs and monitoring progress. In an attempt to replicate elements of Better Work, the project set up a structure where the Labour Inspectors would provide the role of mentoring and monitoring. For the purposes of this project, this was useful. It allowed the pilot factories to be supported and see benefits from participation, while allowing the Labour Inspectors a training ground to test their newly learned skills and techniques. The problem with this design is it is difficult to scale up. Moving forward it would seem more appropriate for the Labour Inspectors to revert to a more traditional role, with gaps in support to garment factories being provided by ALGI and LFTU.

Aside from concerns about the time commitment of the Labour Inspectors, questions of sustainability in the garment industry also concern how to scale up to more factories. The project's original design

foresaw 10 factories being targeted in the first year, with 15 in the second and 20 in the third⁶. It proved challenging to persuade factories to participate in the project. ALGI made a major contribution in supporting the project to identify participating enterprises but uptake was limited. The mid-term evaluation made a recommendation which was adopted to maintain the initial level of pilot factories and not try to expand. The issue the project faced, and the tripartite constituents will face moving forward is that participation in the project is voluntary and thus there has to be a strong incentive for the factories to participate. As noted above, it has not been possible to identify changes in productivity, and without the provision of a certification from ILO, many factories do not see an incentive to participate. The competitive disadvantages factories face in Lao PDR and a need to prioritize profit making feed into this challenge. The problem of the voluntary nature of involvement extends to the actions of the participating factories. There is no mandatory requirement for the factories to complete WIPs or even allow access to the Labour Inspectors for training. As such, participation has been patchy. Some factories have fully involved themselves in the project's activities, but many have not participated to a level necessary to suggest long-term sustainability. If there is a plan to continue to work with the projects in future, serious consideration needs to be given to whether to make participation mandatory within the sector.

- Capacity Gains of Social Partners

The project has worked to build the capacities and knowledge of LFTU in particular, and also other social and implementing partners. As noted earlier in the report, ownership of the project by the social partners has been limited. Although participating in the PAC and attending project workshops and other activities, the social partners have seen the project as being an ILO/MoLSW project, rather than a joint intervention by all parties. Discussions with the LFTU representative suggested that part of the reason for this was that budget was not directly granted to the LFTU, and this made it harder to ensure participation and ownership of the project.

There are signs the LFTU has recognised the need for it to gain a stronger presence on the factory floor, and have taken on board recommendations on issues such as collective bargaining. ILO experts were of the opinion that changes were starting to be made, but that this process would be slow, and requires more intensive work than a two-year project can offer. Large systematic changes are needed which involve ensuring worker representation is done by workers and not managers, and a less top-down statist system is developed. This will take a number of years. The initial foundations for improving worker representation in the factories have been developed but continued support will be needed before levels of sustainability can be reached.

There also needs to be a stronger involvement of the employer representatives moving forward in order to sustain the gains in the garment industry. As noted the model of the Labour Inspectors providing in-depth support to the factories is going to be difficult to sustain because of limited resources. The garment industry representatives and factories are currently relying on the Labour Inspectors to complete work which probably should not be part of their job description. If there is to be future work on strengthening working conditions and productivity in the garment factories, then ALGI and the factories themselves will need to take a greater role in working to achieve compliance. A future project involving ILO should have mandatory elements to it, if the intervention is to improve on the sustainability of this project.

⁶ These figures are taken from the logic model on p.31. There is an inconsistency with the narrative on p.16 which suggests 10 in the first year, 20 in the second, and 30 in the third year.

- Future support from ILO

There are many avenues in which ILO could seek to give future support to the LMD and the garment industry. This would help solidify the gains made in the project and strengthen the possibility of sustainability.

There should be possibilities to support the work with future projects, however it is not recommended to replicate the current project with an extension. The design of the project allowed for the Labour Inspectors to test their new knowledge and learn through practical experience in the garment factories, while piloting new tools and manuals. It also gave an opportunity for the garment industry to make change in working conditions and gain an increased knowledge of labour rights, while opening the door for LFTU to expand its presence in the factories. However, as discussed above, it would be difficult to scale up the project using the same design because of the resources and time of the LMD. The Labour Inspectors should not be providing a private-sector style consultant function to the garment factories. Instead, ILO would be advised to look for ways to include capacity building of the LMD in projects involving other sectors. There is currently work on a rural development project which includes training for the labour inspectors. Projects involving other sectors such as construction or tourism would help increase the capacity of the LMD to inspect different sectors in the country.

If ILO is to continue to support the garment sector, consideration has to be given to how to make expand the number of enterprises involved in the project. Steps should be taken by ILO and ALGI to document in case studies the most success factories in this project, and highlight how the project has helped them. Mandatory elements should also be included in any future work.

OSH may provide a useful entry point for projects targeting both the labour inspectorate and the garment sector. ILO has a number of well tested and provenly successful tools which could be adapted to the Lao PDR context.

ILO may also to consider how best to continue to provide support in the coming months in the absence of a country office in Laos. Not having a permanent presence can lead to projects being more compartmentalized. For example, in this case, as a result of this being a stand-alone project, ILO has lost two national staff it worked to build the capacity of, and there is a certain lack of clarity among the stakeholders as to what comes next. Resolving this problem is not straight-forward, and very often is donor driven, but the what-next element of a project should be considered during design and early on in implementation, as additional work is needed to ensure project gains are long-lasting after a project has finished.

Gender Concerns

The original project design included specific elements to ensure gender mainstreaming throughout the project. The PRODOC stated:

“The Project will develop specific strategies and activities in order to make sure that the project promotes gender equality. In particular:

- Gender will be mainstreamed in the assessment of the labour inspectorate; issues such as the gender composition of labour inspectors at the various levels of responsibility will be analysed
- Participation in training will reflect the gender composition of the workforce
- Issues such as sexual harassment or discrimination will be part of the training curricula for workers, supervisors and managers

- The Project will assist factories in developing gender inclusive policies and address discrimination issues, in particular sexual harassment
- The composition of workplace improvement committees will reflect the composition of the workforce
- The initial assessment as part of the workplace improvement plans will analyse compliance gaps and workers' concerns from a gender perspective
- All activities organised by the project will promote women's participation, but also male participation that reflects the gender composition of the management structure.

Progress reports produced by the project will include a specific gender section, with information on (i) how gender has been mainstreamed in Project activities and (ii) an analysis of the impact of the Project' activities on promoting gender equality."

The mid-term evaluation noted the project was not including specific gender sections in the progress reports. One of the recommendations of the mid-term evaluation was to report on gender mainstreaming issues in progress reports. The management response to the mid-term evaluation states "the gender dimension is now covered in the technical progress reports". However, a review of the two semi-annual progress reports since the mid-term evaluation shows that gender mainstreaming is still only briefly referred to, and does not have its own section in the report. The third progress report refers to gender mainstreaming only in the context of I.O.1 and the recruitment of female Labour Inspectors. The fourth progress report includes two paragraphs within I.O.1 about training on the gender dimension in labour inspection.

There are other areas where the project did not meet the expectations laid out in the PRODOC. The needs assessment for the labour inspection system, which was conducted early in the project, does make brief reference to the number of female inspectors it would be a stretch to say the document mainstreamed gender into the assessment. None of the recommendations make reference to any gender issues.

The project also has not been able to support the factories in developing policies on sexual harassment. The training given to factories on gender equality did include sessions on sexual harassment and factories were given model sexual harassment policies. However, to build the capacity of the factories to address these issues appropriately would have taken time, and been beyond the capacities of the Labour Inspectors. Given the low level of awareness of sexual harassment, developing sexual harassment policies was an ambitious goal to have for the project. To achieve this, the project would probably have needed to partner with a NGO with experience in this issue, and it is recommended for ILO to include a partner in the original project design in future. Raising awareness and knowledge of the issue will hopefully have some impact, and this goal could potentially be taken forward in future projects. The WIPs also do not seem to analyse compliance from a gender perspective. Training on gender issues was given after the initial preparation of the WIPs, so again it was probably ambitious to expect this to take place. This is also work which should be developed further in future projects.

- Equal Benefits of the Project

The project has had some successes in ensuring equal benefits to men and women. The change in attitude towards gendered norms for types of positions in the factories will ensure men and women have new opportunities in the factories. This is limited to a small handful of factories but is meaningful nonetheless. Ministerial Decision 4277 requires that 30% of Labour Inspectors are female, which means a critical mass of trained female inspectors should develop over the coming years. The core group of labour inspectors was expanded to include 30% women as well. How effective these changes

are long-term will depend upon whether meaningful opportunities for advancement are given to women.

- Gender Sensitive Policies

The project has had success in ensuring policy changes have been adopted. These include Ministerial Decision 4277, the labour inspection checklist, and labour inspection manual, were all developed with technical advice by ILO to ensure with ILO conventions, particularly C.81. As such they should align with ILO's policies on gender equality. The checklist includes sections on discrimination, including gender, disability, and ethnicity. This will allow for the compilation of data on various forms of discrimination.

However, for these policies to be effective, there needs to be good awareness of equality issues and buy in from stakeholders. It is not clear yet that the Labour Inspectors have a strong enough awareness of gender discrimination, let alone discrimination because of disability or other reasons. Without this understanding, the data in the checklist would not be meaningful. The labour inspection plan does not contain any gender targets or plans on work related to discrimination, which suggests the work in this area may not be sustainable. It would be advised for ILO to continue to provide guidance and training in this area to try to further buy-in of the stakeholders moving forward.

Conclusions and Recommendations

The evaluation found that the project has made some impressive progress on strengthening the labour inspection system through policy work, and to a lesser degree on improving awareness of labour rights and obligations, and improving working conditions within the factories. The approval of Ministerial Decision 4277, the mandatory use of the labour inspection checklist, and the introduction the labour inspection toolkit with information in 7 key areas of labour law, has established a strong systematic base from which to work to improve labour inspection and compliance in Lao PDR. The core group of Labour Inspectors have improved their knowledge of labour law and as a result are better respected in garment enterprises. The consolidation of the LMD to 70 Labour Inspectors should help expand the gains from the project to the provinces.

Working conditions have improved in most of the pilot factories who participated in the project. There is also evidence to suggest the knowledge of labour law among employers and workers in the pilot factories has increased. The progress in these two areas is patchy. There is a marked difference between the enthusiasm with which pilot enterprises participated. This often seems to be driven by the acceptance, or lack of, from the HR Manager within the factory, and their ability to persuade the owner (s) of the benefits of being involved. Work place improvements have tended to target the easier options to address, it has been difficult to get updated WIPs, and it is unclear whether factories will continue these activities after the project.

The project was ambitiously designed, and expected too high results for a short two-and-a-half-year project. The project projected policy changes would take place early in the project which would build the foundation for achieving the other outputs and outcomes. This was optimistic, and as a result, activities were delayed. The project should achieve most of the activities by the end of project, but the depth they could be undertaken, and the institutionalizing of changes into the implementing partners was weakened by the delay and the short-term nature of the project.

The tripartite partners have a challenge moving forward to ensure the sustainability of the project. This will require critical discussions about what role the Labour Inspectors should have, what responsibilities the garment sector will take on, and what other sectors the labour inspection system should reach. The framework for a strong labour inspection system has been developed but it requires

institutionalized through finalizing the strategic plan for 2017-2020, ensuring the provinces develop plans to compliment this, obtaining a large enough budget, and ensuring the structures are in place to manage and mentor the labour inspectors.

The garment industry element of the project faces more substantial challenges. It is not clear how in its current form a future project could attract more garment enterprises. ALGI, possibly with ILO's support, need to work to highlight the successful gains the factories currently involved have made. There also needs to be agreement on whether a future project should be mandatory for the sector or not, and what possible extra incentives to participate could be identified.

- **Recommendations**

| Recommendations | Addressed To | Priority and Timeframe | Resource Implications |
|--|---|------------------------------|--|
| 1. Ensure the provinces develop plans for labour inspections which complement the national labour inspection plan | MoLSW | High ASAP | Requires budget to be allocated |
| 2. Identify who will mentor and manage the Labour Inspectors after the project has ended. Clarify reporting lines. | MoLSW | Medium ASAP | Time and potentially salary |
| 3. Finalize the database and develop standard operation procedures listing responsibilities, including what analysis will take place. | MoLSW | High Urgent | Requires start-up and maintenance budget |
| 4. Identify ways to strengthen the capacity of the Labour Inspectors to conduct training. | MoLSW and ILO | Medium Ongoing | Include in future projects |
| 5. Be more flexible on visits (especially visits which include training.) Schedule at times which are easiest for workers to attend. | MoLSW | Low Ongoing | Limited |
| 6. Authorise other partners to support Labour Inspections. LFTU, ALGI, and LNCCI all have something to offer the labour inspection process. | MoLSW and other tripartite constituents | Medium Ongoing | Limited |
| 7. Strengthen presence of LFTU in factories by ensuring LFTU lead training, promote collective bargaining, and support the separation of management from Union leaders. | LFTU and ILO | High Ongoing | Consider how to include in future projects |
| 8. Identify who will lead the WIC process. | Tripartite constituents | High ASAP | Limited |
| 9. Support in developing case studies of emerging good practices to help sell the project to new stakeholders | ILO and ALGI | Medium Before project end | Cost of consultant |
| 10. Try to include support for Labour Inspection in new project in different sectors. There are synergies to other work; rural development, OSH, women's empowerment. | ILO | High Ongoing | Requires donor support in projects |
| 11. Consider a specific objective on gender equality. Conduct a stakeholder analysis at the start/design stage of projects to identify women's groups that could be an implementing partner for the project. | ILO | High Ongoing | Requires donor support in projects |

| | | | |
|---|-----|----------------|---|
| 12. Review how ILO can provide more continuity for projects and staff for stand-alone project, considering the lack of a country office. | ILO | Low Ongoing | Requires donor support |
| 13. If vehicles are included in a project, ensure either budgeting for a driver or driving requirement included in TORs. Review process of handing over vehicles in similar situations. | ILO | Low Ongoing | Consider when designing project budgets |

ILO Lesson Learned Template

Project Title: Improving the garment sector in Lao PDR: Compliance through inspection and dialogue

Project TC/SYMBOL: Lao/13/01/IDA

Name of Evaluator: Chris Morris

Date: July 2017

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

| LL Element | Text |
|--|--|
| Brief description of lesson learned (link to specific action or task) | Changing or establishing policies can be slow moving, and if certain project activities are dependent upon policies being approved, then projects need to be designed to allow enough time for this approval to take place. |
| Context and any related preconditions | This is obviously very context specific and will vary from country-to-country, and probably also between departments within a country's government. Strong local knowledge of policy change would be needed when developing a project. |
| Targeted users / Beneficiaries | ILO |
| Challenges /negative lessons - Causal factors | The risk becomes that the tail-end of a project becomes overloaded with activities to achieve or that the quality of earlier activities suffer. In this project, when the Labour Inspectors first began work with the factories, they did not have the finalized Ministerial Decision or the Labour Inspection Checklist to support their work. They were initially perceived as under-qualified, lacking knowledge, and without legal standing to do their work. This has changed over the course of the project but harmed the initial roll-out. |
| Success / Positive Issues - Causal factors | |
| ILO Administrative Issues (staff, resources, design, implementation) | Needs to be considered carefully during project design. |

ILO Lesson Learned Template

Project Title: Improving the garment sector in Lao PDR: Compliance through inspection and dialogue

Project TC/SYMBOL: *Lao/13/01/IDA*

Name of Evaluator: Chris Morris

Date: July 2017

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

| LL Element | Text |
|--|--|
| Brief description of lesson learned (link to specific action or task) | The longer-term strategy for Labour Inspectors work needs to be considered earlier on in the project. The project has relied on Labour Inspectors providing guidance in developing WICs and WIPs including regular visits. |
| Context and any related preconditions | This approach is not sustainable in the long-term but as yet, consideration has not given as to what role the Labour Inspectors should play in future. |
| Targeted users / Beneficiaries | ILO and the Tripartite Constituents |
| Challenges /negative lessons - Causal factors | This approach harms sustainability as there is confusion about the next steps. Developing a strategy earlier in the project could have helped mitigate this problem. |
| Success / Positive Issues - Causal factors | |
| ILO Administrative Issues (staff, resources, design, implementation) | |

ILO Lesson Learned Template

Project Title: Improving the garment sector in Lao PDR: Compliance through inspection and dialogue

Project TC/SYMBOL: *Lao/13/01/IDA*

Name of Evaluator: Chris Morris

Date: July 2017

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

| LL Element | Text |
|--|--|
| Brief description of lesson learned (link to specific action or task) | Replicating elements of Better Work is difficult without mandatory requirements for enterprises, or stronger incentives to participate. |
| Context and any related preconditions | The project activities were enthusiastically taken up by some factories, but numbers were limited and it is not clear additional factories can be persuaded to join the project. |
| Targeted users / Beneficiaries | ILO, the Tripartite Constituents |
| Challenges /negative lessons - Causal factors | The lack of involvement of more factories has reduced the number of direct beneficiaries. |
| Success / Positive Issues - Causal factors | |
| ILO Administrative Issues (staff, resources, design, implementation) | This has potentially large resource implications should future work with the garment industry be considered |

ILO Lesson Learned Template

Project Title: Improving the garment sector in Lao PDR: Compliance through inspection and dialogue

Project TC/SYMBOL: *Lao/13/01/IDA*

Name of Evaluator: Chris Morris

Date: July 2017

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

| LL Element | Text |
|--|---|
| Brief description of lesson learned (link to specific action or task) | Gender mainstreaming should be included as an immediate objective or series of outputs, and a suitable implementing partner identified at the beginning of the project |
| Context and any related preconditions | The PRODOC included a series of goals for gender mainstreaming, many of which were not implemented |
| Targeted users / Beneficiaries | ILO |
| Challenges /negative lessons - Causal factors | Without an immediate objective or specific outputs, the goal of gender mainstreaming can be sidelined in the rush to achieve outputs and indicators in the logic model. |
| Success / Positive Issues - Causal factors | |
| ILO Administrative Issues (staff, resources, design, implementation) | Ensure gender experts are involved during the design and the early stages of implementation of a project. |

ILO Emerging Good Practice Template

Project Title: Improving the garment sector in Lao PDR: Compliance through inspection and dialogue

Project TC/SYMBOL: Lao/13/01/IDA

Name of Evaluator: Chris Morris

Date: July 2017

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

| GP Element | Text |
|---|---|
| Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.) | The inclusion of social partners in training on labour inspection (both theoretical and practical) helps build the body of knowledge within the country. This could be tapped to provide support to the labour inspectors. Inclusion of the social partners within the labour inspection plan would help improve ownership of the employers associations and help LFTU establish itself in the factories. |
| Relevant conditions and Context: limitations or advice in terms of applicability and replicability | The main limitation to this good practice is that it requires agreement with the relevant line-ministry (in this case MoLSW) for the benefits to be realized. In this project, including the social partners in training has established the ground-work for this possibility to be realized but agreement on other parties participating in labour inspections has not yet been agreed. |
| Establish a clear cause-effect relationship | Social partners identified how useful the training had been. |
| Indicate measurable impact and targeted beneficiaries | Hard to identify measurement impacts at the moment |
| Potential for replication and by whom | |
| Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework) | Links to DWCP goals of strengthening the labour inspectorate in Lao PDR and indicator 7.2 of the Program and Budget 2018-19 |
| Other documents or relevant comments | |

ILO Emerging Good Practice Template

Project Title: Improving the garment sector in Lao PDR: Compliance through inspection and dialogue

Project TC/SYMBOL: Lao/13/01/IDA

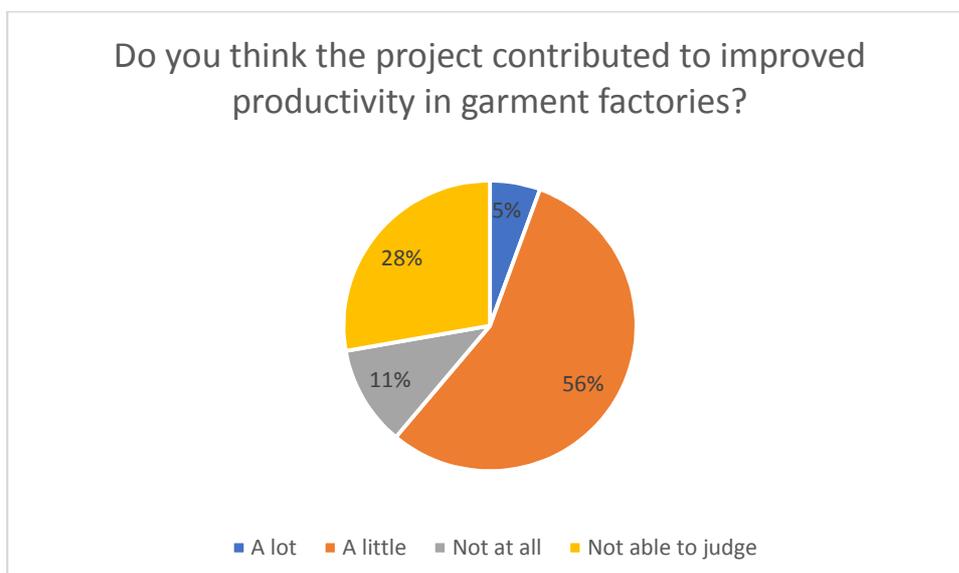
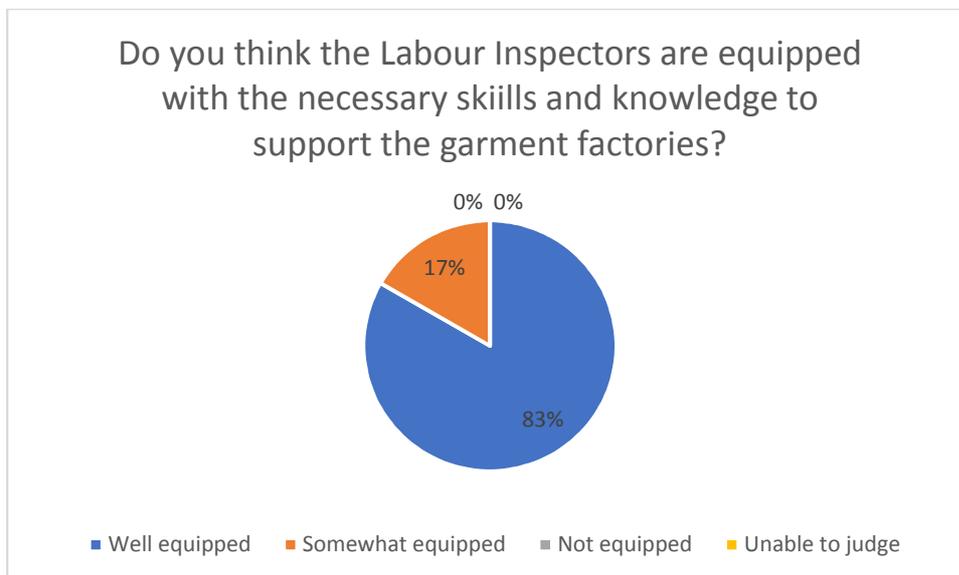
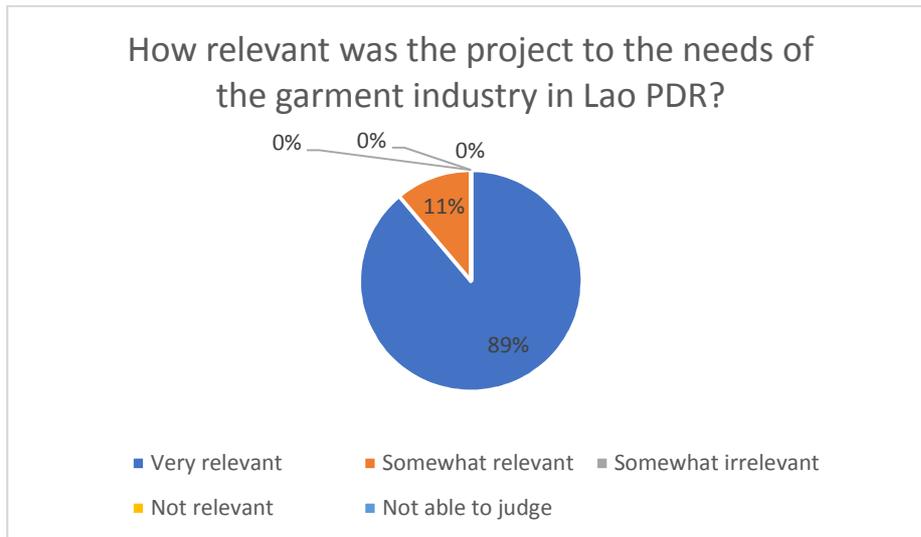
Name of Evaluator: Chris Morris

Date: July 2017

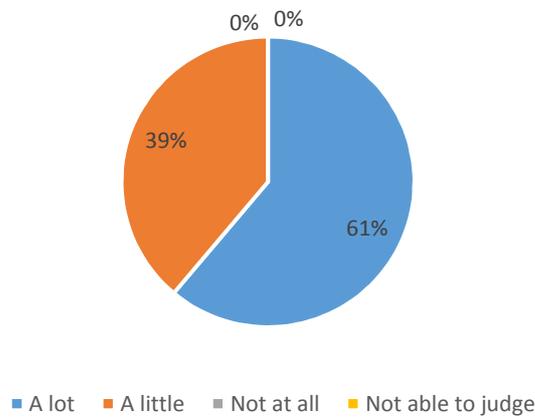
The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

| GP Element | Text |
|---|--|
| Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.) | <p>The commission of the factory survey by an external national consultant strongly complimented the work of the final evaluation.</p> <p>The limited time available, the need to gather data from other sources, and the fact that factories were not willing to meet the evaluation limited the evaluation. This was greatly mitigated by the factory survey, which was able to gather analysis from 8 factories approximately a month before the evaluation.</p> <p>The evaluator was able to gather enough data to triangulate the findings of the survey, and feel comfortable with the methodology and approach.</p> |
| Relevant conditions and Context: limitations or advice in terms of applicability and replicability | <p>This approach is effective where there are time limitations to the evaluation or logistical constraints (the lack of national staff made it harder to organize factory visits), and in circumstances where the term 'international evaluator' may cause concern to enterprises.</p> <p>The type of survey should not replace an evaluation, but can be used as an example of how strong monitoring and data collection helps support a project, and can be useful for lesson learning. Conducting a baseline assessment of this type would have strengthened the utility further.</p> |
| Establish a clear cause-effect relationship | |
| Indicate measurable impact and targeted beneficiaries | <p>In this example, it provided more data for the evaluation, so benefits the tripartite constituents and ILO in supporting learning about the project.</p> |
| Potential for replication and by whom | <p>This has the potential to provide an example of good monitoring practices for other projects, and could be scaled up to support baseline and midline data.</p> |
| Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework) | |
| Other documents or relevant comments | |

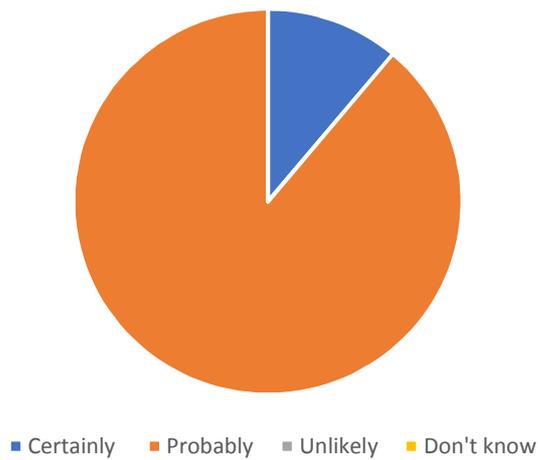
Annex 1: Stakeholder Ratings



Do you think the project contributed to improved working conditions in factories?



Are project results sustainable?



Note: During administering the survey, the evaluator found that most stakeholders had a lukewarm response to answering probably. It would have been useful to have had an additional response option; possibly. Unfortunately, this was recognised after the survey had been administered to the initial respondents and so for consistency was not offered to later participants. However, the majority of respondents suggested they would have answered possibly if this option had been offered. This reflects a belief among stakeholders that the project had made some important changes but more work was needed to solidify them.

Annex 2: SWOT Analysis

| Strengths | Weaknesses |
|---|--|
| <p>Organizations in charge- MoLSW CTA-competent in technical assistance Resources available-financial Well-designed- participatory-partners consulted Ownership by implementing agencies Collaboration between the stakeholders Increased capacity of the labour inspectors Factories have received advice from the experts-(WIP) Factories understand issues and challenges better-eg working conditions, minimum wage, cleanliness Social dialogue approach-try to encourage the management to better understand the workers</p> | <p>Implementation was slow-many factors for this-much focus in the last 5-6 months-delayed schedule Length of contract negotiation with NIU and ILO-delayed project start LFTU didn't get enough of the pie Lack of certification by ILO (possibly reduced involvement by the factories) (ILO does not give certification)</p> |
| Opportunities | Threats |
| <p>Strengthen the capacities of the Labour Inspectors further MoLSW, in collaboration with ALGI, can consider certificate of participation to factories-motivation for other factories to participate in future National labour inspection plan is ready-Valuable foundation to build on Can roll plan out to the provinces Potential for new group of LIs to drive forward new system</p> | <p>No guarantee for the sustainability of this project. Budget constraints. Turn-over of key trained staff Cooperation by the management side of the factories-voluntary participation not mandatory Risk of getting stuck at central level if plans are not rolled out to provincial level Lack of staff and work load for LMD Experience of LIs Turn-over rate of the trained workers of the factories</p> |

Due to time constraints, the SWOT analysis was an abridged process in the stakeholder debrief workshop. It is recommended that the PAC review the analysis at the final PAC meeting in August, reflect on the findings of the evaluation, and add more detail to the SWOT analysis.

Annex 3: List of People Interviewed

| Date | Name | Gender (M/F) | Position | Organization | Place | Method |
|----------|---------------------------------|--------------|---|--------------|--------------------------|------------------------|
| Various | Ms. Kristina Kurths | F | Chief Technical Advisor | ILO | Laos & Remote | Skype and In-Person |
| | Mr. Anandon Mendon | M | Evaluation Manager | ILO | Remote | Skype |
| 21/06/17 | Mr. John Ritchotte | M | Specialist on Labour Administration and Labour Relations | ILO | Remote | Skype |
| 21/06/17 | Mr. Rene Robert | M | Specialist in Labour Administration and Labour Inspection | ILO | Remote | Skype |
| 23/07/17 | Mr. Charles Bodwell | M | Enterprises Development Specialist | ILO | Remote | Skype |
| 23/07/17 | Mr. Arun Kumar | M | Specialist on Workers' Activities | ILO | Remote | Skype |
| 24/07/17 | Mr. Phongsaysack | M | Director General | MoLSW | MoLSW Offices, Vientiane | Group Interview |
| | Mr. Bounpone | M | Deputy Director General | MoLSW | | |
| | Mr. Oudone | M | Director | LMD | | |
| | Ms. Phounmmaly Sayasone | F | Technical Officer | LMD | | |
| 24/07/17 | Core Group of Labour Inspectors | 4 F, 6 M | Labour Inspector | LMD | MoLSW Offices, Vientiane | Focus Group Discussion |
| 24/07/17 | Mr. Thongphim | M | Deputy Director of the Social Protection Department | LFTU | LFTU Office, Vientiane | Interview |
| 24/07/17 | Mr. Xaybandith Rasphone | M | President | ALGI | ALGI Office, Vientiane | Group Interview |
| | Mr. Bountham Chanthavong | M | Chief of Office | | | |
| 25/07/17 | Ms. Keomanivone | F | Deputy Chief of Employers' Bureau Activities | LNCCI | LNCCI Office, Vientiane | Interview |

| | | | | | | |
|----------|-------------------------|---|--|---|---------------------------------|-----------------|
| 26/07/17 | Ms. Borivon Phafong | F | Director | GSDC | GSDC Office, Vientiane | Interview |
| 26/07/17 | Ms. Kongchay Vixathep | F | Consultant-Factory Survey | Independent | New Rose Hotel, Vientiane | Interview |
| 26/07/17 | Mr. Bouthavy | M | HR Manager | Be Cooperate | Be Cooperate Factory, Vientiane | Group Interview |
| | | M | WIP Member-Production Manager | | | |
| | | M | WIP Member-Production Manager | | | |
| | | F | WIC Member-Line Supervisor | | | |
| 27/07/17 | Ms. Hannah Lord | F | | Australian Ministry of Foreign Affairs | Lao Plaza Hotel, Vientiane | Interview |
| 27/07/17 | Mr. Pinphakone Xayavong | M | Trade Analyst | NIU, Ministry of Commerce and Trade | NIU Office, Vientiane | Group Interview |
| | Ms. Sengsay Phousinghoa | F | Trade Economist | | | |
| | Mr. Mombert Hoppe | M | Senior Trade Economist | | | |
| 27/07/17 | Ms. Sommany Sihathep | F | Former National Project Coordinator | ILO | Vendome Restaurant, Vientiane | Interview |
| 27/07/17 | Ms. Kieng | F | HR Manager | Santei-Lao | Santei-Lao Factory | Group Interview |
| | | F | Production Manager | | | |
| 28/07/17 | Mr. Kalakate Xaythanith | M | Programme Officer, Trade and Economics | Delegation of the European Union to Lao PDR | European Union Office | Interview |

International Labour
Organization**TERMS OF REFERENCE****Independent Final Evaluation of TC Project****Improving the garment sector in Lao PDR: Compliance through inspection
and dialogue****Selected consultant (EXCOL): Chris John Morris**

| | |
|---|---|
| ILO Project Code | Lao/13/01/IDA |
| ILO IRIS Code | 104820 |
| Project dates | 01 January 2015 to 28 February 2017 (and no-cost extension up to 31 August 2017) |
| Cooperative Agreement Period | 1 June 2014 to 31 August 2017 |
| Administrative Unit in charge of the project | ILO Country Office for Cambodia, Lao People's Democratic Republic and Thailand (CO-Bangkok) |
| Unit in charge of backstopping | ILO Decent Work Technical Support Team for East and South East Asia and the Pacific (DWT-Bangkok) |
| Timing of evaluation | Final Evaluation, June 2017 |
| Type of Evaluation | Independent |
| Donor | International Development Association (TDF II) |
| Budget | US\$ 1,350,000 |
| Evaluation mission dates | June - July 2017 |
| TOR preparation date | February 2017 |
| Evaluation Manager | Anandan Menon, DWT/CO–New Delhi |

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Introduction

The objective of this independent evaluation is to assess the relevance, effectiveness, efficiency, coherence, impact and sustainability of the ILO's actions taken under this project for 'Improving the Garment Sector in Lao PDR: Compliance through inspection and dialogue'.

The project has been funded by a grant from the International Development Association (IDA), which is a part of the World Bank.

The project is coming to an end in August 2017, and the final independent evaluation is required as per ILO Evaluation Policy. The evaluation will be carried out by an independent evaluator and funded by evaluation provisions of the project. The evaluation will be managed by an evaluation manager based in DWT-CO, New Delhi and supervised by the Senior Evaluation Officer, EVAL, Geneva, and the Regional Monitoring and Evaluation Officer based in ROAP, Bangkok. The evaluation will comply with the UN Norms and Standards⁷.

Background and description of the project

The garment sector is Lao PDR's largest manufacturing employer and makes an important contribution to formal employment. Main export markets include the EU, Japan and Thailand. However, since 2011 the industry has been in decline, with the value of exports falling from USD 219 (2011) to USD 174 (2015). Also the share of garments in total exports fell considerably, from an average of 36% during 2001-2005 to only 8% during the period 2011 – 2015. Around 28,000 workers are employed by about 60 exporting factories and more than 50 subcontracting firms with production mainly in and around the capital, Vientiane. Garment workers are mostly women under 25 from outside Vientiane. They tend to see the work as temporary, generating extra income for their families and improving their own prospects. Most have a limited understanding of their contractual rights and obligations, and working and living conditions in the sector are often difficult, with long hours/excessive overtime, unclear employment contracts and a stressful working environment (pressure to reach targets, exposure to inadequate workplace health, safety and hygiene conditions).

Most garment sector employers identify labour supply as their most significant constraint. For example, some report that only half their workers stay beyond three years. Firms find it hard to improve productivity while regularly losing experienced

⁷ United Nations Evaluation Group (UNEG), Norms and Standards for Evaluation. June 2016.

workers, and the sector remains stuck in a cycle of low productivity and high staff turnover.

The project aims to improve working conditions, productivity and competitiveness in the Lao garment manufacturing sector by strengthening the national labour inspection system to ensure compliance with national labour laws in line with international labour standards. The project will also improve workers' and employers' understanding of labour law and their role in ensuring good working conditions, while empowering factory managers and employees to design and implement workplace improvement plans. To achieve these objectives the project works at three levels to:

- Improve the capacity of the labour inspection system to achieve compliance, using up-to-date ILO tools and methodologies and incorporating lessons learned from other labour inspectorates in the region.
- Develop and implement an awareness-raising strategy for workers and employers so that they are aware of their rights and obligations under the labour law.
- Implement a targeted compliance strategy for the garment sector.

Key implementation partners:

The key partners in the implementation of this project are the Government of Lao PDR [Ministry of Labour and Social Welfare (MoLSW)], the Lao National Chamber of Commerce and Industry (LNCCI), the Association of the Lao Garment Industry (ALGI), and the Lao Federation of Trade Unions (LFTU).

Project extension:

The project was scheduled to start in June 2014 and cover a period of 33 months, until February 2017. However, due to delays in the contract negotiation with the donor and CTA recruitment, project work only began in January 2015 (7 months behind schedule), when the first CTA took up her position in Vientiane. In mid-February 2017 the donor approved a no cost extension which will allow the project to operate until 31 August 2017.

Management set-up:

The Project Team consists of an international expert and Chief Technical Adviser^[1] (P5), recruited by the project (ILO), in charge of the daily management of the project based in Vientiane and technical backstopping for the project is provided by the Labour Administration and Labour Inspection Specialist based in the DWT-

^[1] The first CTA, Ms. Madeleine Jones, was unable to renew her contract for the final year of the project and left the project in mid-January 2016. A new CTA, Ms. Kristina Kurths, was recruited and officially took up her functions on 1 March 2016.

Bangkok. (The project's National Coordinator and the Admin and Finance Assistant, who joined Lao/13/01/IDA in the 2nd quarter of 2015, decided not to renew their contracts under the extension phase.)

The Project was an integral part of the ILO Decent Work Country Programme of Lao PDR for 2011-2015. It intended to respond to Country Priority 2, aimed at improving labour market governance, and to contribute in particular to Outcome 2.1 – 'Labour law is more effective at facilitating social dialogue, resolving disputes, setting wages and preventing misuse of employment contracts'; Outcome 2.2 – 'Ratification and effective application of fundamental and governance conventions' and Outcome 2.3 – 'Effective application of laws against gender discrimination'.

The project aims to improve productivity, competitiveness and labour standards focusing mainly on the garment manufacturing sector, where a majority of workers are female.

The **Development Objective** of the project is to improve compliance and working conditions and to increase competitiveness of the Lao garment industry. The project has three immediate objectives.

Immediate Objective 1: The capacity of the labour inspection system in Lao PDR is improved so that it can effectively undertake labour inspection functions for the benefit of workers and employers in the garment sector. Improving the machinery of the labour administration to effectively provide services to workers and employers, specifically overseeing the application of labour laws and international fundamental standards; providing advice to workers and employers on how to best comply with labour standards, and improving the administrative mechanism and capacity to prevent and resolve conflicts.

Immediate Objective 2: Workers and employers in the garment sector are aware of their rights and obligations and understand how to achieve compliance. The Project aimed promote awareness of workers and employers of their rights and obligations and understanding on how best to achieve compliance.

Immediate Objective 3: The Project's assessment, advisory and training services allow factories participating in the Project to adhere to national labour law and international labour standards and improve competitiveness through workplace cooperation. The Project was intended to assist the workers and the employers of selected target factories to work together to design and implement a workplace improvement plan, with the aim of achieving improvements in working conditions and productivity.

Implementation arrangements

The project is funded by a multi donor trust fund with contributions from Australia, the European Union, Germany, Ireland, USA and the World Bank. The grant, TDF-2, is administered by the IDA, and was made available to the government by the IDA of the World Bank in March 2013. Donor oversight is managed by the National Implementation Unit based in the Ministry of Industry and Commerce and responsible for the implementation of projects under TDF-II).

The ILO's contribution is made in the form of high quality technical assistance, a large array of existing training materials, comparative international experience, and administrative and financial backstopping. The ILO is responsible for project implementation in partnership with the Ministry of Labour and Social Welfare, Government of Lao PDR.

The project also has a Project Advisory Committee (PAC) that meets on a quarterly basis. Annual work plans are developed in consultation with tripartite constituents and implementing partners through the PAC. These are guided by the objectives outlined in the project design document, with the PAC prioritising the needs. Project activities are then either directly carried out by the ILO or implemented in partnership with the Labour Management Department in the Ministry of Labour and Social Welfare, as well as with trade unions, employer associations and other service providers.

The project team provides technical assistance and monitors the implementation of sub-contracted activities to ensure they are carried out as planned in TORs and contribute to achieving the results outlined in the project's logical framework.

The principal project partners are the Ministry of Labour and Social Welfare (MoLSW); the Lao National Chamber of Commerce and Industry (LNCCI); the Association of Lao Garment Industries (ALGI) and the Lao Federation of Trade Unions (LFTU).

A mid-term internal evaluation of the project was carried out in May 2016. The evaluator made the following recommendations in order of priority.

- 1) The Government of Lao PDR, through the MoLSW –
 - Must secure a cadre of public officials to perform labour inspector tasks as their full time occupation, and assure that the same persons are made available for project capacity building activities, including coaching at WIC meetings in the 10 identified enterprises.
 - Should promulgate as a matter of urgency, a labour inspection plan and necessary decision that effectively strengthen the institutional position of labour inspection among the functions played by the MoLSW.

- Should issue policy directives that make the project supported strategic tools mandatory reference documents and commit to, and make happen, distribution and use of the guidelines and checklist in labour inspection wherever it occurs.
- Recruit more women into labour inspection positions, particularly to work in the garment sector.

2) The project should –

- Consider strategy and actions to appropriately broaden the target group of LIs for capacity building efforts, in line both with objectives for the garment industry but also for the labour inspectorate. This may be through implementation of the foreseen training-of-trainers modality.
- Consider, as appropriate, working more closely with the 8 districts – or alternatively the relevant Province(s) if the Ministerial Decision comes into being – that currently manage labour inspectors where garment factories are located.
- Undertake a strategy to deepen skills training of labour inspectors in the context of factory advisory visits. This may include, for example, focusing in a campaign style on known issues, with a view identifying in the context of capacity building the parameters of those issues, the manner in which the issues reveal themselves in practice, and the manner in which advice can be offered to enterprises to remedy the issue. The matter of wage payment and calculation immediately comes to mind as a potential subject matter, previously attempted by the project.
- Carefully reconsider its goal (and relevant indicator milestones) of expanding the number of garment factories with which it works, in favour of a strategy of working more closely with currently willing factories, documenting progress in labour standards compliance going hand in hand with improved productivity, and using resources to build the skills of labour inspectors with these factories. Concrete results of project-supported interventions should, by the end of the project, speak for themselves as a motivation for garment factories to voluntarily engage with the project or its successor.
- With a view to improving the sustainability of results, position the project so that is perceived within government to be an initiative that is part of the MoLSW's implementation of its charge to improve enforcement of laws, in this case, through alternative approaches. Operationally, this may involve appropriate consideration of ministerial or provincial execution of activities, always holding those involved accountable for results against plans.
- Assure that there is understanding that some of what the project does – guidance manual, labour inspection checklist, labour law guidance

documents, C. 81 gap analysis, needs analysis – has been done for the benefit of LI generally, other bits for the benefit of the garment sector, and that there can often be a relation between the two. Monitor and evaluate in the short-term transmission of this understanding at both policy and operational levels.

- Make efforts to rationalize and make clear to stakeholders the role of the project viz a viz the improvement of labour inspection, method conveyed in training for improving compliance, and the role of project activities in garment factories particularly as compared with other enterprises susceptible to labour inspection. In line with this, project activities should rationalize and appropriately merge LI and BW approaches to compliance in a way that is appropriate for the LI implementers.
- Investigate concretely how the GSDC can be used to offer training in a sustainable manner at the enterprise level, where enterprises pay for services. This could involve supports by the project in developing training products that are really attractive to garment enterprises, with the involvement of sector organizations, where the project has expertise currently lacking within the GSDC.
- Take care to assure that records of WIC activities are sufficiently detailed and standardized to permit eventual evaluation of the results of their deliberations. This would include matters related to both compliance and productivity improvements, and implicate monitoring and reporting of worker turnover.
- Not redesign the Improvement IO insofar as there is still meagre evidence in respect of both LI capacity to facilitate WICs and their results. Relying on the assurance of imminent promulgation of the Ministerial Decision and BW experience elsewhere, the project is warranted in working more intensely with participating factories to try to develop credible Improvement IO results.
- Report on gender mainstreaming issue in progress reports.

3) The PAC should –

- Consider how project results might ultimately – it is too soon now – be communicated to a broader public, including potential buyers.

The evaluator's closing comments were that the project has overall delivered well, while dealing with a challenging context and broadly tough institutional issues. The shortcomings raised in his report were both central to the longer term results of the project, and also in some ways only nuanced details in terms of project activities. Those raised complex developmental issues that the project was ultimately charged with helping constituents along towards resolution. In sum, the project was doing this, and was poised to continue its efforts anew in its closing months.

During its first 24 months of operations, the project achieved the following:

- The Ministerial Agreement on the Organization and Functions of Labour Inspectors was signed by the Minister of Labour in early December 2016;
- A national labour inspection plan was drafted;
- The project developed the following training and labour law education materials: inspection manual, labour law training guides, labour law awareness raising posters, social dialogue promotional video. These materials were distributed widely to national stakeholders;
- 12 export-oriented factories participate in the project's factory improvement pilot scheme; 10 of these factories have established a Workplace Improvement Committee and 8 have developed a Workplace Improvement Plan;
- As part of this pilot, a special labour inspection task team was established for the garment sector;
- The 12 labour inspectors of this task team (of which 33% are female) were trained on national labour law and international labour standards, labour inspection techniques, and the facilitation of workplace improvement committee meetings and labour law training; and
- Labour inspectors have trained approximately 280 factory workers on occupational safety and health and other labour law chapters; about 80% of training participants are female.

Purpose and scope of the evaluation

Purpose

This independent final evaluation of the project is being carried out in line with the requirements of the ILO Evaluation Policy⁸. ILO project evaluations are conducted to provide an opportunity for the Office and its funding partners to assess the appropriateness of design as it relates to the ILO's strategic and national policy framework, and consider the effectiveness, efficiency and sustainability of project outcomes as well as to promote accountability to ILO key stakeholders. Project evaluations also verify the basic assumptions about contribution to a broader development goal.

⁸ <http://www.ilo.org/eval/Evaluationguidance/lang--en/index.htm>

The purpose of this evaluation is to assess the relevance of the intervention objectives and approach; establish how far the intervention has achieved its planned outcomes and objectives; the extent to which its strategy has proven efficient and effective; and whether it is likely to have a sustainable impact. It is an opportunity to take stock of achievements, performance, impacts, good practices and lessons learned from the implementation of the project to improve productivity, competitiveness and labour standards in the garment manufacturing sector, where a majority of workers are female.

Knowledge and information obtained from the evaluation will be used to inform the design of future such ILO activities in Lao PDR or countries in similar situations. It would also provide lessons for country-level implementation of the principles of the Convention on Labour Inspection, 1947 (no. 81) as well as the Promotional Framework for Occupational Safety and Health Convention, 2006 (No 187) and eventually enabling their ratification.

Scope

The evaluation will seek to assess the implementation of the project from its start in January 2015 till the final evaluation in May 2017. The gender dimension should be considered as a cross-cutting concern throughout the methodology, deliverables and final report of the evaluation. In terms of this evaluation, this implies involving both men and women in the consultation, evaluation analysis and evaluation team. Moreover the evaluator should review data and information that is disaggregated by sex and gender and assess the relevance and effectiveness of gender-related strategies and outcomes to improve lives of women and men. All this information should be accurately included in the inception report and final evaluation report.

The evaluation should cover expected and unexpected results in terms of non-planned outputs and outcomes (i.e. side effects or externalities). Some of these unexpected changes could be as relevant as the ones planned. Therefore, the evaluator should reflect on them for learning purposes.

The analytical scope should include identifying levels of achievement of objectives and explaining how and why have been attained in such ways (and not in other alternative expected ways, if this would be the case).

The evaluation should be carried out in adherence with the ILO Evaluation Framework and Strategy, the ILO Guideline, the UN System Evaluation Standards and Norms, and the OECD/DAC Evaluation Quality Standard.

The evaluation will also look at whether project could address the recommendations made by the mid-term evaluation, conducted in April 2016 as well as the

recommendations of the TDF II Donor Support Implementation Mission, conducted in November 2016.

Clients

The primary users of the evaluation's findings will be the management team of the project 'Improving the garment sector in Lao PDR: Compliance through inspection and dialogue', the ILO technical unit (GOVERNANCE), the administrative unit (ROAP) and the donors (IDA). Secondary parties making use of the results will include tripartite constituents, in particular the Ministry of Labour and Social Welfare, civil society organizations who have partnered with the project, as well as other agencies working on performance improvement of enterprises, working conditions and gender equality.

Suggested aspects to be addressed

Criteria

The following set of key criteria should be applied in determining the results of the project:

- Relevance
- Effectiveness
- Efficiency
- Impact
- Sustainability
- Gender equality

The impact and sustainability of the project's activities should be of particular focus during the final evaluation.

Evaluation questions

The final evaluation will seek to answer the key questions listed below as measures of the project's performance. Adaptation is encouraged where necessary but any fundamental changes should be agreed upon between the evaluation manager and the evaluator and reflected in the inception report.

1. Relevance (including strategic fit)

- Has the project responded to the real needs of the project stakeholders in Lao PDR?
- Have the problems and needs that gave rise to the project still exist or have changed significantly?

- Did the project address the major causes of vulnerability and respond to prevalent forms of exploitation among garment workers, especially women workers?
- Was the project design adapted as per the midterm evaluations' recommendations- appropriate for achieving its intended development impact?
- Did the project activities align with or influence government policy and planning, as well as social partner programming and priorities, on labour productivity and working conditions?
- Was the project consistent with or influential to ILO national, regional and global strategic priorities and programming on promotion labour rights, improvement of working conditions, enterprise performance enhancement and make effective use of its comparative advantages?

2. Effectiveness (including achievement of objectives and project management)

- To what extent did the project achieve the three immediate objectives set forth in its logical framework?
- How effective was the internal management of the project? (Including strategy and work planning, staffing arrangements and capacities, governance and oversight, monitoring system, technical backstopping support from ILO DWT-Bangkok, GOVERNANCE-Geneva, etc.)
- Was the project successful in obtaining the support and cooperation of government and social partners at national level?
- Were implementing partners strategically selected and effective in carrying out the project activities? (i.e. possess the necessary project management skills and achieve the objectives outlined). If yes/no, why?
- Have the capacities of partner organizations been nurtured and supported on collection and analysis of M&E data?
- Has a management information system been established to ensure that data is regularly analysed and incorporated in management decision-making? Has M&E data been disaggregated to show the project results for women and men and different stakeholder groups?

3. Efficiency (including use of resources and value for money)

- Was the project's use of resources optimal for achieving its intended results? (Financial, human, institutional and technical, etc.)
- Were activities completed on-time/according to work plans?
- Was the funding and timeframe sufficient to achieve the intended outcomes?
- Which project activities represented the greatest value for money in terms of achieving specific objectives of the project?
- Were cost-sharing arrangements or in-kind contributions sought from partners to complement the project's resources? (From other ILO projects,

inter-agency initiatives, cooperation with tripartite constituents and CSO partners, etc.) Which were the most effective for leveraging project resources?

4. Impact (including realized and prospective changes)

- What impact did the project activities contribute to policy and practices related to labour law enforcement, improvement of working conditions, enterprise productivity and gender equality?
- What changes did the project contribute to women and men garment workers?
- What additional impacts do stakeholders foresee emerging after its completion?

5. Sustainability (Including local ownership and stakeholder participation)

- Were strategic plans developed and implemented to ensure the sustainability of the project's results among the target groups?
- Which project-supported tools been solidly institutionalized by partners? Have any been replicated or adapted by external organizations?
- Which project activities at national and local levels show evidence that they will likely continue after external funding is discontinued?
- Has there been any local and/or private sector support provided for the project activities?
- Has the project been successful in supporting the development of an enabling policy, legal framework, and institutional environment for sustainable changes in effective labour law enforcement?
- Did the project work through local systems and processes and strengthen the capacity of these institutions?
- Were tools, research, outcome documents and other knowledge products developed and broadly disseminated under the project?

6. Gender equality

- Did the project activities benefit women and men equally? (Including migrant workers and government and social partner representatives)
- Has the project supported the government to adopt gender-sensitive labour policies and enforcement mechanisms? (reflecting relevant the ILO Conventions/Recommendations)
- Has the project been effective at addressing the vulnerabilities of women workers in highly gendered garment sector work?
- Were risks to gender equality identified and appropriately managed?

7. Special aspects to be addressed

- What was the impact of the synergies between the project and other initiatives in the area?
- To what extent the project has promoted ILO's mandate on social dialogue and international labour standards?

Expected outputs of the evaluation

The expected outputs to be delivered by the evaluator are:

1. Inception report: this report based on the desk review should describe the evaluation instruments, reflecting the combination of tools and detailed instruments needed to address the range of selected aspects. The instrument needs to make provision for the triangulation of data where possible. It will cover how the more detailed analysis on the focus areas will be integrated in the analysis and reporting.
2. Quantitative and qualitative data collected in the field.
3. Stakeholders' workshops, as part of the in-country field work to gather collective stakeholder views, present proposed focus of the evaluation and as part of full data collection.
4. Draft evaluation report for the project: the evaluation report should include and reflect on findings from the fieldwork and the stakeholders' workshop.
5. Final evaluation report after comments from stakeholders.
6. Upon finalization of the overall evaluation report, the evaluator will be responsible for writing a brief evaluation summary which will be posted on the ILO's website. This report should be prepared following the guidelines included in Annex and submitted to the evaluation manager.

Draft and Final evaluation reports include the following sections:

- Executive Summary (*standard ILO format*) with key findings, conclusions, recommendations, lessons and good practices (*each lesson learn and good practice need to be annexed using standard ILO format*).
- Clearly identified findings.
- A table presenting the key results (i.e. figures and qualitative results) achieved per objective (expected and unexpected)
- Clearly identified conclusions and recommendations (i.e. specifying to which actor(s) apply).
- Lessons learned.
- Potential good practices and effective models of intervention.
- Appropriate Annexes including present TORs.
- Standard evaluation instrument matrix (adjusted version of the one included in the Inception report).

The entire draft and final reports (including key annexes) have to be submitted in English.

The total length of the report should be a maximum of 30 pages. This is excluding annexes; additional annexes can provide background and details on specific components of the project evaluated.

The report should be sent as one complete document and the file size should not exceed 3 megabytes. Photos, if appropriate to be included, should be inserted using lower resolution to keep overall file size low.

All drafts and final outputs, including supporting documents, analytical reports and raw data should be provided in electronic version compatible for Word for Windows. Ownership of data from the evaluation rests jointly with ILO, IDA (World Bank) and the consultants. The copyright of the evaluation report will rest exclusively with the ILO. Use of the data for publication and other presentations can only be made with the written agreement of ILO. Key stakeholders can make appropriate use of the evaluation report in line with the original purpose and with appropriate acknowledgement.

The draft reports will be circulated to key stakeholders (including the IDA as the donor, the tripartite constituents, other key stakeholders and partners and ILO staff i.e. project management, ILO Country Office for Cambodia, Lao People's Democratic Republic and Thailand (CO-Bangkok), DWT Bangkok and the ILO Regional office) for their review. Comments from stakeholders will be consolidated by the evaluation manager and will be sent to the evaluation consultant to incorporate them into the revised evaluation report. The evaluation report will be considered final only when it gets final approval by ILO Evaluation Office.

Methodology

a. Sources of information and field visit

The evaluator will conduct a desk review first to be followed by interviews and a field visit to project areas in the Lao PDR. He/she can make use of the sources of information exhibited below for desk review and interview, namely the review of selected documents (1.1), the consultation of the webpage of the project (1.2) and the conduct of interviews (1.3).

1. Sources of information

1.1 Documents review

The evaluator will review the following documents to be provided by the project management through e-mail:

- Project Document;
- Project progress reports;
- TDF II Donor Support Implementation Mission report;
- Mission, meeting, workshop and training reports;
- Project budgets – planned and actual- expenditures;
- Project output documents.

1.2 Individual interviews

Individual interviews in person during the field visit, by phone, e-mail or Skype and/or a questionnaire survey can be conducted with the following:

- a) ILO staff in the field, including Country Office Director, relevant ILO CO-Bangkok staff (including the Programme Officer responsible for the project as well as the Administrative and Finance Officer), relevant officials who provided inputs at the design stage as well as early stage of implementation.
- b) ILO specialists – DWT Bangkok who provided technical inputs at the design stage as well as early stage of implementation;
- c) Representatives from key stakeholders: the Ministry of Labour and Social Welfare (MoLSW); the Lao National Chamber of Commerce and Industry (LNCCI); the Association of Lao Garment Industries (ALGI); the Lao Federation of Trade Unions (LFTU); IDA and contributing donors (viz. Australia, the European Union, Germany, Ireland, USA and the World Bank); relevant NGO partners and selected enterprise beneficiaries.

b. The evaluator’s responsibilities and expected profile

| Responsibilities | Profile |
|---|---|
| <ul style="list-style-type: none"> • Desk review of project documents • Development of the evaluation instrument • Briefing with ILO • Telephone interviews with DWT-Bangkok specialists • Undertake a field visit to Lao PDR • Facilitate stakeholders’ workshop/ debriefing with the project and key stakeholders • Draft evaluation report • Finalize evaluation | <ul style="list-style-type: none"> • Not have been involved in the project. • Relevant background in social and/or economic development. • Experience in the design, management and evaluation of complex development projects, in particular with policy level work, institution building and local development projects. • Experience in evaluations in the UN system or other international context • Experience in the areas of labour administration, social dialogue, working conditions, gender equality, productivity improvement and enterprise development. • Experience in the UN system or similar international development experience including preferably international and national development frameworks and UNDAF. |

| | |
|---|--|
| <ul style="list-style-type: none"> • Draft stand-alone evaluation summary as per standard ILO format | <ul style="list-style-type: none"> • Experience in Lao PDR will be an advantage • Fluency in English • Experience facilitating workshops for evaluation findings. |
|---|--|

Management arrangements

The evaluator will report to the *Evaluation Manager*, Mr. Anandan Menon (anandan@ilo.org), ILO DWT/CO-New Delhi. The evaluation manager takes the responsibility in drafting TOR in close consultation with the Senior Evaluation Officer, EVAL, Geneva; the Regional Evaluation and Monitoring Officer, Bangkok, and others concerned and will manage the whole evaluation process and will review evaluation report to make sure it has complied with the quality checklist of ILO evaluation report.

Evaluation Office in Geneva (EVAL) will do quality assurance of the report and give approval of the final evaluation report.

The Project Team based in Vientiane will provide administrative and logistical support during the evaluation mission. Project management will also assist in organizing a detailed evaluation mission agenda, and to ensure that all relevant documentations are up to date and easily accessible by the evaluator.

Roles of other key stakeholders: All stakeholders, particularly the relevant ILO staff, the donor, tripartite constituents, relevant government agencies, NGOs and other key partners will be consulted throughout the process and will be engaged at different stages during the process. They will have the opportunities to provide inputs to the TOR and to the draft final evaluation report.

Calendar and payment

The duration of this contract is for 19 working days during end June – first half of July 2017.

| Phase | Responsible Person | Tasks | Proposed timeline | Number of days |
|-------|--------------------|--|--------------------|----------------|
| I | Evaluator | <ul style="list-style-type: none"> ○ Desk Review of project related documents ○ Telephone briefing with the evaluation manager, ILO CO and DWT, Bangkok. | 19 June to 25 June | 5 |

| | | | | |
|-----|---|--|---|----|
| | | <ul style="list-style-type: none"> ○ Preparation of the inception report | | |
| II | Evaluator (logistical support by the project and CO) | <ul style="list-style-type: none"> ○ Field visit ○ Interviews with project staff and other relevant stakeholders (including ILO officials –via skypes) ○ Preparation of the workshop ○ Workshop with the project management and ILO relevant offices for sharing of preliminary findings | 26 June to 30 June | 5 |
| III | Evaluator | <ul style="list-style-type: none"> ○ Analysis of data based on desk review, field visit, interviews/questionnaires with stakeholders in Lao PDR, final workshop ○ Draft report ○ Debriefing | Draft report to be submitted to Evaluation Manager by 11 July | 6 |
| IV | Evaluation manager | <ul style="list-style-type: none"> ○ Circulate draft report to key stakeholders ○ Stakeholders provide comments ○ Consolidate comments of stakeholders and send to team leader | 12 July to 25 July | |
| VI | Evaluator | <ul style="list-style-type: none"> ○ Finalize the report including explanations on why comments were not included (if not included) | 26 July to 31 July; Submission of final report to Evaluation Manager by 31 July | 3 |
| VII | Evaluation Manager | <ul style="list-style-type: none"> ○ Review the revised report and submit it to EVAL for final approval | By 15 August | |
| | | Total no. of working days for Evaluator | | 19 |

The project will finance the evaluation. It can be spent on:

- Consultancy fee;
- Travel and DSA: (the consultant is responsible for making all travel arrangements and covering his accommodation during the field visits.)
- Stakeholders' workshop

Based on the TOR, the ILO will prepare an external collaborator contract with an evaluator with the following payment schedule:

Upon submission of an inception report, the ILO will pay the travel cost and DSA.

50% of the fee payment will be paid upon submission of a draft evaluation report;

The remaining 50% of the payment will be paid upon satisfactory delivery of the final evaluation report to the satisfaction of the ILO, this includes conclusions and recommendations, and Summary of the Evaluation Report.

The total consultancy fee for this work is **USD 10,915.60**. This amount includes the Evaluation Consultant's fee (USD 450 x 19 days = USD 8,550) together with travel (USD 1,490.60) and daily subsistence costs for a 5 day evaluation mission to Vientiane (USD 875).

| No | Budget Estimation for Mid-term Evaluation consultant | | | | Remark |
|--------------------|--|---------------|------------------|----------------------|--|
| | Description | Number of Day | Unit price in US | Total | |
| 1 | Consultancy fee | 19 | 450 | 8,550 | Reimbursement air ticket based on receipt and budget available |
| 2 | Air ticket costs (round trip) Beirut – Abu Dhabi – Bangkok – Vientiane (BEY-AUH-BKK-VTE-BKK-AUH-BEY) | | 1,490.60 | 1,490.60 | |
| 3 | DSA in Vientiane (175\$/night) | 5 | 175 | 875 | |
| Grand Total | | | | 10,915.60 USD | |

Annex: All relevant ILO evaluation guidelines and standard templates

1. Code of conduct form (To be signed by the evaluator)
http://www.ilo.org/eval/Evaluationguidance/WCMS_206205/lang-en/index.htm

2. Checklist No. 3 Writing the inception report
http://www.ilo.org/eval/Evaluationguidance/WCMS_165972/lang-en/index.htm

3. Checklist 5 Preparing the evaluation report
http://www.ilo.org/eval/Evaluationguidance/WCMS_165967/lang-en/index.htm

4. Checklist 6 Rating the quality of evaluation report
http://www.ilo.org/eval/Evaluationguidance/WCMS_165968/lang-en/index.htm

5. Template for lessons learnt and Emerging Good Practices
http://www.ilo.org/eval/Evaluationguidance/WCMS_206158/lang-en/index.htm
http://www.ilo.org/eval/Evaluationguidance/WCMS_206159/lang-en/index.htm

6. Guidance note 7 Stakeholders participation in the ILO evaluation
http://www.ilo.org/eval/Evaluationguidance/WCMS_165982/lang-en/index.htm

7. Guidance note 4 Integrating gender equality in M&E of projects
http://www.ilo.org/eval/Evaluationguidance/WCMS_165986/lang-en/index.htm

8. Template for evaluation title page
http://www.ilo.org/eval/Evaluationguidance/WCMS_166357/lang-en/index.htm

9. Template for evaluation summary:
<http://www.ilo.org/legacy/english/edmas/eval/template-summary-en.doc>

Independent Evaluation of ILO’s project “Improving the garment sector in Lao PDR: Compliance through inspection and dialogue”

Inception Report

Prepared by:

Chris Morris

June 2017

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a. Introduction

In May 2017, the International Labour Organization (ILO) commissioned an evaluation of the project “Improving the garment sector in Lao PDR: Compliance through inspection and dialogue”. This document serves as the inception report for the evaluation. The purpose of the inception report is to introduce the plans of the evaluation and serve as a document of understanding between ILO and the evaluator. It introduces the context that the intervention took place in and defines the scope, goals and questions of the evaluation. The report presents an evaluation matrix that identifies lines of enquiry, indicators, data sources, and methods that will be used to answer the evaluation questions. It also describes the methodology the evaluator will follow and lays out suggested meetings for the evaluation.

b. Understanding of the Context

The garment sector is the largest manufacturing employer in Lao PDR, and outside of the government, is the largest source of formal employment. Around 28,000 workers are employed by about 60 exporting factories and 45 sub-contracting firms. Production is mainly centred around the capital, Vientiane. The predominant demographic of garment factory employees are young females, under the age of 25. Often from rural provinces, they see employment as an alternative to agricultural work, offering the chance to send money home to their families, whilst looking for opportunities to improve their situation through education or other work opportunities. As such many workers see their employment as offering temporary opportunities and the turn-over of staff is considerable. Some factories report only 50% of their staff stay more than three years. As a result, factories are reluctant to invest in training and experience the loss of experienced staff regularly. This approach harms attempts to improve productivity.

At the same time, workers know little of their rights and often experience difficult conditions, including long hours, compulsory overtime and poor occupational health and safety (OSH) standards. The Lao Federation of Trade Unions (LFTU) is the only national trade union in Laos. It is directly connected to the ruling Lao People’s Revolutionary Party, and plays a role in both protecting and controlling labour. Union membership in the garment factories is low. LFTU estimates that only 15% of the garment factory workers are trade union members. Workers representatives in the factories are often appointed by the management or are HR staff. As a result, they play more of a role of enforcing worker responsibilities than representing worker interests.

Awareness of gender concerns are limited among stakeholders. Lao labour law makes certain provisions for pregnant women and new mothers, but these are often ignored by factories and factory workers are often unaware of the provisions. The initial needs assessment of the Labour Inspectorate found that only 15% of LIs were women. Senior government positions, and factory ownership and management are predominately held by men. Lao society is also fairly conservative, with entrenched social perceptions about gendered norms.

The factories are represented by the Association of Lao Garment Industry (ALGI), of which most garment enterprises are members. The ALGI was created to bolster efforts to find domestic and international markets for their products. The ALGI is a member of the Lao National Chamber of Commerce and Industry (LNCCI). The LNCCI is the tripartite member representing employers in the Tripartite Committee for Industrial Relations.

Lao PDR has a cadre of labour inspectors (LI) but prior to the project, these were poorly trained, inexperienced and had little enforcement powers. Approximately 200 LIs were employed by the government to inspect all industries in Lao PDR. Labour inspection was only part of their role, limiting their opportunities to complete the labour inspection tasks of their role. Additionally, the budget and employment for the LIs was controlled by district authorities but functional operation of the overall system conducted by the Ministry of Labour, thus creating imbalances and confusion in management of the system.

The regulatory mechanism for labour inspections and factory compliance prior to the project created confusion among factory owners and LIs. The work of LIs was governed by the 2006 Labour Law and supported by Ministerial Decision 5523. In December 2013, the National Assembly passed a new Labour Law to become effective in November 2014 and replace the 2006 law. Following the passing of the 2014 law, LIs continued to refer to Ministerial Decision 5523. However, this was written to support the 2006 Labour Law and so there were questions about its validity. The legislation and the Ministerial Decision also gave LIs the power to levy fines, but did not specify what these would be.

c. Understanding of the Intervention

The project has been funded by the International Development Association (IDA), which is part of the World Bank. It is part of a multi-donor trust fund with contributions from the EU, Germany, Australia, Ireland, USA, and the World Bank. The project is part of the Second Trade Development Facility (TDF-2). TDF-1 was a fund set up to support Lao PDR's accession to the World Trade Organization (WTO). TDF-2 was designed to build on TDF-1 and specifically support government efforts to encourage higher rates of economic growth with the goal of reducing poverty in the country. The project was outlined a Project Appraisal Document (PAD) produced by the World Bank. The project was awarded to ILO in a non-competitive negotiation based on ILO's unique access and abilities relevant to the project. The negotiation process took some time, delaying the start of the process.

The project has one overall development objective (DO) and three immediate objectives (IO). The DO is:

- "To improve compliance and working conditions and to increase competitiveness of the Lao garment industry."

The IOs are:

- IO 1: The capacity of the labour inspection system in Lao PDR is improved so that it can effectively undertake labour inspection functions for the benefit of workers and employers in the garment sector.
- IO 2: Workers and employers in the garment sector are aware of their rights and obligations and understand how to achieve compliance.
- IO 3: The Project's assessment, advisory and training services allow factories participating in the Project to adhere to national labour law and international labour standards and improve competitiveness through workplace cooperation.

ILO is responsible for the implementation and management of the project in partnership with MoLSW. The evaluation TOR states: "The ILO's contribution is made in the form of high quality technical assistance, a large array of existing training materials, comparative international experience, and administrative and financial backstopping. The ILO is responsible for project implementation in partnership with the Ministry of Labour and Social Welfare, Government of Lao PDR."

The project had a mid-term evaluation conducted by an external consultant in 2016. The evaluation made a series of recommendations to MoLSW, the project, and the PAC. These included:

- MoLSW should ensure a full-time cadre of LIs and ensure they are available for capacity development through the project, develop a labour inspection plan, issue policy directives to ensure project supported tools are mandatory, and recruit more women into the labour inspectorate division.
- The project should broaden the target group of LIs and develop a training strategy to deepen the skills of LIs, consider working more closely with the districts responsible for the LIs in the areas the pilot factories are based, reconsider whether it is appropriate to continue the plan to expand the number of pilot factories, try to position the project so the Lao PDR Government perceives it as a MoLSW initiative/responsibility, reinforce knowledge of the project among stakeholders, investigate how GDSC can be used to provide training at the enterprise level, ensure accurate recording of WIC records, and report on gender mainstreaming issues.
- The PAC should consider how the project might be communicated to the broader public including potential buyers.

d. Purpose and Scope of the Evaluation

The intended users of the evaluation as outlined in the TOR are the management team of the project, ILO's technical unit (GOVERNANCE) and administrative unit (ROAP), and IDA as the donor. The evaluation will also be available for use to the tripartite constituents in Lao PDR, and other partners and stakeholders.

The evaluation was commissioned in line with ILO's Evaluation Policy. The evaluation offers the opportunity for accountability to donors, staff and tripartite constituents, through providing a summative judgement on the achievement of intended outputs, outcomes and objectives, operation of the project, and use of resources. The evaluation will also support lesson learning by identifying emergent good practices and lessons learned from the project which can be used to support future project direction in Lao PDR and elsewhere. The evaluation will cover the entire period of the project.

e. Evaluation Criteria and Questions

The evaluation criteria for the evaluation are relevance, coherence, effectiveness, efficiency, impact, sustainability and gender concerns. The following questions are proposed:

1. Relevance

- Has the project responded to the real needs of the project stakeholders in Lao PDR?
- Do the problems and needs that gave rise to the project still exist or have changed significantly?
- Did the project address the major causes of vulnerability and respond to prevalent forms of exploitation among garment workers, especially women workers?
- Was the project design adapted as per the midterm evaluations' recommendations-appropriate for achieving its intended development impact?
- Did the project activities align with or influence government policy and planning, as well as social partner programming and priorities, on labour productivity and working conditions?
- Was the project consistent with or influential to ILO national, regional and global strategic priorities and programming on promotion labour rights, improvement of working conditions, enterprise performance enhancement and make effective use of its comparative advantages?

2. Effectiveness

- To what extent did the project achieve the three immediate objectives set forth in its logical framework?
- How effective was the internal management of the project? (Including strategy and work planning, staffing arrangements and capacities, governance and oversight, monitoring system, technical backstopping support from ILO DWT-Bangkok, GOVERNANCE-Geneva, etc.)
- Was the project successful in obtaining the support and cooperation of government and social partners at national level?
- Were implementing partners strategically selected and effective in carrying out the project activities? (i.e. possess the necessary project management skills and achieve the objectives outlined). If yes/no, why?
- Have the capacities of partner organizations been nurtured and supported on collection and analysis of M&E data?
- Has a management information system been established to ensure that data is regularly analysed and incorporated in management decision-making? Has M&E data been disaggregated to show the project results for women and men and different stakeholder groups?

3. Efficiency

- Was the project's use of resources optimal for achieving its intended results? (Financial, human, institutional and technical, etc.)
- Were activities completed on-time/according to work plans?
- Was the funding and timeframe sufficient to achieve the intended outcomes?
- Which project activities represented the greatest value for money in terms of achieving specific objectives of the project?
- Were cost-sharing arrangements or in-kind contributions sought from partners to complement the project's resources? (From other ILO projects, inter-agency initiatives, cooperation with tripartite constituents and CSO partners, etc.) Which were the most effective for leveraging project resources?

4. Impact

- What impact did the project activities contribute to policy and practices related to labour law enforcement, improvement of working conditions, enterprise productivity and gender equality?
- What changes did the project contribute to women and men garment workers?
- What additional impacts do stakeholders foresee emerging after its completion?

5. Sustainability

- 5.1 Were strategic plans developed and implemented to ensure the sustainability of the project's results among the target groups?
- 5.2 Which project-supported tools been solidly institutionalized by partners? Have any been replicated or adapted by external organizations?
- 5.3 Which project activities at national and local levels show evidence that they will likely continue after external funding is discontinued?
- 5.4 Has there been any local and/or private sector support provided for the project activities?
- 5.5 Has the project been successful in supporting the development of an enabling policy, legal framework, and institutional environment for sustainable changes in effective labour law enforcement?
- 5.6 Did the project work through local systems and processes and strengthen the capacity of these institutions?
- 5.7 Were tools, research, outcome documents and other knowledge products developed and broadly disseminated under the project?

6. Gender equality

- Did the project activities benefit women and men equally? (Including migrant workers and government and social partner representatives)
- Has the project supported the government to adopt gender-sensitive labour policies and enforcement mechanisms? (reflecting relevant the ILO Conventions/Recommendations)
- Has the project been effective at addressing the vulnerabilities of women workers in highly gendered garment sector work?
- Were risks to gender equality identified and appropriately managed?

7. Special Aspects to be Addressed

- What was the impact of the synergies between the project and other initiatives in the area?
- To what extent the project has promoted ILO's mandate on social dialogue and international labour standards?

b. Evaluation Matrix

| Relevance | | | |
|---|---|---|---------------------------------------|
| Q.1.1: Has the project responded to the real needs of the project stakeholders in Lao PDR? | | | |
| Lines of Enquiry | Indicators | Data Sources | Method |
| What were the key needs? Did the project address the needs of some tripartite constituents and other stakeholders better than others? Did the project respond to the needs laid out in the 2015 needs assessment? | Evidence of needs assessments Evidence of inclusive approach to project design Existence of consultation with beneficiaries and project adaptation to feedback and concerns | Project documentation ILO staff MoLSW staff Partner organizations Factory staff | FGDs Interviews Document review |
| Q.1.2: Do the problems and needs that gave rise to the project still exist or have they changed significantly? | | | |
| What changes in context have there been during the project? Do the underlying assumptions in the TOC and logic frame still exist? | Conformity/variance between original needs and current ones | Project documentation ILO staff MoLSW staff Partner organizations Factory staff | FGDs Interviews Document review |
| Q.1.3: Did the project address the major causes of vulnerability and respond to prevalent forms of exploitation among garment workers, especially women workers? | | | |
| What are the main causes of exploitation? Has the project ensured feedback from the most vulnerable groups was included in project design and implementation? Were concerns of women workers mainstreamed in project design and implementation? | Evidence the project considered vulnerability and exploitation in design, needs assessment and implementation. Inclusion of voice of vulnerable groups in committees, feedback loops etc | Project documents ILO staff Factory staff MoLSW staff | FGDs Interviews Document review |
| Q.1.4 Was the project design adapted as per the midterm evaluations' recommendations- appropriate for achieving its intended development impact? | | | |
| Did the project implement the midterm evaluations? If not, why not? What changes/impact did these have? | Evidence of changes as a result of the mid-term evaluation | ILO staff Implementing partner staff | Interviews Document review |
| Q.1.5: Did the project activities align with or influence government policy and planning, as well as social planning partner programming and priorities, on labour productivity and working conditions? | | | |

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|---|--|--|---------------------------------------|
| How does the program align with policies of Lao PDR government and other partners? What policies were influenced as a result of the project? | Conformity with Laos PDR and partner policies. | Policy documents MoLSW staff | Interviews Document review |
| Q.1.6: Was the project consistent with or influential to ILO national, regional, and global strategic priorities and programming on the promotion of labour rights, improvement of working conditions, enterprise performance enhancement and make effective use of its comparative advantage? | | | |
| Did the project align with the DWCP? Did the project support relevant ILO conventions? Did ILO use its comparative advantages (access to tripartite constituents, technical knowledge, experience from other countries etc) effectively? Has the project conformed with ILO's policies on gender equality? Link to question 7.2 | Results are reported in DWCP monitoring and global RBM reporting. Following of ILO conventions in Lao PDR has been strengthened. Evidence of use of technical knowledge, access to stakeholders, experience from elsewhere etc. Policies and activities are gender sensitive. | RBM and DWCP reports Progress reports ILO staff | Document review Interviews |
| Effectiveness | | | |
| Q.2.1: To what extent did the project achieve the three immediate objectives set forth in its logical framework? | | | |
| Has the capacity of the labour inspection system been improved and are labour inspectors undertaking inspections? Are workers and employers more aware of labour rights and how to achieve workplace compliance? Have factories improved working conditions and productivity? | Evidence of change as a result of the project. Difference between initial objectives/outcomes and actual results. | Project documentation ILO staff MoLSW staff Partner organizations Factory staff LIs | Document review Interviews FGDs |
| Q.2.2: How effective was the internal management of the project? (Including strategy and work planning, staffing arrangements and capacities, governance and oversight, monitoring system, technical backstopping support from ILO DWT-Bangkok, GOVERNANCE-Geneva etc) | | | |
| Was staffing sufficient? Did the project get the relevant support from the country office, Bangkok, Geneva etc? How well did the project cope with staffing gaps (between CTAs and at the end of the project)? | Evidence of support from Bangkok and Geneva Existence of use of project management tools. | ILO staff Project documents | Document review Interviews |

| | | | |
|--|---|---|---|
| Q.2.3: Was the project successful in obtaining support and cooperation of government and social partners at national level? | | | |
| What support was obtained and from who? Which partner provided strongest support? If a partner did not provide support/engage, why not? What could have been done differently? | Evidence of meaningful involvement in the project. Number of trainings/meetings attended etc. Speed of response/follow-up on tasks and requests for help. | ILO staff Tripartite constituents Other partners | Document review Interviews |
| Q.2.4: Were implementing partners strategically selected and effective in carrying out the project activities? (i.e. possess the necessary project management skills and achieve the objectives outlines). If yes/no, why? | | | |
| Which partners were selected? What was the selection process? Did alternatives exist? | Evidence of selection analysis and consideration of alternatives | ILO staff Tripartite constituents Other partners | Document review Interviews |
| Q.2.5: Have the capacities of partner objectives been nurtured and supported on collection and analysis of M&E data? | | | |
| What M&E systems exist Are there regularly updated? Will they continue after the end of the project (link to sustainability) | Existence of M&E system Evidence data is regularly collected and updated | Project documents Responsible government and partner staff | Document review Interviews FGDs (L.I.s) |
| Q.2.6: Has a management information system been established to ensure that data is regularly analysed and incorporated in management decision-making? Has M&E data been disaggregated to show the project results for women and men and different stakeholder groups? | | | |
| Refer to question 2.6 Is there evidence that data has been used to impact decision making? Is there gender disaggregation? | A management information system exists Evidence of use and expectation to continue use | Database and document review ILO staff MoLSW staff Partner staff | Document review Interviews |
| Efficiency | | | |
| Q.3.1: Was the project's use of resources optimal for achieving its intended results? (Financial, human, institutional and technical, etc.) | | | |
| Were the project's staffing levels balanced between national, expatriate and technical support? Did the project make good use of existing resources? What other resources would have been helpful? | Evidence that resources were utilized at full potential during the project. The use of technical and institutional resources was documented and reported. | Progress reports ILO staff Financial reports | Document review Interviews |

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|--|---|---|---------------------------------|
| Q.3.2: Were activities completed on-time/according to work plans? | | | |
| Did the project conform to the original work plan? What adaptations were made if activities were delayed? Did the delay of particular activities contribute to other activities being delayed? | Actual activity timeline vs planned activity timeline | Progress reports ILO staff | Document review Interviews |
| Q.3.3: Was the funding and timeframe sufficient to achieve the intended outcomes? | | | |
| Were activities completed on time? Would the quality of activities have improved if more time were given? Did the delay in certain outputs mean other outputs were compromised? | The activities were completed on-time and budget allowed for good quality work | Progress reports ILO staff Financial reports | Document review Interviews |
| Q.3.4: Which project activities represented the greatest value for money in terms of achieving the specific objectives of the project? | | | |
| Refer to the answers in Q3.1-3.3 to identify answers | Activities which contributed most to outputs. Cost of activity vs impact achieved | Progress reports ILO staff Financial reports | Document review Interviews |
| Q.3.5: Were cost-sharing arrangements or in-kind contributions sought from partners to complement the project's resources? (From other ILO projects, inter-agency initiatives, cooperation with tripartite constituents and CSO partners, etc.) Which were the most effective for leveraging project resources? | | | |
| Where any cost sharing arrangements agreed? If not, why not? | Evidence of cost-sharing: use of offices, running costs, staff time etc? Support for training costs. | ILO staff Implementing partners | Interviews |
| Impact | | | |
| Q.4.1: What impact did the project activities contribute to policy and practices related to labour law enforcement, improvement of working conditions, enterprise productivity and gender equality? | | | |
| What policies were introduced/changed? Have working conditions increased? Do factories report increases in productivity? Have men and women benefitted from the changes? | # of policies/directives/laws changed with evidence of ILO support Reports and documentation of improved working conditions and productivity | Project documentation ILO staff MoLSW staff Partner organizations Factory staff | FGDs KIIs Document review |
| Q.4.2: What changes did the project contribute to women and men garment workers? | | | |
| Are the changes consistent throughout enterprises? If not why not? Have men and women benefitted from the changes? | Disaggregated data Evidence of training focusing on gender issues | Project documentation ILO staff MoLSW staff Partner organizations | FGDs Interviews |

| | | | |
|---|---|--|-------------------------------|
| | | Factory staff | |
| Q.4.3: What additional impacts do stakeholders foresee after its completion? | | | |
| Are these impacts as a result of the project? Will these impacts be sustainable? | Reported expected impacts | ILO staff MoLSW staff Partner organizations Factory staff | FGDs Interviews |
| Sustainability | | | |
| Q.5.1: Were strategic plans developed and implemented to ensure the sustainability of the project's results among the target groups? | | | |
| Have strategic plans been developed and are they available for all partners/I.O.s of the project? | Evidence of strategic plans Evidence of intent to use of any plans developed | ILO staff Tripartite constituents Project Documents Implementing Partners | Document review Interviews |
| Q.5.2: Which project-supported tools have been solidly institutionalized by partners? Have any been replicated or adapted by external organizations? | | | |
| What helped facilitate the institutionalization? | Evidence of plans/manuals/directives showing use of tools # of tools used by external organizations | Project documents ILO staff Tripartite constituents | Document review Interviews |
| Q.5.3: Which project activities at national and local levels show evidence that they will likely continue after external funding is discontinued? | | | |
| Has MoLSW developed a plan for LIs after the project? Are enterprises going to continue to implement the WICs? Will the trade unions and business groups continue to support the activities? Are there any other activities which will continue? | Evidence of plans to implement activities. Financial commitments from government or other partners. Existence of project proposals or other attempts to leverage resources for the activities by any of the partners. | ILO staff MoLSW | Document review Interviews |
| Q.5.4: Has there been any local and/or private sector support provided for project activities? | | | |
| What financial support has there been? What in-kind support has there been? | Use of facilities for training/ meetings etc Support for advocacy work Evidence of staff time being devoted to the project | Project documents ILO staff Partners | Document review Interviews |

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| Q.5.5: Has the project been successful in supporting the development of an enabling policy, legal framework, and institutional environment for sustainable changes in effective labour law enforcement? | | | |
| Are the changes to the labour law, ministerial directives, and other policies, sufficient to enable long term sustainable changes? | Existence of plans with MoLSW for funding, training and supporting labour inspection | ILO staff MoLSW officials LIs | Document review Interviews FGDs |
| Q.5.6: Did the project work through local systems and processes and strengthen the capacity of these institutions? | | | |
| What structures within tripartite constituents were engaged in the project? Are they more able to operate following the project? | Local structures demonstrate engagement in the project and willingness to continue to implement activities after the project Evidence of consultation and feedback from local structures and partners | MoLSW staff Partner organizations ILO staff | Interviews FGDs |
| Q.5.7: Were tools, research, outcome documents and other knowledge products developed and broadly disseminated under the project? | | | |
| Which tools etc have been used? Are they broadly understood by project beneficiaries? | Existence of products Evidence of use | Project documentation ILO staff MoLSW staff Partner organizations Factory staff | Document review Interviews FGDs |
| Gender Equality | | | |
| Q.6.1: Did the project benefit men and women equally? (including migrant workers and government and social partner representatives) | | | |
| Was a gendered needs analysis conducted? What activities provided the most equitable benefits? | Evidence of gender concerns being addressed. | MoLSW staff Partner organizations Factory staff | FGDs Interviews |
| Q.6.2: Has the project supported the government to adopt gender-sensitive labour policies and enforcement mechanisms? (reflecting relevant ILO Conventions/Recommendations) | | | |
| Have any policies or mechanisms been enforced? | # of policies/mechanisms with gender sensitive approaches. Evidence the project impacted the policies. | ILO staff MoLSW staff Project documents | Document review Interviews |
| Q.6.3: Has the project been effective at addressing the vulnerabilities of women workers in highly gendered garment sector work? | | | |
| Was a gendered needs analysis conducted? | Existence of needs analysis or other system for identifying vulnerabilities | | FGDs Interviews |

| | | | |
|---|---|---|---------------------------------------|
| Is there a feedback mechanism for adapting the project to the needs of women workers? | and needs, and including these in the project implementation | | |
| Q.6.4: Were risks to gender equality identified and appropriately managed? | | | |
| What risks are identified in the PRODOC? Were others identified during implementation? What risks were missed? | Evidence that risks were identified. Examples of risks being managed | Project documents MoLSW staff Implementing partner staff | Document review Interviews FGDs |
| Special Aspects to be Addressed | | | |
| Q.7.1: What were the synergies between the project and other initiatives in the area? | | | |
| Did the project engage with or compliment other ILO projects? Did the project engage with or compliment initiatives by other actors? | Evidence of engagement or synergy | Project documents ILO staff Tripartite constituents | Desk review Interviews |
| Q.7.2: To what extent has the project promoted ILO's mandate on social dialogue and international labour standards? | | | |
| Link to question 1.6 | | | |

c. Proposed Methodology

The purpose and scope of the evaluation included in the TOR requires a methodology that both provides accountability in assessing how well the project achieved its intended objectives, and lesson learning for future interventions. As such, a mixed methods approach is proposed, focusing mainly on qualitative techniques, but also including some quantitative data collection through a small survey administered to key stakeholders.

The evaluation would be guided by the principles of democratic evaluation (Saville and Kushnar, 2005). In this approach, the evaluator is tasked with ensuring that all stakeholders, particularly those who hold less power, can participate and meaningfully impact the evaluation.

To ensure a democratic evaluation, a gender responsive approach is important. ILO's guidance on gender mainstreaming in evaluations identifies that gender mainstreaming throughout the project cycle requires:

“This implies taking into account the following elements: (i) the involvement of both men and women in constituents'/beneficiaries' consultations and analysis; (ii) the inclusion of data disaggregated by sex and gender in the background analysis and justification of project documents; (iii) the formulation of gender-sensitive strategies and objectives and gender-specific indicators; (iv) outputs and activities consistent with these; (v) striving for gender institutional structures set up under projects; and (vi) in the terms of reference for evaluations, requiring the inclusion of impact assessment on gender equality and gender expertise in the evaluation team.”

The evaluation will consider how successful the project has been in including these elements of gender mainstreaming throughout the project cycle. The evaluation will analyse the affect the project has had on the power relationships between men and women, and the consideration of gender concerns that was given to the project's design and implementation. The evaluation report will include disaggregated data and highlight gender responsive recommendations.

The proposed methods will be:

1. Remote Data Review and Collection

- Secondary document and data review

Completed at the start of the evaluation will review project documentation such as proposals and donor reports. Documents will include country level proposals, and monitoring data/reports that are available at a country level. This data will be used to help frame interview and focus group questions, and to triangulate data collected during the field visit. The initial deep-read of project data will be supplemented by re-reading during the data analysis phase of the evaluation. This will allow greater understanding of both the data collected by the evaluator and the data within the project documentation.

- Pre-trip briefings with key ILO staff

Part of the inception phase will involve briefings with key ILO staff. This includes interviews with the Chief Technical Advisor, the Evaluation Manager, the Technical Backstop and Specialist in Labour Administration and Labour Inspection, the original developer of the proposal and Specialist on Labour Administration and Labour Relations, and a Specialist on Workers Activities. Email communication

with a Gender Specialist who has providing training during the project (who is travelling and so unavailable for a Skype call), will also support understanding of the gender dimensions of the project.

2. Evaluation Mission

A timeframe of 5 days has been allocated for the data collection mission. The offices of the tripartite constituents, donors, and other implementing partners, and the factories participating in the pilot scheme. A suggested list of interviews and FGDs is included below with initial time estimates.

During the field visits, the following data collection techniques will be employed:

- Key Informant Interviews

A series of semi-structured interviews will be held with tripartite constituents, implementing partners and other key stakeholders. A general interview guide is attached at annex A but questions will be changed for different interviews to account for the role the interviewee had in the project.

- Focus Group Discussions (FGDs)

FGDs will be used to stimulate discussion among larger groups of project participants. Two main groups have been identified as suitable for FGDs; the core group of labour inspectors and factory workers.

- Collection of Case Studies

One of the purposes of the evaluation is to identify good practices and lessons learned. To support this, it is proposed the evaluator work with the Chief Technical Advisor to identify at least one factory where the project has met with success in achieving some of the goals of the project, identify some of the reasons behind this and document this in a case study. A factory which has not been so successful could offer the opportunity for another case study, and potentially an in-depth interview with one of the core group of Lis might produce another case study?

- Quantitative Data

The mid-term evaluation used stakeholder ratings to gather self-report quantitative data. The interviews will be designed in a manner where similar questions concerning relevance, impact and sustainability elicit quantitative responses. Follow-up questions will then be asked to gather more qualitative information on the responses.

- Data Validation/Evaluation Debriefing Workshop

The evaluator will conduct a data validation workshop for key project stakeholders at the end of the field mission. During the workshop, the findings for the data collection will be presented to the stakeholders. A SWOT analysis of the project will be conducted during the meeting. The SWOT and evaluation findings will be analysed and validated, and a series of emerging recommendations and lessons learned identified. The workshop will help ensure ownership of the recommendations by the project's stakeholders.

d. Limitations

The three major limitations to the evaluation are the time available for data collection, access to factory floor workers, and the need to use translation for the majority of interviews. The time allowed is five days. This will ensure the evaluator is able to meet most of the main stakeholders in MoLSW, LFTU, LNCCI and ALGI. The evaluation mission will also include visits to 3 enterprises. Ideally visits to more enterprises would be undertaken but time will not allow for this. This concern is mitigated to a large extent by ILO having contracted an external consultant to conduct a survey of the WICs in 8 of the pilot factories recently. This data will be used to triangulate evaluation findings.

Both the survey and the evaluation mission though will struggle to independently access factory floor workers. During the survey, a few floor workers were including in the FGDs but most did not participate. Due to the piecemeal nature of their pay and concerns about affecting productivity, factories are reluctant to allow many workers to attend meetings during working hours (and workers lose pay if they attend). The evaluation will try to mitigate this concern by asking to meet some floor workers during lunch-breaks or after work if possible.

Translation will be needed for the majority of interviews. This may reduce the understanding of questions and answers. The evaluator will use an experienced translator who has an understanding of ILO's work to help reduce this concern.

Overall the limitations should not be serious enough to risk the validity of the findings. Data will be considered with the aforementioned limitations in mind.

e. Timeline

A full timeline will be developed in consultation with the CTA and dependent upon availability of stakeholders.

Suggested list of visits/interviews:

| Stakeholder | Method Employed | Time Needed |
|---|---|--|
| Director of Labour Inspection Division Director General of Labour Department | Interview Stakeholder ratings | 1-1.5 hours |
| Core group of Labour Inspectors | FGDs. Followed by individual interviews (if necessary interviews could be arranged at a different time) Stakeholder ratings | 2 hours for FGD 1-2 hours for individual interviews |
| ALGI | Interview (individual or group-dependent upon numbers present) Stakeholder ratings | 1-1.5 hours |
| LNCCI | Interview (individual or group-dependent upon numbers present) Stakeholder ratings | 1-1.5 hours |
| GSDC | Interview (individual or group-dependent upon numbers present) Stakeholder ratings | 1.5 hours |
| LFTU | Interview (individual or group-dependent upon numbers present) Stakeholder ratings | 1-1.5 hours |
| Factory Visits (3 enterprises) | FGDs Interviews Collection of case studies (?) At the Factory visits, it would be useful to meet: <ul style="list-style-type: none"> • Owners • HR Managers • WIC members • Samples of floor representatives | 2-3 hours a visit? |
| CTA | On-going discussions during evaluation | |
| ILO former national coordinator and admin assistant | Individual interviews | 45 mins each |
| Donor representative | Interview | 45 mins |
| World Bank representative | Interview | 45 mins |
| Survey consultant | Interview | 1 hour |
| Stakeholder debriefing | Group workshop/meeting SWOT analysis Recommendation feedback | 1.5-2 hours |

Annex 6: List of documents consulted

Documents consulted during the evaluation include:

ILO

- 4 six month progress reports; the latest covering the period of July-December 2016
- The mid-term evaluation full report, summary, and management response
- Needs analysis for labour inspection in Lao PDR, October 2015
- The Lao PDR DCWP
- Financial tracking tools by activity and output, updated May 2017
- Budget revision, February 2017
- No-cost extension proposal, February 2017
- WIP for various factories
- Summaries of evaluations of workshops
- Worker Survey Analysis Report, Kongchay Vixatthep (external consultant), May 2017
- ILO Evaluation Toolkit and Guidelines (see list in inception report-Annex 4)

World Bank and NIU

- World Bank Survey of the Garment Industry
- TDF-2 mission reports (May 2016, November 2016 and May 2017)
- The PDF for TDF-2
- Letter of Invitation from the Government of Lao PDR to ILO to implement the project

Government of Lao PDR

- 7th and 8th NSEDP documents
- Ministerial Decision 4277
- Draft National Labour Inspection Checklist