



Evaluation Summaries

Strengthening the civil service systems in the labour ministries in CAFTA-DR countries

Quick Facts

Countries: *Guatemala, Honduras, El Salvador*

Final Evaluation: *August 2011*

Mode of Evaluation: *independent or internal*

Technical Area: *Social Dialogue*

Evaluation Management: *DWT/CO-San Jose*

Evaluation Team: *USAID, USDOL*

Project Code: *RLA/07/04/USA*

Donor: *USA*

Keywords: *Civil service, government capacity-building, Labour Ministry, social dialogue, labour relations*

The Executive Summary of the External Evaluation Report

On August 5, 2004, the Dominican Republic-Central America-United States Free Trade Agreement (CAFTADR) was signed between the United States, five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua), and the Dominican Republic. The Agreement obligated each country to effectively enforce its respective labor laws, and to reaffirm obligations as members of the International Labor Organization (ILO) and their commitments under the *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up (1998)*.¹ In support of these efforts, the United States government (USG) provided approximately \$86 million between FY 2005 through FY 2010 for the purpose of supporting labor capacity-building activities under CAFTA-DR. This resulted in the development of 22 technical assistance projects

that were administered through three USG agencies: the US Department of Labour's Bureau of International Labor Affairs (USDOL), United States Agency for International Development (USAID), and the United States Department of State's Bureau of Democracy, Human Rights, and Labor (State/DRL).

The 22 labor capacity-building projects were designed to address five of the six priority areas established in the report entitled "The Labor Dimension in Central America and the Dominican Republic—Building on Progress: Strengthening Compliance and Enhancing Capacity" (referred to as the "White Paper"). Funding allocation was the direct responsibility of US Department of State's Bureau of Western Hemisphere Affairs (State/WHA), who worked closely with the Office of the United States Trade Representative (USTR). These agencies followed two primary principles in allocating the funds to the oversight agencies: (1) following the White Paper and its target areas for labor capacity-building and recommendations and (2) assigning each agency, in principle, a primary area of responsibility based on its expertise and experience. USDOL was designated the area associated with the labor ministries, USAID was assigned the judicial system, and State/DRL eventually became responsible for supporting civil society organizations focused on promoting a culture of compliance.

This multi-country evaluation seeks to determine the effectiveness of the labor capacity-building projects in countries within the CAFTA-DR region in five principal areas: (1) inter-agency programming and coordination process, (2)

project design, (3) project implementation and effectiveness, (4) monitoring and evaluation, and (5) project impact and sustainability. The methodology included choosing a purposeful, non-random sample of 10 (of the 22) projects to provide specific examples of both good practices and lessons learned in each of the evaluation areas. Key findings and conclusions in these areas are as follows:

In the area of **inter-agency programming and coordination**, the evaluation team found that while no unworthy projects were funded, the overall funding allocation process lacked objective criteria and transparency. Another key coordination finding was that, while the White Paper worked reasonably well as an organizational tool for approving projects and allocating resources, agencies missed the opportunity to convert the White Paper into a strategic framework, with concrete objectives and indicators that could have been used to guide project design and measure the combined efforts of the CAFTA-DR labor projects.

Regarding **project design**, the funding agencies made use of the White Paper to help ensure projects would address problems that were previously identified by labor ministries and the ILO. The CAFTA-DR labor capacity-building projects incorporated a range of innovative and promising strategies: institutionalizing electronic case management systems to increase effectiveness and efficiency; establishing worker rights centers to provide free legal assistance to workers; using the TOT methodology to train large number of workers; providing effective strategic planning support to labor ministries; developing effective partnerships with the private sector to leverage resources and build capacities; using a phased pilot approach to develop the worker rights centers and then rolling it out in the region; introducing a highly effective negotiation methodology (interest-based bargaining); developing an innovative case study methodology; and applying time and motion studies to labor courts to decrease case backloads.

Despite these innovative project strategies, the project documents did not include a precise definition of the problem that the project intended to address or the data to support it. In

addition, there were some inconsistencies in the way in which goals, objectives, and indicators had been conceived and written. Some projects had objectives and indicators that measured outcomes, while other indicators measured the activities conducted and the number of people trained. These inconsistencies impeded the ability of projects to measure the achievement of goals and objectives.

With regard to project **implementation and effectiveness**, projects aimed at institutional strengthening showed a correlation between the strength of their coordination mechanisms with counterpart institutions and their overall effectiveness. The evaluation team also found that civil society projects had a clearly articulated vision for producing and measuring outcomes. This vision allowed the projects to move from implementation and reporting on participation to the actual measurement of concrete benefits to workers. For both types of projects, effectiveness was found to be more a product of capable and stable management, rather than breadth of experience or seniority of certain implementing organizations. Short funding cycles, however, were found to hamper the ability of these projects to move beyond the implementation phase.

In the area of **monitoring and evaluation**, donor agencies had different expectations regarding the establishment of an objective monitoring system for measuring project outcomes. USDOL expected implementing organizations to establish a formal performance monitoring plan (PMP) at the project onset and provide periodic monitoring data in the quarterly reports, while State and USAID generally had less consistent guidelines in this same area. These inconsistencies prevented USG agencies from comparing project outcomes and did not allow projects to synthesize comparative data for reporting on overall progress toward larger strategic capacity-building goals. Higher standards for performance monitoring plans could alleviate this problem, but must be donor-driven. Projects can better ensure the collection of reliable data by designating a staff person to be responsible for overseeing monitoring and evaluation. External evaluations can also be useful to donors, project implementers, and stakeholders by holding projects accountable, increasing their transparency, and providing a process by which

they can reflect on achievements-to-date and take corrective measures in order to better achieve project outcomes.

The impact of the CAFTA-DR labor capacity-building projects is difficult to assess without a well-defined baseline and clearly defined impact indicators. This is partially hampered by the limited resources available to the projects for gathering comprehensive and reliable quantitative evidence. Notwithstanding, qualitative data suggest that small victories have been achieved in promoting better labor practices. These efforts have contributed to an increase in visibility and awareness of labor issues within government institutions and civil society organizations.

Finally, with regard to the **sustainability** of the CAFTA-DR projects, several key cross-cutting sustainable outcomes or products were observed including: trainers who had the ability to replicate training on labor rights; electronic case management systems that increased efficiency and provided monitoring data; and curricula that were integrated into established university law schools. While few approached sustainability in the initial design phase, several projects developed a sustainability strategy in the implementation phase.

These sustainability strategies focused on the most important and viable project outcomes and helped direct project staff in their efforts. Nevertheless, barriers to achieving sustainability, including insufficient time to implement intervention strategies, changes in government personnel, and the lack of institutional will, may negatively impact the ability to achieve sustainability.

Based on the findings and conclusions contained in this report, the following are the **key recommendations** for future labor capacity-building projects and programs. A complete list of recommendations is found in Section VI, "Conclusions and Recommendations."

1. Inter-Agency Programming and Coordination

Future collaboration between State, USDOL, and USAID, with State/WHA overseeing the process, should include the design of a funding allocation process that is objective and transparent. The

process should involve a set of concrete and tangible criteria for selecting projects to be funded as well as a methodology for applying those criteria. The selection criteria should help ensure that projects are chosen based on merit, and might include cost-benefit, project design logic, measurable objectives and indicators for determining impact, and a clear sustainability strategy. When available, evaluations should be used to assess project performance.

2. Project Design

The funding agencies should issue guidelines on project design and proposal development in their solicitation instruments to help ensure consistency. The guidelines should include a requirement to provide a concise definition of the problem and data to support it. The guidelines should also include an explanation of the project design framework (i.e. Results Framework, Logical Framework) and the hierarchy of goals and objectives within that framework. The levels in the hierarchy – inputs, activities, outputs, immediate objectives – should each be defined. In addition, the guidelines should include instructions for writing objectives and their indicators, along with clear examples. The highest level of objective that the project is responsible for achieving (i.e. immediate objective and intermediate result) should have indicators that measure effects or outcomes. The agencies also should consider requesting diagrams that depict the causal linkages between the objectives, along with the critical assumptions that underlie the cause-and-effect logic.

3. Project Implementation and Effectiveness

USG agencies should build the following four important principles into their project designs to increase project effectiveness:

Knowledge. Projects should have a plan in place to incorporate the knowledge that is gained during the implementation phase into ongoing project efforts. This information should be used to adjust strategies to achieve greater project efficiency and effectiveness. Project design should be flexible enough to allow project management to make necessary adjustments.

Training for a Purpose: Projects that rely heavily on the dissemination of information through training and awareness campaigns should include

clear strategies for applying this information or skills in ways that will improve labor conditions for workers. The effectiveness of these strategies should be measured as part of performance monitoring.

Institutional Commitment: Projects that aim to strengthen institutions should negotiate the roles and responsibilities required for project success. These commitments should be articulated in written agreements that are signed and supported by the highest authority in the institution (e.g., a labor minister or Supreme Court president).

Funding Cycles: The agencies should consider funding projects for at least three or four years. Projects with a two-year funding cycle have difficulty achieving and measuring outcomes.

4. Monitoring and Evaluation

Donor agencies should provide clear guidelines and expectations for projects to establish PMPs and collect baseline data during the initial start-up phase. The project PMP should include clearly defined direct and objective performance indicators that measure both outputs and outcomes. Performance monitoring plans should also include target values, milestones, and data collection methodology.

Project staffing should include individuals who are dedicated to overseeing and supporting all aspects of the monitoring and evaluation processes. Stakeholder input should be included when establishing appropriate indicators, as well as during discussions of results from ongoing monitoring.

5. Project Impact and Sustainability

In order to better achieve true impact and sustainability, donor agencies should consider funding longer-term labor capacity-building projects that also focus on political advocacy or policy reform, and minimize projects that fund isolated activities or staff positions that only create a reliance on future donors. Donors should also ensure that planning for sustainability begins during the design phase, followed by the development of a specific, yet flexible, sustainability action plan during the implementation phase. Finally, donor agencies should identify as a priority the allocation of sufficient resources and planning time to establish

a baseline reference and enable the collection of valid impact data.