

Evaluation Summary



International
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Promotion of Decent Work in Southern African Ports - Port Work Development (PWD) Phase II Project - Final Evaluation

Quick Facts

Country: *South Africa and Mozambique*

End-Term Evaluation: *16th Nov. 2015 -31st January 2016*

Evaluation Mode: *External Independent Evaluation*

Administrative Office: *ILO CO (Pretoria)*

Technical Office: *EMP/ENTERPRISE Department*

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Evaluation Consultant(s): *Stanley M. Karuga*

Project Code: *SAF/13/01/M/FLA; SAF/14/02/M/NET*

Donor (s) & Budget: *Flanders & Dutch Governments
(US\$ 1,190,086)*

Keywords: *Promotion of decent work, South African Ports, Transnet, Durban Container Terminal, Maputo Port Development Company, Port of Richards Bay, Port of Maputo, social dialogue, Maritime School of Excellence, Port Work Development.*

Background & Context

The main purpose of PWD phase 2 was to promote decent work in target ports with the overall aim of improving industrial relations between workers and management, creating more and better jobs, and enhancing productivity and competitiveness. More specifically, its immediate objectives were to: (i) “promote social dialogue as a means of conflict resolution among stakeholders within ports and among port operators in the sub-region”; (ii) “further refine the human resource development strategies of these ports in line with international best practice”; and (iii) “strengthen the capacity of local port schools to contribute to the implementation of these strategies by providing skills training to port workers”. Project intervention logic was based on ILO’s systemic approach to enterprise development which recognizes the need

for mutually-reinforcing interventions at various system levels. That is, at the meta-level - focusing on implicit norms, values and perceptions held by system stakeholders regarding their own role and interests in the way business is done in the participating ports; macro-level - focusing on rules, regulations and formal institutional arrangement ruling interaction between staff in the participating ports; and micro-level - focusing on the “market place” where people involved in the value creation process of the participating ports interact with each other and with suppliers and buyers.

Present Situation of the Project

PWD phase 2 was launched by the ILO as a two (2) year initiative that was initially scheduled to operate during the period June 2013 - May 2015 with a budget of approximately US\$ 1.5 million comprising more or less equal funding by the Flemish and Dutch governments (US\$ 1,190,086) and an additional US\$ 300,000 being in-kind contribution from TNT (South Africa). However, following recommendations of a six-month “no-cost” extension by the Mid-Term Evaluation (August 2014) and the subsequent approval by donors, the project became a two-and-a half (2½) years initiative with the operational period translating to the period June 2013 – November 2015. In the case of South Africa, the project covered Transnet Port Terminals – specifically the Durban Container Terminals (Piers 1 & 2), the Port of Richards Bay - specifically the bulk and multi-purpose terminals, and the Maritime School of Excellence. In the case of Mozambique, the project covered the Maputo Ports Development Corporation – specifically the port of Maputo bulk and break bulk terminal, and the Maputo Port School – which is yet not operational.

Purpose, Scope and Clients of the Evaluation

This evaluation was undertaken in accordance with two main provisions, namely the ILO Evaluation Policy

adopted by the Governing Body in November 2005, and the “grant agreement” as reflected in the PWD phase 2 Project Document. In accordance with TORs, the purpose of the evaluation is to provide an independent assessment of project implementation and achievements based on project objectives and strategies; assess project management strategies which guided implementation; and to provide recommendations to stakeholders on a possible follow-up PWD phase 3 of the project. In particular, the evaluation assesses the project in terms of relevance and strategic fit with the socio-economic development aspirations of key stakeholders; validity of design; performance in relation to set achievements targets; effectiveness of management arrangements; efficiency of resource use; impact orientation and impact; and also lessons learned. The evaluation also provides relevant recommendations for a possible third phase of the project. Primary clients of the evaluation include the PMU; the ILO technical support and backstopping staff; ILO Directors - ILO DWST (Pretoria); ILO CO for Mozambique in Lusaka, Zambia; donors and constituents - particularly members of the PSC in South Africa and TAC in Mozambique.

METHODOLOGY OF EVALUATION

The evaluation was undertaken in accordance ILO policies and principles including participatory approaches, gender equality and application of the UN Based Management framework. Evaluation methodologies included desk review of key documents; field-level interviews with 38 key informants (one-on-one, skype and telephonic) with women representing about 21%; independent observations by the Mission during field visits; responses and comments by participants during the “end-of-mission debriefing session”.

Relevance and Strategic Fit: Overall, the Mission found project objectives, planned activities, anticipated outcomes and impact to have been highly relevant and strategically in line with the socio-economic development aspirations of all parties involved including organized labour and management at the participating ports, the governments of South Africa and Mozambique, ILO and other stakeholders at large.

Validity of Design: The Mission found project design to have been largely coherent and logical in terms of relevance and adequacy of foundational information base upon which the project was conceptualized and designed; efficacy of the development model applied;

intervention mix and plausibility of causal linkages of activities, outputs, outcome and objective; definitional clarity of indicators of achievement; risk assessment and timeline. While its design was relatively less coherent and logical in terms depth and breadth of stakeholder consultations; specific plans towards gender mainstreaming; sustainability and exit plans, the biggest problem was the failure for the design of phase 2 to capitalize on lessons learned and experiences gained during phase 1, and also the failure to incorporate recommendations made in the End-term Review Report (March 2013). The Mission firmly concludes that these short coming contributed significantly to the “lower than expected” performance of the project.

Project Progress and Effectiveness: Although project delivery fell short of what was originally anticipated due to a number of challenges discussed in more detail in this report as well as the above design related short-comings, it has shown positive results that are gearing towards positive impact. Key among these include: (i) *Capacity building in social dialogue* for a total of 255 people including chief instructors – with women accounting for a proportionately higher representation of approximately 24.3%; (ii) Increased employment (full-time and casual) by about 0.6% across the three participating ports with overall full-time employment going up by 3.8% and casual employment declining by 16%; (iii) Increased employment of women - accounting for approximately 254.5% of the newly created jobs with the percentage of those in full-time employment going up by 18% and declining by 30% in the case of casual employment; (iv) Reduction in the number of the days lost to industrial actions from 13.5 days and 8.5 days per year in DCT and Richards Bay respectively to 0.5 days and 0.35 days per year at the DCT and Richards Bay also respectively – with the monetary value of the avoided business loss being estimated at US\$ 4.2 million per year or the equivalent of more than US\$ 8.5 million over the project period; (v) Change in the terms of employment for a total 1,195 workers from DCT and Richards Bay from casual to fixed-term contract and/or permanent employment; (vi) Signing of the Recognition Agreement between workers and Transnet (DCT & Richards Bay) in South Africa, and the Collective Bargaining Agreement between workers and MPDC in Mozambique; (vii) Increase in salaries for union workers in the port of Maputo by 8% and improvements of their medical cover - including their immediate family members from 10,000 to 350,000 Meticaais or from approximately US\$ 200 to US\$ 7,000 per year; (viii) increase in customer satisfaction; and (ix) Increase in productivity in terms cargo handling at the port of Maputo by about 31%.

Effectiveness of Management Arrangements: While project management arrangement served it well, its effectiveness was dampened by a number of factors – particularly: (i) lack of sufficient practical commitment on the part of top management staff (TPT and MPDC); (ii) Absence of TWGs to support the TAC and PSC on technical matters; (iii) inadequate project staffing and/or expertise in areas outside social dialogue; (iv) lack of an effective and efficient M&E, knowledge and information management systems.

Effectiveness and Efficiency of Resource Use: The project had a total budget of approximately US\$ 1.5 million - comprising donor funding amounting to US\$ 1,190,086 and US\$ 300,000 in the form of in-kind contribution from TNT (South Africa). By the time of the Mission, the project had utilized US\$ 1,082, 978 or about 91.0% of total project donor budget. Project funding was perceived by the PMU to have been inadequate considering a number of factors such as the wide geographical scope and the need to repeat certain activities due external factors such as high turnover of senior staff. While the project utilized the available resources quite prudently and effectively, it expended approximately 63.0% of total budget towards development work (direct support to beneficiaries). It also leveraged a significant amount of external resources amounting to US\$ 653,835 with contributions being coming from TPT (US\$ 365,113)-South Africa, MPDC-Mozambique (US\$ 208,286); MSoE -South Africa (US\$ 55,436); and ILO (US\$ 25,000) -ITC-Turin .

Impact Orientation and Sustainability: While the Mission found project activities as having the real potential for sustainability and impact beyond the life of the project, this is being undermined by a number of key factors: (i) Lack of commitment to project activities on the part of top management staff in both TPT and MPDC; (ii) High turnover of management staff – especially in the case of TPT in South Africa; (iii) Lack of clear frameworks, mechanisms and consultatively agreed plans of action with respect to the immediate objective related to refinement of HR strategies, as well as institutionalizing of social dialogue into the operational environment of the ports; (iv) Lack clear communication and exit strategies; (v) Weak capacity of workers’ union and lack of institutionalization and structured training arrangements– especially in the case of Mozambique; and (vi) weak OSH strategies - in case of the port of Maputo.

Overall Conclusion: While the delivery of the project fell somewhat short of what was originally anticipated due to a number of challenges as discussed earlier in this report, it has had significant outcomes and impacts as indicated above. In particular, it introduced internationally acceptable good practices for social dialogue and industrial relations at the participating ports. Towards this end, it has significantly demonstrated that social dialogue and HR development are fundamental and mutually reinforcing elements towards decent work for organized labour, increased productivity and competitiveness of the ports to the common benefit of all including workers, management and other port stakeholders. As a result, social dialogue has been welcomed and is increasingly being applied by organized labour and management in the beneficiary ports. It has significantly contributed to improvements in the level of trust and dialogue between workers and management - which is a major transformation from the earlier situation where inter-party relationships were characterized by immense mistrust between the parties. That notwithstanding, its success under a possible third phase will strongly depend on how it addresses the following major issues: (i) securing of full and practical commitment on the part of top management staff of the participating ports; (ii) social dialogue related capacity building including change of mindset among port management and workers; (iii) development and operationalization of frameworks and mechanisms for institutionalizing social dialogue principles and practices into internal structures and day to day operations of TPT and MPDC and cascading the same to the terminal levels of participating ports; (iv) development and operationalization of consultatively formulated medium to long term strategies and plans of action for HR development strategies towards internationally accepted practices; (v) establishment TWGs to support the work of PSC in South Africa and TAC in Mozambique; (vi) development and operationalization of an effective and efficient M&E system as well as knowledge and information sharing; (vii) development and operationalization of a strategically well-thought out communication strategy; (viii) provision of adequate staffing and financing; (ix) development and operationalization of time-bound sustainability and exit strategies;

MAIN RECOMMENDATIONS

The following is a summary of recommended actions for a possible third phase of the project – with the overall cost of implementing the actions being estimated at US\$

275,000 excluding the salary of an additional NPC.

1. Conduct short and focused consultative studies in the following areas with a view to developing clear frameworks, strategies and plans of action with regard to: (a) *Institutionalization of social dialogue principles and practices* into internal structures and day to day operations of TPT and MPDC and cascading the same to the terminal levels of participating ports (DCT and the ports of Richards Bay and Maputo); and (b) Refinement of *HR development initiatives towards international best practice* for the target port organizations (TPT and MPDC) and terminals (DCT, ports of Richards Bay and Maputo) - carefully adapting the strategies to local situations.

Key implementation actor - ILO/PMU at an estimated cost of US\$ 135,000.

2. Maintain focus on the current ports (DCT Piers & 2, Port of Richards Bay and the Port of Maputo) in the third phase to avoid too much ambition - especially in light of available resources.
Key actor-ILO/Donor.
3. *Solicit and secure full commitment and "buy-in"* to project objectives and activities on the part of top management staff in both TPT and MPDC; and the secure reporting of project activities and achievements as a permanent agenda of LBC and NBC meetings.
Key actor - ILO/PMU;
4. *Step up capacity building in social dialogue and HR development towards international best practice* in all participating ports and at all levels by inculcating the culture of social dialogue as a means of resolving conflicts and improving working relationships between employers and workers for sustainable improvements of productivity and competitiveness - giving special emphasis on MPDC.
Key actor - ILO/PMU;
5. *Support MPDC in the development of Occupational Safety and Health (OSH), legislation and compliance* through integration of best practices into its operations to reduce work injuries and loss of man-hours as a means towards improved productivity and competitiveness of the port; and also set up an OSH tripartite committee to steer the agenda forward.
Key actor-ILO/PMU at an estimated cost of US\$ 30,000;
6. *Support institutionalization of training in PDP and social dialogue in MPDC* - which is currently being undertaken on a rather adhoc basis and in an unstructured manner.
Key Actor- ILO/PMU at an estimated cost of US\$ 35,000.

7. *Provide for full time and on-site NPCs to assist the CTA in project implementation* (1 in South Africa -located DCT and 1 in Mozambique- located at MPDC).
ILO/Donor at an estimated monthly cost of US\$ 5,500.
8. *Establish TWGs* to provide technical support to each advisory committee (PSC & TAC).
Key actor - ILO/PMU
9. *Develop and operationalize, communication, sustainability and exit strategies* for the project.
Key Actor - ILO PMU at an estimated cost of US\$ 5,000,
10. *Overhaul the M&E system with a view to enhancing its effectiveness and efficiency* e.g. by developing and operationalizing a web-based or on-line M&E system to be hosted in the web-sites of TPT and MPDC respectively or such other means as may be deemed appropriate, with the ILO Office (Pretoria) web-site only providing the web-portal/link to the respective websites; reviewing indicator definitions and movement towards more SMART indicators of achievements and targets; ensuring that indicators provide room for more gender-related analysis including by way of having sex-disaggregated data; highlighting the cause and effect; planning for attribution claims and ensuring that stakeholders have easy access to the information.
Key actor - ILO PMU at an estimated cost of US\$ 30,000.
11. *Establish and include baseline data and time-bound target indicators of achievements* in the PMF.
Key actor - ILO/PMU at an estimated cost of US\$ 10,000.
12. *Incorporate gender and youth - specific interventions and indicators of achievement* at the design and implementation levels to hold the project accountable to relevant deliverables.
Key actor - ILO PMU.
13. *Step up in-bound capacity building missions from the participating ports (Antwerp & Rotterdam)* to minimize cost and maximize beneficiary outreach and also strengthen partnership and collaboration.
Key actor - ILO/PMU
14. *Be more exertive on planned implementation plans and timely action* on the top management in both TPT and MPDC as well as at the terminal levels.
Key actor-ILO/PMU at an estimated cost of US\$ 20,000.

Lessons learned are noted in the full report.