



# ILO EVALUATION

- **Evaluation Title:** Independent Mid-Term Evaluation of a Technical Assistance Project: The Vietnam Labor Law Implementation Project (also known as the Industrial Relations Project)
- **ILO TC/SYMBOL:** VIE/12/01/USA
- **Type of Evaluation :** Independent Mid-Term
- **Country(ies) :** Vietnam
- **Date of the evaluation:** 13-21 July 2015
- **Name of consultant(s):** Mr. Theo Van der Loop
- **ILO Administrative Office:** CO-Hanoi
- **ILO Technical Backstopping Office:** DWT/CO- Bangkok
- **Date project ends:** 27 September 2016
- **Donor:** US Department of Labor (USD 3,000,000)
- **Evaluation Manager:** Ms. Francesca Fantoni
- **Evaluation Budget:** USD 25,000
- **Key Words:** Industrial Relations, Collective Bargaining, Social Dialogue, Labor Legislation and Implementation.

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 Unit



*International Labour Organisation:  
Promoting Decent Work For All*

## **Independent Mid-Term Evaluation of a Technical Assistance Project:**

**The Vietnam Labor Law Implementation Project  
(also known as the Industrial Relations Project)**

**Final Report**

**The Hague, 2 September 2015**

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*The views expressed in this report belong to the author, and are not necessarily the views of the International Labour Organization.*

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# List of Abbreviations

ACT/EMP	Bureau for Employers' Activities (of the ILO)
ACTRAV	Bureau for Workers' Activities (of the ILO)
BWUCB	Better Work Union Capacity Building
CA	Cooperative Agreement
CB	Collective Bargaining
CIRD	Center for Industrial Relations Development
CLA/NA	Committee on Legal Affairs of the National Assembly (NA)
CO	Country Office
CP	Country Programme
CPR	Country Programme Review
CTA	Chief Technical Advisor
DOLISA	Department of Labor, Invalids and Social Affairs
DWCP	Decent Work Country Programme
EU	European Union
EZU	Economic Zone Union
FoA	Freedom of Association
FoL	Federation of Labor
GoV	Government of Vietnam
GSO	General Statistics Office
GTU	Grassroots Trade Union
HCMC	Ho Chi Minh City
HIZA	Hanoi Industrial Zone Authority
ICD	International Cooperation Department, MOLISA
ILO	International Labour Organisation
ILS	International Labor Standards
IO	Immediate Objective
IR	Industrial Relations
IZTU	Industrial Zone Trade Union
LFS	Labor Force Surveys
MOLISA	Ministry of Labor, Invalids and Social Affairs
NA	National Assembly (NA)
NIRC	National Industrial Relations Commission
NIRD	Network for Industrial Relations development
NPC	National Project Coordinator
NPSC	National Project Steering Committee
NWC	National Wage Council
PFoL	Provincial Federation of Labor
PICC	Performance Improvement Consultative Committee
PIU	Pilot Implementing Unit
PMP	Performance Monitoring Plan
PRODOC	Project Document
PSI	Project Support Income
QAM	Quality Assurance Mechanism
RB	Regular Budget
RBM	Results-Based Monitoring

RBSA	Regular Budget Supplementary Account
RBTC	Regular Budget Technical Cooperation
ROAP	Regional Office for Asia and the Pacific (in Bangkok)
SAC/NA	Social Affairs Committee of the National Assembly (NA)
SD	Social Dialogue
SPF	a) Social Protection Floor b) Strategic Policy framework (ILO's medium-term planning document)
TOR	Terms of Reference
TPP	Trans-Pacific Partnership
TPR	Technical Progress Report
TUL	Trade Union Law
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
USDOL	US Department of Labor
VCA	Vietnam Cooperatives Alliance
VCCI	Vietnam Chamber of Commerce and Industry
VGCL	Vietnam General Confederation of Labor
WB	World Bank
WTO	World Trade Organization
XBTC	Extra-Budgetary Technical Cooperation



**Map 1:** Official Map of Vietnam (including the two administrative districts made up of the Spratly and Parcel island groups).



Source: <http://www.chinhphu.vn/portal/page/portal/English>.

**Map 2:** Vietnam and its 58 provinces and 5 centrally controlled municipalities (excluding Spratly and Parcel island groups).



Source: [https://en.wikipedia.org/wiki/Provinces\\_of\\_Vietnam](https://en.wikipedia.org/wiki/Provinces_of_Vietnam)

# Executive Summary

## Background

The mid-term evaluation took place at a historic time for Vietnam with a meeting in the U.S. between the two countries at the highest level, the negotiations for the Trans-Pacific Partnership (TPP) building momentum for a deal this year, the ASEAN Economic Community (AEC) starting at the end of 2015 and the Vietnam-EU Trade Deal having been signed in June 2015. These trade agreements may well trigger a potential new round of Labor Law Reform. Vietnam, having joined the ranks of middle-income countries, is well on the way to becoming a market economy.

## Project Information and Objectives

The **Vietnam Labor Law Implementation Project**, usually known as the **Industrial Relations (IR) Project**, is implemented by ILO and funded by the United States Department of Labor (USDOL). On 18 September 2012 USDOL and ILO signed a four-year **Cooperative Agreement (CA)** in which USDOL provided an initial US\$ 1 million with a **possible** maximum of US\$ 3 million conditional upon availability. This resulted in some uncertainties explained below. The effective date of the agreement is September 28, 2012 and it runs until September 27, 2016. This CA was developed on the basis of a draft project proposal that had already been under design by ILO and the Ministry of Labor, Invalids and Social Affairs (MOLISA). This PRODOC which became the Annex to the CA was signed in May 2013 by MOLISA and ILO, and has some differences in terms of funding, objectives and indicators.

Between 2002 and 2012 the Government of Vietnam (GoV) cautiously moved towards Labor Law reforms with continued support from ILO and several donors (i.e. the ONE UN Fund, USDOL, Norwegian Aid and USAID). These efforts culminated in the landmark **Labour Code (LC)** and the **Trade Union Law (TUL)** both adopted by the National Assembly in 2012, and this was crucial in setting the scene for the project under consideration here. In addition, between 1994 and 2014 the GoV ratified 21 ILO Conventions, including 5 out of 8 Fundamental Conventions and 3 out of 4 Government (Priority) Conventions. In line with the suggestions from the evaluation of a previous phase of the project, i.e. 2009-2011 (Bitonio et al. 2011), this present ('follow-up') project in particular was aimed at a more *decentralized* approach closer to productive enterprises.

The '**Overarching or Development Objective**' of the Vietnam Labor Law Implementation project is to develop regulations for the new labor legislation consistent with International Labor Standards, educate tripartite constituents on the provisions of the laws and regulations, and build their capacity to promote good IR with the new provision's application in practice. The CA has identified **five Immediate Objectives**:

- 1) Facilitate the drafting and adoption of regulations and decrees;
- 2) Promote education and awareness of the new LC and TUL;
- 3) Improve trade unions' capacity to effectively and democratically represent workers;
- 4) Facilitate development of an effective and sustainable system of minimum wage fixing; and
- 5) Promote the use of Collective Bargaining (CB) resulting in signed CB-Agreements (CBA).

In terms of management relations, MOLISA has been assigned by the Government of Vietnam to work with the ILO on the execution of this Project as implementing agency, assisted by the Project Management Unit (PMU). The Center for Industrial Relations Development (CIRD) is the Project Holder on behalf of MOLISA. The implementing partners (IPs) include several other departments of MOLISA (Legal Department, Labor and Wage Department, National Wage Council – NWC, and International Cooperation Department), as well as the social partners (the Vietnam General

Confederation of Labor - VGCL, the Vietnam Chamber of Commerce and Industry - VCCI, and the Vietnam Cooperatives Alliance - VCA), and, lastly, the Social Affairs Committee of the National Assembly (SAC/NA). The main coordination body of the project is the National Project Steering Committee (NPSC) which meets once a year. The project is executed by the ILO Country Office in Hanoi, in particular by the 'IR Project Office, which provides overall coordination and implementation, with technical backstopping provided by the ILO Decent Work Team for East Asia and the Pacific (ILO DWT-EAP) and by ILO headquarters in Geneva. Geographically, the project covers both work at central levels as well as in the nine target Cities and Provinces.

### ***Purpose of Mid-Term Evaluation***

The *purpose* of the mid-term evaluation of the ILO project in Vietnam is to address issues of project design, implementation, lessons learned, replicability and recommendations for the future of the programme and for IR related work in Vietnam as indicated by the ToR (see Annex 1). It concerns a **mid-term** evaluation (and not a final one) indicating a larger focus on such issues as longer term sustainability and mid-term suggestions for adjustment of directions, activities and monitoring arrangements. Overall, the mid-term evaluation is expected to assess progress made on the implementation towards achieving impact; adjust the programme implementation according to the evaluation recommendations; and strengthen the organizational learning by sharing lessons learnt and good practices that emerged from the evaluation findings. Special attention will be paid to Cross-Cutting Issues, especially gender. The scope of the evaluation is the project from its inception in 2012 until June 2015, covering work at central levels and in the nine target Cities/Provinces. The clients of this evaluation include the project management, MOLISA, all the project's implementation partners (IPs), USDOL, and ILO DWT Bangkok. Possible users of this evaluation, besides its clients, are the direct beneficiaries of the project.

### ***Methodology***

The evaluation will be carried out in accordance with ILO's Evaluation Handbook, its standard policies and procedures and USDOL requirements as specified in the CA. The Mid-Term Evaluation has applied mixed methods that draw on both quantitative and qualitative evidence and involve multiple means of analysis, such as desk review, interviews with key program staff by skype, write Inception Report, Field Mission to Vietnam meeting with all management staff, most of the Implementing Partners, and US Embassy, as well as site visits to Hai Phong, Ho Chi Minh City and Dong Nai. In addition, preliminary findings report was presented at a stakeholders' validation meeting in Hanoi.

A mid-term evaluation of a four-year project has its limitations, of which there are two main ones. The first one is related to the large number of activities identified at the start (i.e. 46 activities under 5 Immediate Objectives), as well as the large number of documents produced (107) ranging from decrees, to survey reports, (working) papers, gap analyses, progress reports, etc. Within the limited time set for the evaluation, this large number of activities and project products can only be selectively reviewed. Secondly, the binding document (CA) has some differences with its first Annex, the PRODOC, leading to confusion with IPs, and to additional efforts unravelling the differences in objectives and indicators.

### ***Main Findings***

The main findings of this mid-term evaluation are below presented according to the six Evaluation Criteria used throughout this report, i.e. Relevance, Validity of design, Project progress and

effectiveness, Efficiency, Effectiveness of Management Arrangements, and Impact and Sustainability, plus the Cross-Cutting Issue of Gender.

The *relevance* of the IR project has been concluded to be quite high for the needs, priorities and plans of the implementing partners in Vietnam, as well as for USDOL/US Government and ILO/UN. The project has been shown in the above to be very relevant for the GoV's 'Socio-Economic Development Plan 2011-2015' (SEDP). At the time of its inception, the IR Project addressed highly relevant needs of Vietnam in particular because at that time (mid-2012) two landmark pieces of legislation had just been adopted by the National Assembly, i.e. the Labour Code and the Trade Union Law. Together this amounted to an influential Labor Law reform. Such newly designed laws required a series of implementation decrees as well as adjustments for flaws and/or omissions. The project is also in line with the GoV/MoLISA 'Sectoral plan on labour, persons rendering services for the country and social affairs' for 2011-2015), and with the setting up of the Center for Industrial Relations Development (CIRD) within MOLISA in 2009 and of the National Industrial Relations Commission (NIRC) in 2007.

The objectives of the IR Project are also relevant for the policy and plans of the other implementing partners. The 10th National Congress of the VGCL adopted in 2008 a resolution emphasizing trade unions' primary role of protecting workers' rights and interests through bottom up organizing and collective bargaining trying to bridge the gap in representation between trade union structures and rank-and-file workers. The employers' organisations (VCCI and VCA) have made efforts to broaden and deepen their contacts with the employers in, for example, consolidating employers' position on labour law revision, which shows the relevance of the project. At the same time, workplace dialogue is not among the employers' top priorities, although they do recognize the importance in terms of preventing wildcat strikes, etc. The Social Affairs Committee of the National Assembly (SAC/NA) played an important role in the passing of both Labour Code and Trade Union Law and the follow-up although having a small direct share in the project.

The interviews clearly showed the very active and concerned participation of most implementing partners leading to the conclusion that stakeholders' *ownership* of the project's approach has genuinely ingrained itself among most of them, perhaps somewhat less in the case of the employers' organisations and National Assembly. The involvement of certain partners, especially the different departments of MOLISA and VGCL, was so close, that they made persistent appeals for expanded as well as continued support in the light of the volume of work expected for the near future as a result of various trade agreements in which Vietnam is involved, such as TPP, EU and AEC. In particular, TPP's Labor Chapter will require a closer alignment to International Labor Standards (ILS) including the ratification of the last three fundamental ILO Conventions.

For the United States Government and USDOL Vietnam is a *priority* country, and the Cooperative Agreement (CA 2012: 5) indicates that the U.S. Government has a far-reaching agenda in its engagement with the Government of Vietnam. USDOL, being one of few donors active in the labor area, is also funding the Better Work Vietnam program to promote labor compliance in the garment sector. The project is also aligned to the GoV-ILO national cooperation framework entitled 'Decent Work Country Programme' (DWCP) promoting decent work in Vietnam for the period 2012-2016. This concerns especially Outcomes 5 and 6 of Country Priority 3 of the DWCP, which are linked to most of ILO's eight 'Areas of Critical Importance' (ACI) defined for priority action in 2014-15.

The analysis in this report of the *Validity of Design* provided a mixed picture. The baseline condition was formally established in 2011 through an independent evaluation of the predecessor projects, recommending a more decentralised approach aimed at targeting activities at the middle level and closer to productive enterprises. The project's design clearly tried to incorporate this recommendation *without* neglecting crucial activities required at the national level resulting in an ambitious number of five diverging Immediate Objectives (IO) and 46 activities. Some of these IOs are aimed at union restructuring at local and intermediate levels, and at collective bargaining (CB) and social dialogue (SD) at enterprise level, while others are aimed at adopting guiding regulations for and awareness building at national level. All were in themselves highly valid for the situation on the ground.

The intervention logic was at times somewhat confusing as it was based on a document, the Cooperative Agreement between USDOL and ILO (September 2012), which included an Annex, i.e. the PRODOC between MOLISA and ILO (May 2013), which differed in certain respects, in particular related to the Immediate Objectives and to certain indicators (see Table 2). In addition, the Performance Monitoring Plan (PMP) was not always clear-cut. Although it is being used in a useful way, and indicators are regularly updated and include gender-sensitive ones, a sharpening of the difference between indicators and outputs in particular is required, and the Work Plan 2013-2016 (Annex 7) needs to be revised accordingly. Another flaw in the Work Plan is that it does not include the 'Means of Verification' which were identified in the PRODOC, which means that their categorization must be converted to the Immediate Objectives (IO) specified in the CA. Both tasks are quite urgent and the IR Project office contracted a consultant who unfortunately could not complete the tasks, and now a new consultant needs to be identified urgently. The Risk Assessment Matrix has been updated quarterly in the Technical Progress Reports (TPR).

On the whole, the *Project Progress and Effectiveness* in the implementation of activities and production of outputs since the beginning in 2012 has in itself been quite impressive with a steady stream of products and with the implementation of pilots on union restructuring, CB and SD. However, some of these activities and outputs were not causally linked to objectives, and therefore it is difficult to assess exactly whether they will actually lead to the achievement of the objectives. While the quantity and quality of the outputs produced from 2012 until today have mostly been quite satisfactory, several challenges have resulted in delays of certain activities, while new developments have made some adjustments advisable. In addition to these challenges specific for each Immediate Objective (IO), there were also some more general challenges, such as personnel changes at partner organizations and at the IR Project Office, relatively limited project finances for a large number of activities, and the increasing workload for crucial implementing partners related among others to the labor chapter of the TPP.

In terms of effectiveness, the mission has established that in general, the project partners are actually using the outputs. It would be impossible to establish this for all 107 products, but some prime examples are the National Wage Council (NWC), the success of the bottom-up approach of enterprise restructuring the adoption of Master Plans (MP) on IR in five provinces. Effectiveness is further enhanced by the learning curve, which has been illustrated in this report with the improvements in the Minimum Wage fixing and determination system, as the 2014 NWC deliberations, the second since the establishment of the NWC in 2013, was a significant improvement on the first year's process. In addition, social partners have been strengthened through different methods such as trade union restructuring at grassroots and upper level, awareness building on CB and SD and strengthening of TU and Employers in these same areas

resulting in several CBA's signed, and awareness building on ILS. Overall, the project resulted in enhanced coordination among all project partners, and this was also demonstrated for the local level through the case study of Dong Nai (Annex 8). Lastly, the selection of geographical areas for the pilots was effective in that it took various factors into account: the representation from the different parts of Vietnam (North, South Central), continuity of partnership from the previous project phase, representation of industrialised and dynamic regions, and regions with active employers' organisations.

In terms of *Efficiency*, it was concluded that the allocation of resources has been quite strategic since the start of the project, and the resources used so far were employed generally in an efficient way to achieve outputs. When signing the agreement between USDOL and ILO it was for an initial US\$ 1 million with a *possible* maximum of US\$ 3 million. Although this total of US\$ 3 million was indeed generously provided by USDOL, along the way it resulted in some uncertainties on this issue especially in late 2013 for example and in 2014; a few measures were taken to anticipate a lower than maximum disbursement, such as a substantial reduction of the activities in the Work Plan for 2014 and the deliberate delay in the replacement of the CTA, which were considered by the IPs as less than efficient.

After 3 years of project implementation about two-thirds of the total funding of USDOL of US\$ 3 million has been actually spent, and a substantial part of the remainder has already been committed. Matching the remaining resources with the work plan will be challenging for the final year of the project, especially in view of the ambitious project design and the many requests from the IP's for more support for their future activities. However, the project office managed to secure additional funding for certain project activities from other sources, such as ILO-HQ in Geneva and the USDOL-funded Better Work project, and some IPs are using their own resources. The distribution of funds is judged to be efficient, and along the lines of most ILO projects in the world.

In view of the changed focus on the preparations for compliance to ILS (for TPP, AEC and other trade discussions) and for the study of the ratification of ILO Fundamental Conventions, some re-allocations of uncommitted funds seem logical within the limits of donor and partner commitments. In particular, a larger share of total (especially RBSA) funding might be allocated to the consensus building on C87 and C98 and to the Road Map for the ratification process. It was furthermore concluded that the project delivered many of the large number of activities and used most of the funding in a *timely* manner with the important qualification that a number of delays in each of the Immediate Objectives have taken place. These delays were all duly justified in the quarterly Technical Progress Reports (TPR). At the present stage of implementation where there is only about one year of project time left, there is little space to suggest time and/or cost efficiency measures; however, apart from the already mentioned re-allocations of un-committed funds, one suggestion is to re-focus and, where possible, reduce the number of pilots.

The conclusions on *Effectiveness of Management Arrangements* were mixed which is not surprising considering that so many different partners in Vietnam and outside of it were involved in so many different types of project activities. The funding agency, USDOL, has signed the CA (2012) with ILO to implement the project, and they are in regular contact. The project is executed by the ILO Country Office in Hanoi in particular by the IR Project Office, which has provided effective overall coordination, although changes in staff resulted in substantial disruptions. ILO's vast global network of experts has been used effectively when national experts were not available or when very specific expertise was required. In all other instances preference goes to the

contracting of national experts in view of local knowledge, and also in view of speed, flexibility, logistics and cost factors. The ILO, being very much aware of the preference of the IPs to contract international experts knowledgeable about Vietnam, has decided to appoint an *additional* technical staff member to the CO Hanoi.

The implementing partners, being the tripartite constituents supplemented with the National Assembly, are very strategic for the project in terms of mandate, influence, capacities and commitment. MOLISA is the project's implementing agency, support in that role by the Project Management Unit (PMU). MOLISA and its various units have been involved in more than half of the long list of 107 products produced so far by the project. The single largest partner in this respect is MOLISA's CIRD, the project holder (with 26 products), while the trade union, VGCL, follows not very far behind. The key coordinating unit for the project representing all implementing partners and functions, the National Project Steering Committee (NPSC), has not been really effective meeting as it does only once a year, especially in view of a communication gap between several partners that was established during the mission. This gap could in part be related to the ongoing, very pressing workload entrusted on MOLISA and CIRD with respect to the preparations for the labor chapter of the TPP. Half-yearly, or preferably quarterly meetings are recommended.

The VGCL is the organization entrusted to represent the interests of the workers and its role is gradually changing, for example through the Trade Union Law of 2012. Its representation towards workers and towards the local (GTU) and intermediate levels (ULTU) has been the subject of several project activities. The roles of the ULTU have also changed as a result of major new areas of responsibility being added in the new LC/TUL. The employers' organizations (VCCI and VCA) indicated their desire to cooperate more, being quite different in outreach into the provinces and districts. The last of the IPs is the SAC/NA which has proven to be an effective partner because of their role in passing legislation.

The IR project office at ILO monitors project performance and results among others through the periodically updated annual Work Plans and the extensive Quarterly Technical Progress Reports (TPR) with inputs from the various implementing partners through regular reporting. These arrangements seem to be effective but some have only recently been designed precisely because on-time reporting was in the past not sufficient. Therefore, strict adherence to reporting deadlines and regular communication with partners is essential. The project's management approach has been perceived positively by ILO technical backstopping units (Bangkok and Geneva).

From the inception phase of the project a participatory/consultative approach has been applied, whereby the implementing partners were requested to provide their comments and inputs into the draft proposal. In later years, the 5 areas of the immediate objectives got somewhat separated, and since the overarching NPSC meetings were only held once a year, partners became often involved more exclusively in their own element within the project.

The sixth and last assessment criteria concerns *Impact and Sustainability*, which is judged by the Mid-Term evaluation overall as satisfactory, although of course there are large differences between the various project elements. It was established that a number of observed changes can indeed *at least partially* be causally linked *directly* to the IR project's interventions, and these changes include the 13 Implementation Decrees issued for the LC and TUL; Capacity building of all implementing partners; Raised awareness in CB and SD among the tripartite partners; The NWC is here to stay as an established institution; The bottom-up approach of union restructuring

had a clear demonstration effect; The Gaps analysis has made the tripartite partners acutely aware of the challenges to be overcome in the ratification process of the ILO Conventions 87, 98 and 105; and Convention 131 on Minimum Wages is in line for possible ratification.

The impact on the Industrial Relations area from the TPP, as well as other trade agreements, in particular the AEC which will start at the end of 2015, and the EU Trade Deal, is expected to be very significant. A major new round of Labor law reform will most likely be required in order to further adhere to the International Labor Standards (ILS). Therefore, several stakeholders expect that a major effort to continue this kind of support will be required, and that this can best be undertaken through a multi-donor support facility.

The pilot-projects have in fact been instrumental to arrive at a better understanding of Industrial Relations (IR) at the local level, and as such have raised awareness on union activities, CB and SD and changed attitudes on these topics in a sustainable way. At the same time, it was established, and endorsed by some stakeholders, that there were quite a substantial number of pilots being implemented in a somewhat isolated way. More coordination between pilots, or better still implementing different components in the same location, may achieve enhanced impact.

At present, the IR Project does not have an exit strategy per se, but it will be developed in the coming months. In the event that external funding does end in mid-2016, sustainability of the project interventions has been guaranteed in several ways. Most of the national institutions and implementing partners involved have the intention to continue specific project activities or carry forward the project's results, perhaps with the exception of the employers' organisations which are less pro-active in the IR area. Institutions, decrees, capacity building, raised awareness and changed attitudes are very sustainable indeed, and this may also increase the likelihood of some other components to become eventually maintained, such as Collective Bargaining Agreements, Social Dialogue, and the motivation of employers' organisations to give priority to these activities.

### ***Cross-Cutting Issue of Gender***

The project has included explicitly issues of **gender equality** such as support to the Female Workers Decree, and to other Decrees directed at gender issues. On the whole, there is sustained attention for the specific position of women in IR, but it varies somewhat between documents and/or activities, for example the Labour Code dedicates a complete, *separate Chapter* to Female Employees, while the Trade Union Law (TUL) includes gender only in one sub-article in the entire document. The project also has a few indications of pertinent budgetary dedication regarding gender or sex-aggregated data, albeit at a relatively modest level of funding. In general, however, attention for the specific role of women is systematic, for example in the Gaps Analysis report, in reports on minimum wages, in reporting formats, etc., and monitoring includes explicitly issues of gender equality. During the interviews for the Mid-Term Evaluation it was established that gender equality is recognized by all implementing partners as an important issue to consider in most aspects of the work, however, it was often not their first priority and only very few stakeholders raised this issue themselves during the interviews.

### ***Recommendations***

The recommendations are divided also according to the six Assessment Criteria, as well as the cross-cutting issue of gender. They are specifically intended for consideration by the National Project Steering Committee (NPSC) in its next meeting in late August of this year:



**Relevance**

- 1) Modify, where possible, the approach and activities for the last year of the project (mid 2015 – mid 2016) in order to be able to best prepare for the expected enhancement of the workload after the possible signing of the Trans Pacific Partnership (TPP) and the start of the ASEAN Economic Community (AEC) at the end of 2015.

**Validity of Design**

- 2) Make the Performance Monitoring Plan (PMP) more outcome-based (instead of activity-based), and modify the annual Work Plans accordingly; Sharpen the Results-Based Monitoring system and its PMP, and harmonize indicators and outputs in the annual Work Plans; and, Update the means of verification for tracking progress.

**Project progress and effectiveness**

- 3) Improve the communication between ILO and the Implementing Partners (IPs), especially on the development of urgently needed technical notes on selected topics not only by increasing the frequency of the NPSC meetings, but also by having regular bilateral meetings with the main implementing partners.
- 4) Continue the awareness raising among social partners and their Capacity Building particularly at the local level through the pilots with respect to Collective Bargaining (CB) and Social Dialogue (SD).

**Efficiency**

- 5) Re-allocate the un-committed funds to accommodate new requests for technical assistance especially within the framework of TPP, AEC and the ratification process of the three remaining Fundamental Conventions of the ILO. Concrete areas are proposed in the report for enhanced funding.
- 6) Re-focus and, where possible, reduce the number of pilots for the last year of the project, and implement the various components as much as possible all in the same province to enhance interaction between tripartite local stakeholders; Reconsider the pilots on Mediation and those on multi-enterprise CB; Prepare for the end of project phase.

**Effectiveness of Management Arrangements**

- 7) Conduct half-yearly, or preferably quarterly meetings, of the NPSC, beginning late August 2015; the next meeting should then be scheduled for December 2015 or January 2016 in order to be able to plan for the activities during the last phase of the project in a coordinated way with participation of all stakeholders.
- 8) Design a communication & media strategy to enhance the visibility of the IR Project further, and, include among other things the 'IR Bulletin', regular communication with the VGCL pilots, and the involvement of employers' organisations.

**Impact and sustainability.**

- 9) Enhance the structural set-up of the National Wage Council (NWC) by stimulating and, where possible providing for, a platform for other ministries to become involved so that they can provide inputs in the minimum wage fixing process. In particular, inputs from specific ministries on productivity and macro-economic issues need to be institutionalised.
- 10) Prepare for a Multi-Donor Support Facility to scale-up the support for Industrial Relations in Vietnam as soon as TPP is signed and AEC starts implementation later in 2015; Study the example of Myanmar's multi-donor facility as a good practice; and prepare an Exit strategy in case the signing of TPP is delayed.

**Cross-Cutting Issue of Gender**

- 11) Maintain the current level of attention for gender issues, and where possible increase it through additional budgetary allocations for specific gendered activities related to Industrial Relations at national but surely also at local levels.

# Introduction

## Setting: A Historic Time for Vietnam

On 7 July 2015, almost coinciding with the current Mid-Term Evaluation, a Historic Meeting took place at the White House in Washington DC between President Barack Obama and Mr. Nguyen Phu Trong, the General Secretary of Vietnam's Communist Party. One of the important items on the agenda was the Trans-Pacific Partnership (TPP) which is currently building momentum for a deal this summer between twelve Pacific countries.

President Barack Obama and Mr. Nguyen Phu Trong, the general secretary of Vietnam's Communist Party, shook hands during a meeting at the White House on 7 July 2015.

(<http://www.wsj.com/articles/obama-greets-vietnams-communist-party-chief-at-white-house-1436289002>).



Since the liberalisation policy, *Doi Moi*, which started in the late 1980s, Vietnam is well on the way to becoming a vibrant, diversified and dynamic market economy. In 2011 it has joined the ranks of the middle-income countries (MIC), and this is gradually changing its relations with the donors and partners such as ILO. The latest World Bank predictions for GDP Growth over 2015 are quite impressive at over 6.5 % (Vietnam News 21 July 2015), especially since other economies in the region, like China and Indonesia, are witnessing decreasing rates of growth. The country still has a substantial informal sector (about 65% or over 33 million people; cf. Labour Force Survey of GSO 2013) with a large segment of Self-Employed (despite pervasive measurement problems explained by Cling et al. 2010).

With different Free-Trade Agreements currently being negotiated, the country has entered a period of transition. TPP concerns an international Free Trade agreement between 12 Pacific Countries<sup>1</sup> and includes a Labor Chapter. Another international agreement Vietnam is deeply involved in is the ASEAN Economic Community (AEC) which starts at the end of this year and this may prove even of more immediate impact. Other significant trade deals with labour references include the Vietnam – European Union (EU) Trade Deal (signed in May 2015) and the Asian Pacific Economic Cooperation, APEC (under discussion) of which Vietnam is a member. In short, the evaluation took place at a highly significant time in the context of global and regional integration, enhanced liberalisation as well as a potential new round of Labor Law Reform linked to the various trade agreements under negotiation.

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<sup>1</sup> Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States & Vietnam.

## Background of the IR Project

The **Vietnam Labor Law Implementation Project**, usually known as the **Industrial Relations (IR) Project**, is implemented by ILO and funded by the United States Department of Labor (USDOL). On 18 September 2012 USDOL and ILO signed a four-year **Cooperative Agreement (CA)** in which USDOL provided up to US\$ 3 million to ILO to support the implementation of this project, and this amount was specified as follows ('Notice of Award', in CA 2012: 1):

*"AMOUNT OF FEDERAL FUNDING: \$ 3,000,000 (INITIAL OBLIGATION AMOUNT \$ 1,000,000. AMOUNT SUBJECT TO AVAILABILITY OF FUNDS \$ 2,000,000)"*

From the beginning the project was expected to plan by taking this constraint into account, but as it turned out, by June 2015 the entire amount of US\$ 3 million was transferred to the ILO. The effective date of the agreement is September 28, 2012 and it runs until September 27, 2016.

This CA was developed on the basis of a draft project proposal that had already been under design by ILO and the Ministry of Labor, Invalids and Social Affairs (MOLISA). This draft Project Document ('PRODOC') was initially intended to be funded by the ONE UN Fund (as this organisation also funded a predecessor project). When this did not materialize, USDOL was approached having been involved in an earlier phase as well. The PRODOC between ILO and MOLISA incorporates the subject matters of the CA, but having a larger budget (US\$ 4 million) includes broader elements as well, for which the ILO has sought and is seeking additional funds (through RBSA, Better Work, etc.). The PRODOC was effectively signed with MOLISA (May 2013) after the US ILO Agreement was signed (September 2012). It thus took almost a year for the PRODOC process from submission to approval and within that time the donor changed as did the budget available. However due to difficulties with government approvals and because there was already a PRODOC submitted covering most of the scope of the revised CA a revised PRODOC was not submitted to MOLISA in 2012. This of course is not perfect but renegotiating the PRODOC with MOLISA at the later stage would have been complicated at the time. Therefore, it sometimes seems to some implementing partners that there are as they call it 'two project documents', but let it be very clear that the CA is the binding document, and therefore it is important to quote from this document (CA 2012: 24):

"In the event any inconsistency between any provisions of this grant, the following order of precedence shall apply:

- Special provisions
- FY 2010 USDOL-ILO Management Procedures and Guidelines, referenced in the Notice of Award for the grant concerned (as updated)
- General Provisions
- Individual Project Document"

The latter document concerns the PRODOC signed in May 2013 jointly by MOLISA and ILO.

Between 2002 and 2012 the Government of Vietnam cautiously moved towards Labor Law reforms with continued support from ILO and several donors (i.e. the ONE UN Fund, USDOL, Norwegian Aid and USAID), and the efforts included:

- Pilots for strengthening activities of trade union and employer's organisations through new approaches; this concerned in particular:
  - i. Vietnam General Confederation of Labor (VGCL),
  - ii. Vietnam Chamber of Commerce and Industry (VCCI), and
  - iii. Vietnam Cooperatives Alliance (VCA);
- Beginning of social dialogue at the local level;

- The establishment of both the 'Center for Industrial Relations Development' (CIRD) in 2009, and the 'National Industrial Relations Commission' (NIRC) in 2007;
- IR system improvement plans being launched at province level in cooperation with CIRD;
- IR service programme in development at this Center;
- The enhanced role of the VGCL in protecting the workers' rights following the National Congress of 2008; and
- Work on Minimum wage fixing.

These efforts culminated in the landmark **Labour Code** and the **Trade Union Law** both adopted by the National Assembly in 2012, and this was crucial in setting the scene for the project under consideration here. In addition, between 1994 and 2014 the Government of Vietnam ratified 21 ILO Conventions, including 5 out of 8 Fundamental Conventions and 3 out of 4 Government (Priority) Conventions (see Table 1).

**Table 1: List of Ratifications of International Labor Conventions by Vietnam.**

Convention	Convention Title	Ratified on
<b>Fundamental:</b>		
<b>C029</b>	Forced Labour Convention, 1930	05 Mar 2007
<b>C100</b>	Equal Remuneration Convention, 1951	07 Oct 1997
<b>C111</b>	Discrimination (Employment and Occupation) Convention, 1958	07 Oct 1997
<b>C138</b>	Minimum Age Convention, 1973	24 Jun 2003
<b>C182</b>	Worst Forms of Child Labour Convention, 1999	19 Dec 2000
<b>Governance (Priority)</b>		
<b>C081</b>	Labour Inspection Convention, 1947	03 Oct 1994
<b>C122</b>	Employment Policy Convention, 1964	11 Jun 2012
<b>C144</b>	Tripartite Consultation (International Labour Standards) Convention, 1976	09 Jun 2008
<b>Conventions:</b>		
<b>C005</b>	Minimum Age (Industry) Convention, 1919	03 Oct 1994
<b>C006</b>	Night Work of Young Persons (Industry) Convention, 1919	03 Oct 1994
<b>C014</b>	Weekly Rest (Industry) Convention, 1921	03 Oct 1994
<b>C027</b>	Marking of Weight (Packages Transported by Vessels) Convention, 1929	03 Oct 1994
<b>C045</b>	Underground Work (Women) Convention, 1935	03 Oct 1994
<b>C080</b>	Final Articles Revision Convention, 1946	03 Oct 1994
<b>C116</b>	Final Articles Revision Convention, 1961	03 Oct 1994
<b>C120</b>	Hygiene (Commerce and Offices) Convention, 1964	03 Oct 1994
<b>C123</b>	Minimum Age (Underground Work) Convention, 1965	20 Feb 1995
<b>C124</b>	Medical Examination of Young Persons (Underground Work) Conv, 1965	03 Oct 1994
<b>C155</b>	Occupational Safety and Health Convention, 1981	03 Oct 1994
<b>MLC</b>	Maritime Labour Convention, 2006	08 May 2013
<b>C187</b>	Promotional Framework for Occupational Safety and Health Conv, 2006	16 May 2014

SOURCE: [http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200\\_COUNTRY\\_ID:103004](http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103004)

Ratifying the last three fundamental conventions is becoming now a real possibility under consideration, especially because of the international integration efforts in which Vietnam is involved as explained in the above. These three conventions are:

<b>Fundamental Conventions not yet ratified by the Government of Vietnam:</b>	
87	Freedom of Association and Protection of the Right to Organise Convention, 1948
98	Right to Organise and Collective Bargaining Convention, 1949
105	Abolition of Forced Labor Convention, 1957

In line with the suggestions from the evaluation of a previous phase of the project, i.e. 2009-2011 (Bitonio et al. 2011), this present ('follow-up') project in particular was aimed at targeting activities

**at the middle level** and closer to productive enterprises, and where government's IR support functions play themselves out; so a more *decentralized* approach. This complements the earlier phase of the project, which had a strong focus on actors – law and policy makers – at the upper and centralised levels.

### Objectives

The '**Overarching or Development Objective**' of the Vietnam Labor Law Implementation project is threefold (CA 2012: 4-5):

- To develop regulations for the new labor legislation consistent with International Labor Standards,
- To educate tripartite constituents on the provisions of the laws and regulations, and
- To build their capacity to promote good IR with the new provision's application in practice.

The CA has identified **five Immediate Objectives**:

1. Facilitate the drafting and adoption of regulations, including decrees, ordinances and other instruments, and guidelines for the new Labour Code and Trade Union Law.
2. Promote education and awareness of the new Labour Code and Trade Union law and their regulations and guidelines.
3. Improve trade unions' capacity to effectively and democratically represent workers, particularly at the enterprise level and in coordination with national union organizations, per the new Trade Union law and Labour Code.
4. Facilitate development of an effective and sustainable system of minimum wage fixing and determination.
5. Promote the use of collective bargaining resulting in signed collective bargaining agreements per the provisions of the new Labour Code.

The PRODOC (2013: 29-31) has identified five important 'key themes' or **principles** which together summarize a project approach and strategy that enables execution of activities in parallel for optimal efficiency and synergistic results:

- a) Activities locally embedded: The Key Outcome will be improved partners, meaning that the Project is designed to support the implementing partners to become capable and effective industrial relations actors in an improved industrial relations environment (PRODOC 2013: 29);
- b) Policy support at highest level: The project activities are intended to inform decision making at the HIGHEST levels (MOLISA, NA, VCCI, VGCL, VCA; see PRODOC 2013: 30), reflected in particular through Immediate Objectives 1 and 4;
- c) Targeted capacity building at decentralized level: 3 types of Pilots are identified in the PRODOC (2013: 30);
- d) Horizontal spread of innovations, especially through maintaining and expanding the Network for Industrial Relations Development, NIRD (PRODOC 2013: 30); and
- e) Bottom-up policy recommendations: key findings and lessons from the project activities, including targeted intervention, are summed up as non-binding policy recommendations by CIRDC, and other relevant national level organisations, which submit to lawmakers, top tripartite policy-makers, their respective decision-making bodies, and other relevant IR actors for their consideration (see further PRODOC 2013: 31).

### Management Arrangements

MOLISA has been assigned by the Government of Vietnam to work with the ILO on the execution of this Project as implementing agency. In order to assist MOLISA in fulfilling its role as line agency, to facilitate the execution of the project in line with the national agenda, a Project Management Unit (PMU) has been established at MOLISA. This Unit is made up of officers of the project holder CIRD and among other tasks ensures coordination among implementing partners, including non-government partners (cf. PRODOC 2013: 33).

The implementing partners (IPs) are various units of the implementing and co-implementing agencies designated throughout the Project. Identified IPs include:

1. MOLISA:
  - a. Legal Department of MOLISA, which is responsible for preparing Labor Law reform legislation, including a few Implementation Decrees and the review of conventions including C87 and C 98;
  - b. Labor and Wage Department of MOLISA is responsible for the development of most of the Implementation Decrees, and for technical support to the NWC and development of the minimum wage law;
  - c. National Wage Council (NWC);
  - d. International Cooperation Department (ICD) of MOLISA;
  - e. Center for Industrial Relations Development (CIRD) is the **Project Holder** on behalf of MOLISA, and is also responsible for IR Network activities, including Provincial Master Plans, conciliation and mediation and shares promotion of collective bargaining;
  - f. National Industrial Relations Commission (NIRC);
2. VGCL:
  - a. Organising Department;
  - b. Industrial Relations Department, which is responsible for preparing trade union reform legislation, coordinating pilot programs under the project and collective bargaining;
  - c. Federations of Labor (FOL) in 5 Provinces and cities;
3. VCCI:
  - a. Bureau for Employer Activities which coordinates pilot programs under the project;
  - b. Ho Chi Minh City-Branch, Vinh Phuc and Hung Yen Business Associations;
4. Vietnam Cooperatives Alliance (VCA); and
5. National Assembly/Social Affairs Committee (NA/SAC).

The Project is designed to support these implementing partners to become capable and effective industrial relations actors in improved industrial relations environment in the course of carrying out the activities set out in the project.

The main coordination body of the project is the **National Project Steering Committee (NPSC)** which meets once a year, with the latest meeting having been held on 11 August 2014. The NPSC has representatives of all implementing partners and functions as a key coordinating unit for the project.

The project is executed by the ILO Office in Vietnam (based in Hanoi), in particular by the 'IR Project Team', consisting currently of 5 staff members: the Chief Technical Advisor (CTA), 2 National Project Coordinators, 1 Program Assistant and 1 finance/admin staff. In addition, there

is one Program Assistant under the Better Work Union Capacity Building (BWUCB) program. The ILO Country Office for Vietnam provides overall coordination and implementation, with technical backstopping provided by the ILO Decent Work Team for East Asia and the Pacific (ILO DWT-EAP). ILO DWT-EAP is the lead technical unit for all components of the project. ILO headquarters relevant units in the Governance Department also provided technical quality control.

### Geographic Coverage

The project covers geographically both work at central levels as well as in the nine target Cities and Provinces:

North Vietnam	South Vietnam	Central Vietnam
Ha Noi	Ho Chi Minh City	Da Nang
Hai Phong	Dong Nai	
Hai Duong	Binh Duong	
Hung Yen *)		
Vinh Phuc *)		

\*) Two provinces were added at a later stage for VCCI pilot only.

At the design stage of the project, there were 7 provinces selected as target because of three main considerations:

- 1) They are among the **most industrialized** regions and have the **most dynamic** industrial relations;
- 2) They represent a continuing partnership from the previous phase; and
- 3) Representation in the sample of different regions of Vietnam (including North, South and Central).

At a later stage, two more provinces were added (Hung Yen and Vinh Phuc) because in contrast to the original seven locations, in these two locations employers' organisations were found willing to take part in the proposed activities.

## Evaluation background

The *purpose* of the mid-term evaluation of the ILO project in Vietnam is to address issues of project design, implementation, lessons learned, replicability and recommendations for the future of the programme and for IR related work in Vietnam as indicated by the ToR (see Annex 1). It concerns a **mid-term** evaluation (and not a final one) indicating a larger focus on such issues as longer term sustainability and mid-term suggestions for adjustment of directions, activities and monitoring arrangements. In other words, it is more a tool to design corrective actions if and where necessary.

Overall, the mid-term evaluation is expected to:

- i. assess progress made on the implementation towards achieving impact;
- ii. adjust the programme implementation according to the evaluation recommendations and
- iii. strengthen the organizational learning by sharing lessons learnt and good practices that emerged from the evaluation findings.

Of primary importance is for the mid-term evaluation to examine the project's design, implementation strategy, institutional arrangements and partnerships, as well as project set ups within the context of vibrant, diversified and dynamic Vietnamese market economy. The

evaluation should yield a contextualized analysis and propose possible corrections/adjustments to be deployed by the project.

More specifically, the mid-term evaluation will allow a comprehensive assessment of progress made in relation to the planned achievements of the results and the immediate objectives indicated in the original logical framework. It may lead to suggestions for certain modifications to the logical framework in light of the experience after nearly three years of work. It may also lead to suggestions for future priority interventions within any of the five immediate objectives.

Secondly the evaluation will allow a review of the project management, coordination mechanisms among the partners and the effectiveness and efficiency of programme implementation in general. This may lead to recommendations in the various areas for consideration by the National Project Steering Committee (NPSC).

Thirdly, the mid-term evaluation fulfils ILO's internal requirements and its grant obligations to USDOL for an independent evaluation of the IR Project, complementing Donor's own monitoring mechanisms. As such the recommendations from the report that have an impact on the terms and conditions of the Cooperative Agreement should be the basis for a discussion between USDOL and ILO.

The scope of the evaluation is the project from its inception in 2012 until June 2015, covering work at central levels and in the nine target Cities/Provinces Ho Chi Minh City, Binh Duong, Dong Nai , Da Nang, Ha Noi, Hai Phong, Hai Duong as well as Hung Yen and Vinh Phuc, and encompassing all the strategic components.

The clients of this evaluation are:

- the project management (ILO Office for Vietnam) who will be able to adapt the strategy of the project's implementation and readjust project's delivery if needed;
- MOLISA and all the project's implementation partners (IPs) who will be actively involved in the evaluation;
- the United States Department of Labor (USDOL);
- the ILO constituents in Vietnam (trade unions and employers);
- the ILO Decent Work Team for East Asia and the Pacific and any relevant ILO technical backstopping units and partner UN agencies of the ILO in Vietnam.

Possible users of this evaluation, besides its clients, are all the direct beneficiaries of the project.

### ***Evaluation Criteria***

The Evaluation will assess a series of issues related to the following evaluation criteria (cf. OECD/DAC Guidelines):

1. Relevance,
2. Validity of design
3. Project progress and effectiveness
4. Efficiency
5. Effectiveness of management arrangements, and
6. Impact and sustainability.



The evaluation will seek to address a list of specific questions for each of these criteria (cf. ToR in Annex 1).

The project will follow the ILO Monitoring Guidelines, as well as the reporting requirements of USDOL's Management Procedures & Guidelines (latest version FY 2013) specifically designed for Cooperative Agreements with the ILO. It makes use of a results-based design approach for its technical assistance projects, and a Performance Monitoring Plan (PMP). Results-based design looks beyond activities and outputs and focuses on results. Activities will lead to Outputs which will lead to the achievement of 'Immediate Objectives' (IO). Each IO must have at least one 'Indicator', while it is not necessary to have an indicator for each output, which consist of such tangible products, as manuals, reports, workshops, etc. 'Contributing to the 'Overarching' or 'Development Objective' is the ultimate goal, but probably this cannot be reached by the project alone.

### *Cross-cutting Issues*

Special attention will be paid to Cross-Cutting Issues, especially gender. Gender equality has been identified by the ILO as a cross-cutting issue of the strategic objectives of its global agenda of Decent Work. To the extent possible, data collection and analysis will be disaggregated by gender as described in the ILO Evaluation Policy Guidelines and relevant Guidance Notes. Different needs of women and men and those of marginalized groups will be considered throughout the evaluation process.

## Contents of Report

The present Report will outline in the next section the methodology and the limitations of the present mid-term evaluation. Section 3 provides an overview of the main findings for each of the six evaluation criteria, as well as on the cross-cutting issue of gender. Section 4 covers the main conclusions and the recommendations. Section 5 deals with lessons learned and emerging good practices.

# Methodology and Limitations

## Methodology

~~ILO's Evaluation Handbook provides the basic framework, the~~ evaluation ~~will be carried out~~ ~~has been conducted~~ in accordance with ILO's ~~Evaluation Policy Guidelines standard policies~~ and procedures and USDOL requirements as specified in the Cooperative Agreement signed with the ILO. The ILO adheres to the United Nations system evaluation norms and standards as well as to the OECD/DAC Evaluation Quality Standards.

The Mid-Term Evaluation has applied mixed methods that draw on both quantitative and qualitative evidence and involve multiple means of analysis. These include in particular:

Activities	Description
<b>Preparation in Home Base between 1 and 10 July 2015</b>	<ul style="list-style-type: none"> <li>• Desk review of relevant documents that relate to performance and progress related to the project, in particular the ToR including the annexes (EVAL's checklists), PRODOC between ILO and MOLISA, Cooperative Agreement USDOL-ILO, the ten extensive Technical Progress Reports (TPR), USDOL's Management Procedures and Guidelines (2013), Evaluation report of 2011 (Bitonio et al. 2011) and ILO-Vietnam DWCP 2012-2016 (see Annex 11).</li> <li>• Briefing by skype with (for full details see Annex 5):               <ol style="list-style-type: none"> <li>1. Evaluation Manager, Geneva.</li> <li>2. CTA IR project, CO-Hanoi</li> <li>3. Specialist Social Dialogue, Decent Work Team –Bangkok</li> <li>4. USDOL Project Manager, Washington DC</li> <li>5. Senior Labor Relations and Collective Bargaining Specialist, Geneva</li> <li>6. Regional Wage Specialist, Decent Work Team, Bangkok.</li> </ol> </li> <li>• Writing of the Inception Report (see Annex 4).</li> <li>• Support the design by ILO CO Hanoi of the program and itinerary for the field mission to Vietnam.</li> <li>• Organize flight tickets, visa and hotels with support from CO Hanoi.</li> </ul>
<b>Field visit to Vietnam from 11 to 22 July 2015</b>	<p>A summary of the Field visit itinerary to Vietnam is below, while <a href="#"><u>Annex 2</u></a> provides the full details including a listing of key stakeholders interviewed.</p> <p><u>Hanoi:</u></p> <ul style="list-style-type: none"> <li>• ILO Country Director and IR Project Team;</li> <li>• MOLISA: Vice Minister, CIRDC, Legal Department, Labor and Wage Department, and International Cooperation department (ICD);</li> <li>• VGCL: Vice-President, Organizing Department, IR Department and International Department;</li> <li>• VCCI;</li> <li>• VCA;</li> <li>• VCCI-Business Association of Vin Phuc;</li> <li>• National Assembly: Social Affairs Committee (SAC); and</li> </ul>

	<ul style="list-style-type: none"> <li>• US Embassy.</li> </ul> <p><u>Hai Phong Province in the North:</u></p> <ul style="list-style-type: none"> <li>• Visit and review VGCL Pilot Implementing Unit (PIU), including Federation of Labor (FoL) and Industrial Zone Trade union (IZTU).</li> </ul> <p><u>Dong Nai Province in the South:</u></p> <ul style="list-style-type: none"> <li>• Meet with DOLISA, and visit VGCL and VCCI pilots: PIU (FoL and IZTU), and meeting with two enterprises/enterprise unions (GTU).</li> </ul> <p><u>Ho Chi Minh City:</u></p> <ul style="list-style-type: none"> <li>• Meetings with VCCI-HCMC branch and VGCL Organizing Department.</li> </ul> <p><i>The programme of meetings and the visits to the districts have been arranged and facilitated by ILO CO Hanoi.</i></p>
<b>Preliminary findings report/ PowerPoint</b>	Prepared a preliminary findings report by means of a PowerPoint to present the preliminary findings and recommendations at a stakeholders' validation meeting (half a day) in Hanoi.
<b>Workshop on 21 July 2015</b>	Stakeholders' Validation Workshop was organized by the ILO in Hanoi on Tuesday 21 July 2015 at the Meeting Room in MOLISA in Hanoi in order to present the preliminary findings and proposed recommendations. The 37 participants included all the main stakeholders, i.e. MOLISA, VGCL, VCCI, VCA, US Embassy representative, ILO Hanoi officials and ILO Project staff, as well as a (one-way) skype link with USDOL in Washington DC and ILO Bangkok.
<b>Debriefings</b>	<ul style="list-style-type: none"> <li>• With ILO CO Hanoi on 21 July 2015, and</li> <li>• With the Evaluation Manager in Geneva on 24 July 2015.</li> </ul>
<b>Draft Report from 23 to 30 July 2015</b>	Produce a draft report for submission to ILO Geneva, which was disseminated to relevant partners for comments and suggestions for improvement which were received on 19 August 2015.
<b>Final Report from 20 August 2015</b>	<ul style="list-style-type: none"> <li>• The written comments on the draft are incorporated in the draft report to produce a Final report, together with an Executive Summary in ILO template; and</li> <li>• Evaluation report will be shared by ILO Geneva with relevant stakeholders for their comments and inputs and discussion in the next NPSC meeting.</li> </ul>

The program for the field mission (see Annex 2) has been designed well and includes the main stakeholders of the project. The interviews, with the support of the independent interpreter, Ms. Lan Anh Hoang, have provided a balanced view of the opinions of all main stakeholders of the project. The field visits to Hai Phong, Dong Nai/Bien Hoa and HCMC have allowed an in-depth investigation of the activities and stakeholders' involvement at the local levels.

### **Selection of Sites**

The selection of the sites for these field visits within Vietnam, i.e. Hai Phong (in the North) and Dong Nai (in the South, near to Ho Chi Minh City), was already determined in the ToR (Annex 1). The reasons for their selection can be summarized as follows: Dong Nai was selected as it is the only province in which all three tripartite partners have a pilot program included in the IR Project. Hai Phong is chosen due to its location relatively close to Hanoi considering the tight timeline for the field visits. In addition, it was considered strategic to have field visits to both North and South locations. The logistics of the visits to the districts has been arranged and facilitated by ILO Hanoi.

### Questions for Stakeholders

The ToR provided a detailed list of questions for each of the six evaluation criteria (cf. Annex 1). This list has been further detailed and converted into a matrix/worksheet for data collection indicating which key questions to address to which stakeholders. The questions are again grouped by the six evaluation criteria. This matrix has been used as checklist during all the interviews in Vietnam and is included as Annex 3.

### Key Deliverables/Milestones and Timeline

The key deliverables and milestones and the timeline are determined as follows:

Key Deliverables/Milestones	Timeline
<b>Inception Report</b>	8 July 2015
<b>Preliminary findings report/ PowerPoint at Workshop in Hanoi</b>	21 July 2015
<b>Draft Report</b>	30 July 2015
<b>Final Report</b>	August 2015

### Limitations

A mid-term evaluation of a four-year project has its limitations, especially if the project has a large number of activities and is intended to be based on several predecessor projects and programs. In addition, the Project Document (PRODOC) signed by MOLISA and ILO in May 2013 is quite ambitious distinguishing **5 Immediate Objectives** which are divided into 19 **Outputs**, and in turn, under these outputs no less than 46 **Activities** have been identified, often involving multiple tasks; in total 66 tasks could be counted through a quick tally which can be divided as follows:

Tasks identified under Activities	Number
<b>Studies, research, survey, review, gap analysis</b>	22
<b>Capacity Building (education/training)</b>	14
<b>Dissemination, publication, media</b>	9
<b>Pilots activities</b>	7
<b>Workshops, seminars, meetings, consultations</b>	5
<b>Comments on Draft Texts</b>	3
<b>Other</b>	6
<b>TOTAL</b>	<b>66</b>

To study all of these activities within the scope of a mid-term evaluation including a field mission of about ten days, will be a quite daunting task. Therefore, a focus will be on the main groups of activities with in-depth investigations through the field visits to project sites.

The same limitation applies to the list of documents produced by the project, from decrees, to survey reports, (working) papers, gap analyses, progress reports, etc. This list of 'Project Products' by Immediate Objective (IO) totals no less than 107 entries (see Annex 6). Within the limited time set for the evaluation, this large number of 'products' can only be selectively investigated with a focus on their contributions to the involved objectives and outcomes.

A limitation of a different nature arises from the fact that the binding document, the Cooperative Agreement (2012), was developed from a different document, the PRODOC (2013), as discussed in the above, and that these two documents have some differences. For example, in terms of

finance, the total CA funding is US\$ 3 million while it is US\$ 4 million for the PRODOC. Another example is that the indicators specified differed somewhat between these two documents (which will be further discussed in the next chapter). This required additional efforts to formulate accurately the relationships between these two documents (see especially Section 3.2). The *Work Plan 2013-2016* based on the CA (reproduced in Annex 7) has incorporated most of these differences, and will therefore be taken as the main *benchmark* during this mid-term evaluation, but lacked for example one indicator for each Immediate Objective as well as the means of verification for tracking progress.

A final limitation arises from the *overlap* with predecessor projects. While the scope of the evaluation is in principle set from the start of the current IR project in September 2012 until today, in some cases already existing support activities continued while projects changed. For example, staff from the predecessor project were retained well into 2013 on different types of contracts to actually support and indeed facilitate the start of the new project. To unravel some of these activities required additional efforts.

# Main findings

The main findings have been grouped in this chapter according to the six Evaluation Criteria given in the ToR (Annex 1): Relevance, Validity of Design, Project Progress and Effectiveness, Efficiency, Effectiveness of Management Arrangements, and Impact/Sustainability (Sections 3.1 to 3.6). In addition, some findings are specific for the Cross-Cutting Issue of Gender (Section 3.7).

## Relevance

In this section the relevance of the IR project will be investigated for the needs, priorities and plans of the implementing partners in Vietnam, of USDOL/US Government, and of ILO/UN.

For the Government of Vietnam (GoV) the main document is the Socio-Economic Development Plan (SEDP) 2011-2015, and the project is very relevant in particular to the following objectives:

- “Strengthening the State management and supervision over activities in the Labor market”;
- “Improving the effect and performance of the Labor Court to settle disputes and ensure employees’ and employers’ rights”.
- “Finalizing the legal system, creating a proper environment for developing the Labor market”.
- “Develop a sustainable economy at a high growth rate; improve competitiveness of the economy and be active in global integration.” (SEDP 2011-2015).

At the time of its inception, the IR Project addressed highly relevant needs of Vietnam in particular because at that time (mid-2012) two landmark pieces of legislation had just been adopted by the National Assembly, i.e. the Labour Code and the Trade Union Law. Together this amounted to an influential Labor Law reform. Such newly designed laws required a series of implementation decrees as well as adjustments for flaws and/or omissions, and this has been directly taken up by the IR Project. For example, 13 such decrees were provided with ILO technical input before being adopted (entries 1 - 13 in Annex 6), and a draft Decree on Female Workers has been developed jointly by the Legal Department of MOLISA and the ILO (Annex 6 entry 14); in addition, the laws were published bilingually, a Conference organised to launch them, a Guide Book drafted for workers on how to use the Labour Code, etc.

The project is also in line with the GoV/MoLISA ‘Sectoral plan on labour, persons rendering services for the country and social affairs’ for 2011-2015, in particular its Objective 2.1 to “Improve the material and non-material life of the working people; improve the working conditions, reduce work-related accidents, occupational diseases and labour disputes” (see for further details: PRODOC 2013: 13-14).

Certain plans and decisions were also clearly aligned to the project, such as the approval in 2009 by the Prime Minister of a MOLISA proposal to strengthen the government’s IR policy and service capacity by setting up the Center for Industrial Relations Development (CIRD) within MOLISA (PRODOC 2013: 3). Another example of that is the setting up in 2007 of the National Industrial Relations Commission (NIRC) as the main tripartite (government, employer, worker) body to bring changes to IR through national social dialogue (cf. PRODOC 2013: 2).

The 10th National Congress of the VGCL adopted in 2008 a resolution emphasizing trade unions’ primary role of protecting workers’ rights and interests through bottom up organizing and collective bargaining. Traditionally, the VGCL has three functions as provided by the Constitution, the union

law, and the union charter, but the second and third functions have always been prioritized in the history of VGCL: (i) to protect the legitimate rights and interests of workers; (ii) to participate in State administration; and (iii) educate workers. However, in 2008 the VGCL emphasized its major function as representing and protecting the legitimate rights and interests of workers, and in particular representing the workers in dialogue, negotiations and implementation of collective labour contracts (PRODOC 2013: 2). The objectives of the IR Project are very relevant for this new policy direction of VGCL.

In addition, there is a gap in representation between trade union structures and rank-and-file workers. Significant changes have been proposed on the issue of representation in both the new Labour Code and the revised Trade Union Law.<sup>2</sup> Some of the changes reflect the analysis that workers go on wildcat strikes because the workplace trade unions suffer various shortcomings and obstacles – in their structure, capacity, and relations with the employers – to be effective in the new environment of market economy. While the revised laws provide some improvements, the real improvement in the representative role of trade union requires support for actual efforts to bring about change in the way trade unions do their work, leading to innovations and strengthening in their ability to represent workers, providing a lasting solution to the representational gap, and resolving the underlying tensions that have led to strikes (PRODOC 2013: 9).

A representational gap not only exists within the trade unions but also within employers' organisations, especially the VCCI. Affinity with sector-based business associations or nationality-based employer/business associations in practice captures a lot of attention from important employing enterprises, at the cost of the state-designated representational organizations (PRODOC 2013: 9). Efforts have been made by the VCCI to broaden and deepen their contacts with these employers in, for example, consolidating employers' position on labour law revision. The stated intention to continue and intensify these efforts provides an important opportunity for the IR project to (continue to) support the VCCI, and thus shows the relevance of the project for VCCI needs and objectives. This applies also to the other main employers' organization, the VCA, which is represented in each and every province of Vietnam through its approximately 20,000 cooperatives. At the same time, it has been recognized during the interviews by both employers' organisations that workplace dialogue is not among their top priorities, but they do clearly recognize the importance in terms of preventing wildcat strikes, etc.

The Social Affairs Committee of the National Assembly (SAC/NA) and the Government of Vietnam decided to revise both Labour Code and Trade Union Law to modernize the legal framework governing employment relations and aspects of IR and both laws were passed in 2012 (PRODOC 2013: 2). The responsibility for policy review and the revision of the Labour Code has been entrusted to the Social Affairs Committee of the National Assembly (SAC/NA); the draft of the law itself will be prepared by the Legal Department of the MoLISA (PRODOC 2013: 3). In other words, the IR project has a clear relevance for the objectives and needs of the National Assembly.

During the interviews held in July 2015 the importance and the relevance of the project to the needs and priorities of the individual departments within MOLISA and of all other implementing partners had been underscored time and again. The very active and concerned participation in these interviews, as well as the lively and relevant discussion at the Validation Workshop on 21

<sup>2</sup> The VGCL assumed the responsibility for policy review and law drafting for the Trade Union Law of 2012, while the Committee on Legal Affairs of the National Assembly (CLA/NA) supervised receipt of the draft Trade Union Law in the National Assembly and related consultations (PRODOC 2013: 3).

July 2015, clearly demonstrated that stakeholders' **ownership** of the project's approach has genuinely ingrained itself among most IP's, perhaps somewhat less in the case of the employers' organisations and National Assembly. The involvement of certain partners, especially the different departments of MOLISA and VGCL, was so close, that they made persistent appeals for expanded as well as continued support in the light of the volume of work expected for the near future not only within the current confines of the IR Project but also in terms of enhanced workload following the possible implementation of TPP and AEC in particular.

For the United States Government and USDOL Vietnam is a *priority* country, and the Cooperative Agreement (CA 2012: 5) states unequivocally:

"The U.S. Government has a far-reaching agenda in its engagement with the Government of Vietnam on matters including Vietnam's transition to a market-based economy with international labor standards (ILS) serving as a foundation; its key role as a member of the Trans-Pacific Partnership (TPP) free trade agreement negotiations (with its labor chapter) that are currently underway; and a wide range of labor, security and other matters through regional ASEAN and APEC discussions."

Therefore, it can be concluded that the relevance of the IR project for the U.S. Government and USDOL is quite large. In addition, the IR Project complements another programme that is currently being implemented with funding from USDOL in the broader area of Labor issues, i.e. the Better Work Union Capacity Building (BWUCB) program, in particular to promote labor compliance in the garment sector.

On the whole, not many other international organisations and/or donors were seen to be involved in this area in Vietnam, except for a number of national and international Trade Union Federations (for example from Nordic countries) working together with VGCL on an ad hoc basis in some cases also on IR Training.

The project is also aligned to the GoV-ILO national cooperation framework entitled 'Decent Work Country Programme' (DWCP) promoting decent work in Vietnam for the period 2012-2016 (cf. PRODOC 2013: 14-15). The Project will set in motion activities directly leading to Outcomes 5 and 6 of Country Priority 3 of the DWCP:

**Outcome 5:** *Effective employers' and workers' organizations and laws, institutions and mechanisms strengthen industrial relations.*

**Outcome 6:** *Tripartite constituents have strengthened capacity to apply international Labor standards, including through strengthened Labor administration, and to meet the challenges of international integration.*

These outcomes are linked to most of ILO's eight 'Areas of Critical Importance' (ACI) defined for priority action in 2014–15, which are included in Box 1. Each of these ACI combines work from across several of the 19 outcomes of the ILO strategic framework. These activities contribute in turn to the One UN Plan 2012-2016.

**Box 1: ILO's Areas of Critical Importance (ACI)**

1. Promoting more and better jobs for inclusive growth
2. Jobs and skills for youth
3. Creating and extending social protection floors
4. Productivity and working conditions in SMEs
5. Decent work in the rural economy
6. Formalization of the informal economy
7. Strengthening workplace compliance through Labor inspection
8. Protection of workers from unacceptable forms of work.

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_203480.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_203480.pdf)

During the course of the project the needs of Vietnam started to change gradually in focus especially during the past year or so. This occurred in particular as a result of various trade



agreements being negotiated, such as TPP, EU and AEC. Several implementing partners, including MOLISA (in particular CIRDC and the Legal Department) as well as VGCL, indicated very clearly during the interviews that once approved, the TPP's Labor Chapter will require a closer alignment to International Labor Standards (ILS) including the ratification of the last three fundamental ILO Conventions, and that this would most likely also require a new round of Labor law reform, including revisions of the 2012 laws. They therefore indicated that a modification of approach and of activities for the last year of the IR Project (2015-2016) could be considered.

## Validity of Design

The baseline condition at the beginning of the project was formally established in 2011 through an independent evaluation of the predecessor projects, recommending a more decentralised approach aimed at targeting activities at the middle level and closer to productive enterprises (cf. Bitonio et al. 2011). The project's design clearly tried to incorporate this recommendation, *without* neglecting crucial activities required at the national level partly as a follow-up to earlier activities. In this way, one can understand the large diversity in the five Immediate Objectives (IO). IO3 and IO5 are aimed respectively at union restructuring at the local and intermediate levels, and at collective bargaining/social dialogue at enterprise level. In contrast, IO1 and IO2 are aimed at adopting guiding regulations for and awareness building on the new Labour Code and Trade Union Law mainly at national level. IO4 is meant to support the National Wage Council (NWC) set up in 2013 to improve the development of the wage-fixing system resulting in minimum wages for four regions in the country. To have *five* such widely diverging immediate objectives can be considered as rather ambitious.

The planned objectives and outcomes are, in themselves, quite relevant and realistic to the situation on the ground at the start of the project, in particular after the new LC and TUL had been adopted by the National Assembly in 2012.

On the other hand, the intervention logic was at times somewhat confusing as it was based on a document, the Cooperative Agreement between USDOL and ILO (September 2012), which included an Annex, i.e. the PRODOC between MOLISA and ILO (May 2013), which differed in certain respects. For example, the Immediate Objectives and certain indicators differed somewhat between these documents, although the substance remained more or less the same. This can be demonstrated by means of Table 2 below, where the *Immediate* Objectives of USDOL are taken as benchmark; by the way, these are also the ones used in the annual and multi-year Work Plans. The table shows that most IO's are made up of elements of several '*Intermediate* Objectives' (Obj.) of the PRODOC, except for the fourth one. When the two documents are compared in even more detail, further differences can be established.<sup>3</sup>

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<sup>3</sup> For example: The USDOL-ILO Cooperative Agreement is covering most of the PRODOC objectives and outputs, but CA priorities and objectives were in some areas different; and, most outputs appear in the CA although not all activities within the outputs from the PRODOC.

**Table 2: The Relation between Objectives in the CA and PRODOC.**

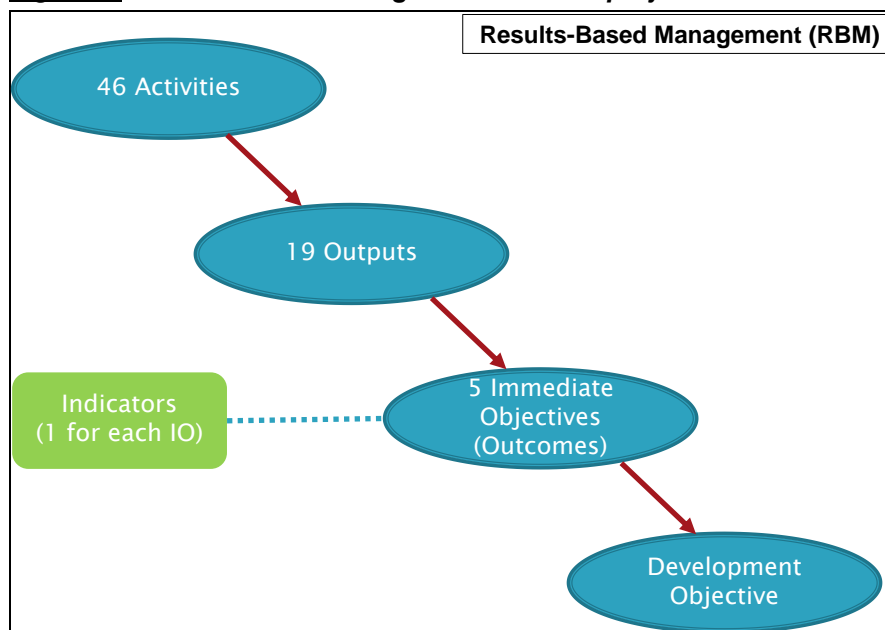
CA (2012: 6): Immediate Objectives (IO)	Equation	PRODOC (2013: 19): Intermediate Objectives (Obj.)
<b>IO 1 – Implementation Decrees</b>	= Obj. 1+5	<b>Obj. 1</b> - The implementation decrees, guidance documents, and other regulatory instruments and institutions for the new Labour Code and Trade Union Law are adopted for effective enforcement, and tripartite constituents and the public are informed of the new changes, especially regarding rights, protection, and their procedures. <b>Obj. 5</b> - By the end of the project, the capacity of tripartite constituents is improved in support of international integration.
<b>IO 2 – Promote awareness of LC &amp; TUL</b>	= Obj. 1+3+5	<b>Obj. 1</b> – See above. <b>Obj. 3</b> - By the end of the project, institutions and mechanisms for industrial relations are strengthened and regulations related to industrial relations are improved and implemented, and collective bargaining and social dialogue are promoted more effectively, resulting in their greater use and effectiveness. <b>Obj. 5</b> – See above.
<b>IO 3 – Union restructuring</b>	= Obj. 2+4	<b>Obj. 2</b> - By the end of the project, employers' and workers' organizations are more influential, more representative and provide improved and new services to their members based on greater democratic participation per the new TUL & Labour Code. <b>Obj. 4</b> - By the end of the project, the social partners are supported and capacitated for their role in ensuring effective participation in the minimum wage fixing system and wage determination, including participation in development of minimum wage law.
<b>IO 4 – Minimum Wage fixing</b>	= Obj. 4	<b>Obj. 4</b> – See above.
<b>IO 5 – Collective bargaining</b>	= Obj. 2+3	<b>Obj. 2</b> – See above. <b>Obj. 3</b> – See above.

Source: Adapted from the information received from the IR Project CTA.

Following a Results-Based Management framework, the 46 activities identified in the PRODOC (2013) feed into the 19 outputs which are linked causally to the intended outcomes (or Immediate Objectives), which in their turn feed into the overall impact or development objective (see Figure 1). The project is using a Performance Monitoring Plan (PMP) for measuring progress towards achieving the objectives which is based on the USDOL's Management Procedures & Guidelines (MPG 2013). Although it is being used in a useful way, and indicators are regularly updated and include gender-sensitive ones, it is agreed with USDOL that a sharpening of the difference between indicators and outputs in particular is required, and that the large number of activities are not always tied to results. The Work Plan 2013-2016 which is reproduced in Annex 7 shows these flaws: There are no indicators for the Immediate Objectives themselves, but there are a large number of indicators for the sub-objectives (or SO) which have for all practical purposes replaced the indicators for the IO; at the same time, many indicators come too close to outputs which are tangible products, like decrees, reports, workshops, etc. according to USDOL's MPG (2013). By the way, the project office has recently started to revise the Work Plan to revise it accordingly, in particular to incorporate one criteria for each IO.

The Risk Assessment Matrix included in the PRODOC (2013: 40-41) identified mainly low to medium risks of partner commitment, turnover of key personnel, support for middle- to lower-level staff, and continued availability of human and financial resources. These risks have been updated quarterly in the Technical Progress Reports (TPR). As we will see in the following the risks identified were at times incidentally influential, but did not have a major impact on the overall progress of the project.

**Figure 1: Results-Based management in the IR project.**



Source: Author's drawing, based on: PRODOC (2013) and USDOL MPG (2013).

Another flaw in the Work Plan (see Annex 7) is that it does not include the 'Means of Verification' which are needed to collect data according to the established indicators, and help in monitoring performance. These means have in fact been defined but only for each indicator of the five *Intermediate* Objectives (Obj.) distinguished in the PRODOC (2013: 42-47), and thus not for the five *Immediate* Objectives (IO) of the CA. The means of verification identified are the following:

Obj.*)	Means of Verification
Obj.1	Interviews with union officials, workers and employers to measure increased awareness of the laws and regulations in effect; review of adopted decrees and documents, and materials, and activities in which the materials are used.
Obj.2	<ul style="list-style-type: none"> <li>• Interviews with union officials; review of tools and activities in which the tools are used, case study of successful incidences.</li> <li>• Interviews with employers' organizations officials and member companies engaged in bargaining.</li> <li>• Review of CBAs signed and registered.</li> </ul>
Obj.3	<ul style="list-style-type: none"> <li>• MOLISA/DOLISA records.</li> <li>• Examination of the adopted legislation; review of ILO comments on draft legislation.</li> <li>• MOLISA/DOLISA records.</li> </ul>
Obj.4	<ul style="list-style-type: none"> <li>• Final draft legislation; records of ILO inputs/comments and consultations with SPs.</li> <li>• Interview with MOLISA and Social Partners.</li> <li>• Examination of wage trends data/information produced by MOLISA/GSO, and interview with MOLISA and Social Partners.</li> </ul>
Obj.5	<ul style="list-style-type: none"> <li>• Examination of report submission record and interview with social partners.</li> <li>• Examination of official plan of MOLISA.</li> </ul>

\*) Source: PRODOC (2013: 42-47).

These identified means of verification are quite straightforward, and the PRODOC has included for each of them a Baseline and Target (see PRODOC 2013: 42-47). However, these means need to be updated and their categorization must be converted to the Immediate Objectives (IO) of the CA, and then included in the multi-annual Work Plan (Annex 7). This needs to be undertaken urgently in order to be able to monitor progress accurately.

## Project Progress and Effectiveness

On the whole, the progress in the implementation of activities and production of outputs since the beginning in 2012 has been quite impressive with a steady stream of products documented in Annex 6 and in particular the last year or so with the implementation of pilots on union restructuring, collective bargaining and social dialogue under IO3 and IO5. However, as we have seen in the previous section, some of these activities and outputs were not causally linked to objectives, and therefore it is difficult to assess exactly whether they will actually lead to the achievement of the objectives. Although there is not a lack of objective indicators per se, many have been distinguished in the Work Plan (cf. Annex 7), but the fact that we have to track progress on the immediate objectives through the sub-objective performance indicators is not an ideal situation, and as indicated before needs to be corrected soonest.

While the quantity and quality of the outputs produced from 2012 until today have mostly been quite satisfactory, several challenges have resulted in delays of certain activities, while new developments have made some adjustments advisable. The progress and the challenges for each Immediate Objective have been summarized in Table 3 below.

**Table 3: Project progress and the challenges for each Immediate Objective.**

IO	Main Activities	Overall Status	Details of Progress	Challenges
IO1	Implementation Decrees for LC & TUL	Mostly completed	13 Decrees: 9 for LC, 3 for TUL, 1 for both. Road map for ratification of Conv. Review application of Conventions.	--
IO2	Promote awareness of LC & TUL	Mostly completed; some delays	LC Guidebook for Workers: Delayed, but now almost ready. Gap Analysis C87/98/105: Completed but publishing delayed. New component: support Tripartite Partners for C87.	<ol style="list-style-type: none"> <li>LC Guidebook for workers is ambitious in its original scope.</li> <li>The challenge is the starting of the new activity on C87.</li> </ol>
IO3	Improve TU Capacity to represent members: bottom-up approach	<u>Pilots 1 &amp; 2</u> : More or less completed (handover phase); <u>Pilots 3 &amp; 4</u> : Especially after February 2014, and will have a big focus for the coming year.	<b>4 VGCL pilots:</b> <u>Pilot 1</u> : Bottom-up organising of non-unionized enterprises: 11 new Grass-Roots Trade Unions (GTU); <u>Pilot 2</u> : 50 weak unions restructured; <u>Pilot 3</u> : Multi-Enterprise CB in 43 enterprises; <u>Pilot 4</u> : Improved SD <i>at the workplace</i> following Decree 60 or broader SD: 32 enterprises; Pilots in 5 Provinces with GTU covering 67,000 workers (Better work project covers HCMC).	<ol style="list-style-type: none"> <li>Difficulty for PIU's to engage with the new bottom-up approach in pilots;</li> <li>Continuous contact is required between pilots and IR project office;</li> <li>Difficult to approach workers since they are busy working, and sometimes they are hesitant for fear of repercussions from management;</li> <li>Balancing many tasks for ULTU (FoL and IZTU);</li> </ol>

				7. Pilots are isolated; 8. External: Delays due to strikes against China during oil rig incident in 2014, and on Social Insurance law in 2015.
<b>IO4</b>	Facilitate Minimum Wage-fixing: NWC	Lot of focus in first two years: Less activities now	Capacity Building for NWC (including 2 Study tours); Support the launch of NWC in 2013; Training for VGCL & VCCI; Studies on minimum wage-assessment; C. 131 on MW is in official line of approval.	9. Input to MW Law was delayed to 2016.
<b>IO5</b>	Promote Collective Bargaining	Big Focus this year with many activities; MPs were delayed (but now all are approved)	5 Provinces signed Master Plans on IR and 4 are now implementing it; GTU/Enterprise Union with support from ULTU (e.g. FoL & IZ) & DOLISA; Decree 60 on SD; Multi-enterprise CB; Prov. Employers Organizations: pilots in 3 prov/city: 28 enterprises; Employer roundtables to improve coordination; Cooperatives law translated and printed in cooperation with VCA; Mediation pilot on Wildcat strike procedures; IR Profile in Dong Nai; HR Clubs in Vin Phuc & Hung Yen; 9 'IR Bulletins' with CIRDC; <sup>4</sup> 10 IR Network forums with CIRDC; Networking with universities on IR.	10. Little experience/capacity among the partners with CB & SD, and with new elements in the LC; 11. ULTU had to adjust its new roles set in the TUL/LC; 12. 'Interference' of Management in Labor affairs; 13. Mediation pilot on Wildcat strike procedures shows little progress; 14. Multi-Enterprise CB is making slow progress; 15. Implementation of Decree 60 is difficult due to trust issues.

In addition to these challenges specific for each Immediate Objective (IO), there were also some more general challenges, such as:

1. Personnel changes at partner organizations and at the IR Project Office;
2. Relatively limited project finances for a large number of activities;
3. The increasing workload for MOLISA having to provide continuous and urgent inputs to the Communist Party meetings associated with the expected signing of the TPP and the requirements for Vietnam of the (confidential) Labor Chapter, as well as the ratification process for Conventions 87 and 98. This workload has especially increased for CIRDC, being the focal point for the Labor Chapter, and for the Legal Department of MOLISA, and include such activities as submissions for additional funding, gap analysis ILS and Vietnam Labour Code and related high level workshops, planning and activities in regard C87 and C 98 consensus building.

In terms of effectiveness, the mission has established that in general, the project partners are actually using the outputs. It would be impossible to establish this for all 107 products, but some prime examples are:

- The establishment and functioning of the new institution, the National Wage Council (NWC), one of the most tangible results of the project, having fixed minimum wages

<sup>4</sup> The 'IR Bulletins' have a substantial reach; 350 hard copies of each bulletin are sent to agencies at national (VGCL, agencies in MOLISA, VCCI), provincial (FOL, DOLISA, IZ Authority) and district level (FOL, DOLISA, IZ TU), while soft copies are sent through IR Net, reaching its members at all levels. Lastly, CIRDC is planning to upload them on their website once it is upgraded later this year; it will then reach an even bigger audience.

already in two consecutive years and preparing to do the same for 2015 from next month onwards;

- The success of the bottom-up approach of enterprise restructuring is spreading rapidly, and has already reached about 4,000 enterprises in various provinces; and
- The adoption of Master Plans (MP) on IR by the Provincial People's Committees (PPC) in five provinces.

Effectiveness is further enhanced by the learning curve, which can be illustrated with the improvements in the Minimum wage fixing and determination system. The 2014 NWC deliberations, the second since the establishment of the NWC in 2013, was a significant improvement on the first year's process for several reasons:

- Trade union and employers' organizations organized their own respective deliberation process before the plenary meetings, carried out a survey, and built consensus through workshops.
- MOLISA carried out some preparatory work.
- NWC decision was made public, so that there would not be any guessing game or new proposals during the time between NWC decision and the Prime Minister decision (Decree).
- The draft study report: "Review of methods for determining minimum living needs of workers in Vietnam for ILO and National Wage Council" was being revised based on comments from NWC and ILO specialists.
- The General Statistics Office (GSO) provided national and international consultants with necessary Labor Force Surveys (LFS) data to carry out the assessment of impact of MW adjustment on firms and Labor outcome.

Social partners have been strengthened through different methods with respect to several project key strategies such as:

- Trade Union restructuring at grassroots level and upper level;
- Awareness raising on CB and SD, and strengthening of TU and Employers in these same areas resulting in several CBA's signed; and
- Awareness raising on ILS.

The importance and the specific kinds of awareness raising to be promoted requires more explanation. Regarding SD, Decree 60 (on the implementation of democracy regulation at working places) is important, and promoting its principles of periodic representative dialogue is a win-win situation for both workers' and employers' representatives in relation to responding earlier to workers concerns *before* disputes arise, improving working conditions, improving productivity, reducing turnover, improving worker commitment to the enterprise etc. Currently employers are reluctant to accept elected workers' representatives to dialogue with, and they rather continue the old practices of a suggestion box or meetings with different groups of workers each time. Regarding CB, because trade unions are not the ones who are organising the wild cat strikes, a 'no-strike clause', perhaps desired by employers, is impossible to guarantee for the union at this point in most enterprises. With awareness raising the issue is to address both parties' underlying interests, and this is actually in the process of being discussed, some of it was witnessed during the interviews in Dong Nai (see Annex 8).

Overall, the project resulted in enhanced coordination among all project partners, and this applies at the national level to the Ministry working together with employers and workers organizations

e.g. through CIRD and PMU as well as on ad hoc activities, and to the local level where DOLISA, ULTU, GTU/Enterprise Unions and employers' organisations are increasingly being involved in and becoming aware of the importance of CB and SD. This can be further demonstrated for the local level through the case study of Dong Nai, one of the few pilot provinces where all local stakeholders are involved at the same time (see Annex 8).

Effectiveness can also be 'measured' by investigating the areas in which the project had the **least achievements** until today, which are:

- IO2: Preparatory work for the ratification process of ILO Conventions 87, 98 and 105 was *expedited* in Nov 2014 by the decision of VGCL to endorse this process. This was not anticipated in the original project design, and, therefore, new activities had to be designed and added to the work plan; these new activities include the gaps analysis and the road map towards ratification of those conventions.
- IO3: A series of *difficulties* were encountered under this objective (see Table 3 above). Within the TU, new methods and approaches are challenging (e.g. multi enterprise CB), and workers do not always trust the elected members e.g. if they are part of management. There is also a high turnover of GTU Executive Committee members (because contracts expire, workers leave voluntarily, or employers replace them);
- IO5: *Difficulties* have arisen in CB and SD in particular because of the lack of experience among workers and employers, while employers at the same time are often focusing mainly on other priorities within their companies. Specifically, regarding the Mediation pilot on Wildcat strike procedures, mediators were re-appointed according to LC 2012 at Province level. Still all are part-time, and the conflicting role for VGCL-appointed mediators continues as they should represent workers not mediate between the two; there is also no provision in law for proactive or post conflict role for mediators as the pilot would like to promote. Mediators are very busy in their other workplace. They experience difficulties in getting access to enterprises and in acquiring understanding of the real IR situation as enterprises are reluctant to expose problems fearing leaking to inspection if District level DOLISA staff are the mediators. As such the pilot is scaled down to 3 mediators aiming to work in 3 enterprises that have allowed an IR Profile to be completed and have agreed to allow mediators to come to the enterprise to facilitate process of proactive improvement in specific identified areas. This pilot feeds into future reform of regulations on mediation and attempts to learn lessons of limitations of the current system, as well as tries to raise the profile of the mediation role in dispute resolution in general.

However, the last year of the project is scheduled to witness a large focus on precisely the above-mentioned areas of intervention.

Concerning the effectiveness of the selection of geographical areas for the pilots, it can be concluded that it is important to have regions represented from the different parts of Vietnam (North, South Central), and also to guarantee continuity of partnership from the previous project phase. The selection of the **most industrialized** regions with the **most dynamic** industrial relations would require more explanation, although one could argue that the intention was to pilot provinces where there were the most opportunities for change in order to generate lessons learned. The selection of rural provinces dominated by agricultural labor might not have been the

best place for that. Lastly, the selection of the two additional provinces in order to include active employers' organisations is commendable and shows flexibility when required because the objective was to pilot the cooperation with such organisations.

Concerning data and/or information collection and/or production as per disaggregated categories (sex, sectoral, geographic, etc.), the project has done some work, although it could not be assessed in detail in view of the large number of documents involved and the limited time for the evaluation, and, more importantly, because most of these activities started only recently. With respect to participation in VGCL and VCCI pilots sectoral and geographic data have been collected, while those related to gender started only in June 2015. In the same month the project has also started to collect data on trainings, as well as on pilot reporting.

## Efficiency

The allocation of resources (funds, human resources, etc.) has been quite strategic since the start of the project, and the resources used so far were employed generally in an efficient way to achieve outputs, as indicated in the overview of progress in Section 3.3. USDOL indeed funded the total amount of US\$ 3 million, but when signing the agreement it was for an initial US\$ 1 million with a **possible** maximum of US\$ 3 million. This resulted in some uncertainties as the funding commitment in late 2013 for example was less than the ILO CO Hanoi was expecting at that time for 2014 and a few measures were taken to deal with that and to anticipate a lower than maximum disbursement, such as a substantial reduction of the activities in the Work Plan for 2014 and the deliberate delay in the replacement of the CTA. This was less than efficient and several implementing partners indicated during the interviews that the gap between the two CTAs was an important drawback for project progress.

After 3 years of project implementation about two-thirds of the total funding of USDOL of US\$ 3 million has been actually spent, and a substantial part of the remainder has already been committed. Matching the remaining resources with the work plan will be challenging for the final year of the project, especially in view of the ambitious project design and the many requests from the IP's for more support for their future activities. The good news is that the project office managed to secure additional funding for certain project activities from other sources, such as ILO-HQ in Geneva and the Better Work Project (financed by USDOL).<sup>5</sup>

The distribution of the project finances is summarized in Table 4. The Cooperative Agreement with USDOL provided for US\$ 3 million, and the project office has managed to acquire additional funding from ILO HQ in Geneva (RBSA) and from the Better Work Program of USDOL, which amounted in total to almost US\$ 565,000. Other requests from the project office for additional funding are in the pipeline, and in this way the overall amount of US\$ 4 million indicated in the PRODOC may just about be reached by the middle of next year. Overall, of the current total amount of US\$ 3,563,245 about 42% is allocated to sub-contracts with IPs, national and international experts, seminars and training (4a, 4b and 5 in Table 4), of course supported by administrative costs, personnel and support costs (1, 2 and 6). This is a quite usual division within

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<sup>5</sup> Within Objective 3 of the BWUCB Project some activities do extend the IR project scope and impact. Two examples are: Firstly, prior to the commencement of the BWUCB project the VGCL pilot program 2 and 3 were operating in 4 provinces/Industrial Zones. The HCM pilot was added to the overall pilot program through the BWUCB project's Pilot 2 and Pilot 3 in the garment sector with factories who are also joining Better Work (i.e. Strengthening Grass root union's internal structures and multi-enterprise CB). Secondly, two (draft) reports under the BWUCB directly support the IR Project: the report on lessons learnt from pilot program 2011-2015 and the Handbook on unfair labour practices.



an indicative budget for ILO projects, and reflects the support provided by the ILO global network in different ways, often financed from ILO's own budget, such as providing access to the ILO Regional Experts in Bangkok and to the experts in the ILO Headquarters in Geneva, and having these experts come on missions to Vietnam. At a strategic level, USDOL and ILO have been working together on joint programs in Vietnam several times in the past.

**Table 4: A Summary of the Indicative Project Budget and the Balance left (July 2015).**

Nr	Budget Categories	ORIGINAL USDOL Agreement (US\$)	Updated USDOL Agreement (US\$)	USDOL total committed amount	USDOL total expenditure	USDOL total allocation balance	RBSA (US\$ addl. from Geneva)	Committed	Balance	From Better Work, US\$ (USDOL)	%TOTAL BUDGET: USDOL+RBSA+BW	Total Balance (USDOL + RBSA)	% Balance (USDOL + RBSA)
1	Personnel (IR Project Office)	1,195,551	1,200,301	873,247	694,703	327,054			0	15,000	<b>33.90%</b>	327,054	28.7%
2	Administrative expenses	391,932	282,791	218,904	196,335	63,887	91,750	4,000	87,750	15,600	<b>13.10%</b>	151,637	13.3%
3	Evaluation	45,000	45,000	15,049	2,841	29,951			0		<b>1.30%</b>	29,951	2.6%
4a	Subcontracts with IPs	317,320	317,320	277,472	163,551	39,848	105,000	34,511	70,489	59,000	<b>14.30%</b>	110,337	9.7%
4b	Contracts with national & international experts	159,517	263,908	235,185	223,966	28,723	119,200	21,000	98,200		<b>7.70%</b>	126,923	11.2%
5	Seminars, Training, Fellowships	545,547	545,547	421,537	392,121	124,010	145,695	5,368	140,327	12,000	<b>20.10%</b>	264,337	23.2%
6	Program support costs (13%)	345,133	345,133	217,085	217,085	128,048			0		<b>9.70%</b>	128,048	11.2%
	<b>TOTAL</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>2,258,478</b>	<b>1,890,601</b>	<b>741,522</b>	<b>461,645</b>	<b>64,879</b>	<b>396,766</b>	<b>101,600</b>	<b>100.00%</b>	<b>1,138,288</b>	<b>100.0%</b>
	TOTAL (absolute in US\$)							*)		**)	<b>3,563,245</b>		

\*) Only just over US\$ 9,000 has been expended of these RBSA funds.

\*\*) All Better Work Funds are already committed (so there is no balance left).

Source: Based on Information from IR project Office.

However, in view of the changed focus on the preparations for compliance to ILS (for TPP, AEC and other trade discussions) and for the study of the ratification of ILO Fundamental Conventions, some re-allocations of uncommitted funds (in the ILO system and that with partners and work plan) seem logical within the limits of donor and partner commitments, and will be proposed in the next chapter. In particular, a larger share of total (especially RBSA) funding might be allocated to the consensus building on C87 and C98 and to the Road Map for the ratification process. There is also some space within the budget, as Table 4 indicates, of over US\$ 700,000 in the USDOL project showing as currently not committed, and overall about US\$ 1.1 million. Three qualifications need to be made:

- 1) A large proportion of funds showing up in the ILO system as uncommitted, are in reality otherwise committed, i.e. as Technical Cooperation funds within the Work Plan already agreed for 2015 with USDOL and with implementing partners;
- 2) The committed expenses for project staff were only included until June 2016 for flexibility reasons and reasons of uncertainty of total funding; however, the project runs until the end of September the same year;
- 3) The RBSA Funds have a time limit, i.e. they need to be spent by December 2015, and otherwise the funds will be reclaimed by HQ. It is expected, however, that most of these RBSA-funded activities will be undertaken within that time frame, especially if the TPP agreement with Vietnam will be signed in the coming months.

These qualifications reduce considerably the flexibility to re-allocate substantial funds without going back to MOLISA, other partners and USDOL.

A different factor which enhanced efficiency was the fact that implementing partners are in part using their own resources in terms of staff, facilities, etc., and that some are also putting in their own financial resources (as was for example underlined by the Vin Phuc Business Association of the VCCI).

The last factor under efficiency concerns the question whether the project delivered activities and used funding in a timely manner. Considering the great variety of project elements and outputs, one has to conclude that overall this question can be answered positively with the important qualification that a number of delays in each of the Immediate Objectives have taken place; these were already documented in the above (especially in Table 3 in Section 3.3). These delays have all been duly justified in the quarterly Technical Progress Reports (TPR) written by the IR Project office. At the present stage of implementation where there is only about one year of project time left, there is little space to suggest time and/or cost efficiency measures; however, one important recommendation will be directed at re-focusing and, where possible, reducing the number of pilots for the last year of the project (cf. Section 4.2).

## Effectiveness of Management Arrangements

The funding agency, USDOL, has a Cooperative Agreement with ILO to implement the project, and the USDOL Program Manager is in regular contact with the IR Project Office and has made visits to landmark events (e.g. the launching of the program). The US Embassy in Hanoi also keeps abreast of main events and visits are made (e.g. to the Validation Workshop on 21 July 2015).

The project is executed by the ILO Country Office in particular by the 'IR Project Team', consisting currently of 5 staff members: CTA, 2 National Project Coordinators (NPC), 1 Program Assistant and 1 finance/admin staff. In addition, there is one Program Assistant under the Better Work Union Capacity Building program. Changes in staff resulted in substantial disruptions, as both the replacement of the CTA in 2013 and the NPC in 2015 took about five months to materialize. The former NPC joined the legal Department of MOLIDA as the Deputy, while the new NPC in the IR Project has just started on July 1<sup>st</sup> 2015. The ILO Country Office provides effective overall coordination, although some partners mentioned the complicated bank transfer rules of ILO, not yet fully aligned with the Vietnamese system (as was proposed by the Paris Declaration on Aid Effectiveness in 2005).

The project also makes use of additional expertise in the form of national and international consultants. It is assessed which activities can be performed by *national* experts and this is generally the preferred option in view of local knowledge, and also in view of speed, flexibility, logistics and cost factors. However, when such experts are not available, or when specific international expertise and experience is required the ILO has direct access to a large pool of international experts outside of Vietnam.

The technical backstopping by the ILO Decent Work Team (DWT) in Bangkok and ILO HQ in Geneva was generally found of substantial importance, although there were some qualifications made by some partners. Firstly, it would be best if the experts in question have next to their expertise in the subject matter at hand, also knowledge of the specific situation in Vietnam; this of course is the ideal situation, but it goes without saying that some experts possess international expertise that can be of great use to Vietnam (without being Vietnam-specific). Secondly, in some cases partners require such a short notice answer to their requests for technical support that it will be difficult to bring in experts from outside of Vietnam. The ILO is very much aware of both of these concerns, and has decided to appoint an *additional* technical staff member to the CO Hanoi which may take effect within half a year.

The implementing partners have shown their genuine interest and active participation in the IR Project both during the interviews and during the discussion at the Validation Workshop on 21 July 2015. These partners, being the tripartite constituents supplemented with the National Assembly, are very strategic for the project in terms of mandate, influence, capacities and commitment.

MOLISA has been assigned by the GoV to work with ILO on the execution of this Project as implementing agency, and has assigned CIRD as the Project Holder. Until now MOLISA did not have a separate IR-Department which may enhance the effectiveness of management arrangements further, and this is currently under consideration (perhaps getting an exemption on the ongoing hiring freeze of Government Employees).

As indicated in the above, the project has produced in terms of sheer volume an ‘impressive’ list of 107 products (see Annex 6). A tabulation from this list according to implementing partners provides an interesting indication of the relative importance within the project of each of these partners (cf. Table 5 below). It is logical that more than half of the products are produced with different departments of MOLISA, and the single largest partner in this respect is CIRD, the project holder. But the trade union, VGCL, follows not very far behind, and a substantial number of products has been undertaken with employers’ organisations (VCCI and VCA).

***Table 5: Number of Project Products by Implementing Partner.***

<b>Implementing partner</b>	<b>Nr. Of Products</b>
<b>CIRD (MOLISA)</b>	26
<b>VGCL</b>	21
<b>IR project office</b>	11
<b>Legal Department (MOLISA)</b>	11
<b>VCCI</b>	11
<b>Wage and Labor Department (MOLISA)</b>	9
<b>National Wage Council (NWC)</b>	8
<b>VCA</b>	3
<b>ICD &amp; Inspectorate (MOLISA)</b>	2
<b>National Assembly (SAC)</b>	2
<b>MOLISA &amp; National Assembly (SAC)</b>	2
<b>VGCL &amp; VCCI</b>	1
<b>TOTAL</b>	<b>107</b>

*Source: Calculation by author on basis of Annex 6.*

The National Project Steering Committee (NPSC) includes representatives of all implementing partners and functions as a key coordinating unit for the project. However, it only meets once a year with the last meeting having been held almost one year ago. This is *not* really effective, especially in view of a communication gap between several partners that was established during the mission, which could in part be related to the ongoing, very pressing workload entrusted on MOLISA and CIRD with respect to the preparations for the labor chapter of the TPP. Half-yearly, or preferably quarterly meetings, would be much more effective to be able to discuss progress and to adjust directions and budget allocations.

In addition, MOLISA has set up a Project Management Unit (PMU) which is tasked to assist MOLISA in fulfilling its role as line agency relaying the decisions of the NPSC, to facilitate the execution of the project in line with the national agenda, and to coordinate with non-government partners included in PMU.

In itself, the management capacities among the members of the National Project Steering Committee are surely adequate, and this could facilitate good results and efficient delivery given more regular communication and meetings.

Through the interviews during the mid-term evaluation mission it has been established that there is a clear understanding of the roles and responsibilities by all parties involved, and that 'ownership' of the respective elements is substantial, also underlined by the frequent requests for more support for the individual activities. Such requests were furthermore reiterated during the discussion at the Validation workshop on 21 July 2015.

The project receives adequate political and administrative support from its national partners as well as from the ILO, while the technical support *per se* has been good in the past but could be stepped up in view of the new developments and the desire to have international examples of how to deal with the ratification process.

The VGCL is the organization entrusted to represent the interests of the workers and was founded in 1929 (before the Communist Party). VGCL's role is clearly indicated in the first Article of the 2012 Trade Union Law (Box 2). The VGCL president is a member of the Communist Party of Vietnam Central Committee. Within Vietnam, all trade unions are required to affiliate to the VGCL, and at the local level it is represented in all provinces. The organization targets 10 million members by 2018. Internationally, the VGCL is affiliated to the World Federation of Trade Unions.

**Box 2: Trade Union Law (2012) - Article 1. Trade unions**

Trade unions, established on voluntary basis, are a broad socio-political organisation of the working class and workers and a integral part of the political system of the Vietnamese society under the leadership of the Communist Party of Vietnam. Trade unions represent cadres, civil servants, public employees, factory workers and other workers (hereinafter referred to as workers) and together with state agencies, economic organisations, social organisations care for and protect workers' legitimate and legal rights and interests, participate in state management, socio-economic management and in the inspection, examination, monitoring of activities of state agencies, organisations, establishments, enterprises, propagate, encourage workers to study, improve qualification, professional skill, to observe laws and to build and defend the socialist Fatherland of Vietnam.

*Source: Trade Union Law (2012: 9-10).*

Next to the national level, there is an intermediate level of so-called 'Upper-Level Trade Unions' (ULTU) and at local level there are the Enterprise Unions or Grassroots Trade Unions (GTU). ULTUs can take the form of Federations of Labor (FoL) or Industrial Zone Trade Unions (IZTU). Their roles have changed as a result of major new areas of responsibility being added in the new LC/TUL. The Labour Code (2012: 79-80) is very clear on these responsibilities, and these include among others support to GTU, awareness raising and training, undertaking the roles of GTUs where they have not (yet) been established, and to enter into dialogue with enterprise management. The specific articles are reproduced in Box 3.

The VCCI represents about 30 Provincial Business Associations (BA) and approximately 400 BA in total. It has a lesser reach in the provinces than the other main employers' organisation, the VCA, which is represented in each and every province through its approximately 20,000 cooperatives reaching about 2 million people. In a joint meeting, both agreed that it would be beneficial to enhance coordination among the two organisations.

For the Social Affairs Committee (SAC) of the National Assembly (NA) it was the first time to have an official component in such a project from the design stage that included this Committee; this was much appreciated, although it concerns a relatively small component.

The IR project office at ILO effectively monitors project performance and results through the periodically updated annual Work Plans and the extensive Quarterly Technical Progress Reports (TPR) with inputs from the various implementing partners through regular reporting. Monitoring and Evaluation arrangements can be summarized as follows:

1. Collection of Baseline Data for pilot programs of VGCL, VCCI and DOLISA/Master Plan;
2. VGCL-pilots: Monthly reporting from PIU's against agreed indicators; Establishing the baseline of enterprises in pilots; conducting Quarterly review meetings and field visits by project and VGCL; and documenting good practices, challenges and follow up;
3. VCCI arrangements are similar to those of the VGCL (above), although reporting is less frequent (bimonthly or quarterly); and
4. Evaluation tools are developed by the IR Project Office for post training forms, for pilot reporting formats, and for joint monitoring CIRDS.

These arrangements seem sufficient but some have only recently been designed precisely because on-time reporting was in the past not sufficient. Therefore, strict adherence needs to be enforced from now on, and the IR Project Office needs to keep close track of this reporting and the use of the evaluation forms newly developed. Regular communication is required with the partners in order to get regular feedback. Since these forms have only recently been developed, it cannot yet be assessed whether they are being adhered to.

The means of verification for tracking progress, performance and achievement of indicator values, already discussed in detail in Section 3.2, have been defined for each indicator of the sub-objectives in the PRODOC (2013: 42-47). This may need to be updated and included in the annual Work Plans.

The project's management approach has been perceived positively by ILO technical backstopping units from both DWT-Bangkok and HQ Geneva.

From the inception phase of the project a participatory/consultative approach has been applied, whereby the implementing partners were requested to provide their comments and inputs into the draft proposal. In later years, the 5 areas of the immediate objectives got somewhat separated, and since the overarching NPSC meetings were only held once a year, partners became often involved more exclusively in their own element within the project.

***Box 3: Changed Role of ULTU in Labour Code***

***Article 188: Roles of trade unions in Labor relations***

*2. The immediate upper level trade union shall be responsible to assist the trade union at grassroots level to perform its functions and tasks in accordance with Clause 1 of this Article; and to advocate, educate and improve the workers' understanding of Labor law and trade union law.*

*3. In workplaces where the grassroots trade union has not been established, the immediate upper level trade union shall perform the tasks as stipulated in Clause 1 of this Article.*

***Article 189: Establishment, participation and operation of trade unions in enterprises, agencies, and organizations:***

*2. Upper level trade unions shall have the right and responsibility to mobilize workers to join the trade union and to establish grassroots level trade unions in the enterprises, agencies or organizations at which they*

## Impact and Sustainability

The Mid-Term evaluation has established that a number of observed changes can indeed *at least partially* be causally linked *directly* to the IR project's interventions, and these changes include:

- 1) 13 Implementation Decrees for the LC and TUL were issued: ILO provided technical advice on Decrees against ILS and supported technical workshops to consider draft decrees. To become even more precise on causality an assessment is scheduled to be made before project completion of the 'take up' rate of suggestions from ILO in these decrees.
- 2) Capacity building of all implementing partners: Pilots practically provide capacity and learning in new approaches, which has been clearly difficult and new for the partners involved, especially organising CB and SD. Employers' Business Associations are genuinely being challenged to include IR in their services to members and canvas members' views – viz. practical bottom up membership-led and -driven pilots. ILS understanding has been directly enhanced through papers, workshops, etc. In addition, provincial awareness of IR was increased through the Master Plans and related activities.
- 3) Raised awareness concerning, and enhanced capacities in CB and SD among the tripartite partners, also at the local level in pilot areas: Although the full impact can only be determined at a final project evaluation, some details are already emerging of this enhanced awareness through the good practices and lessons learnt report that became available this week only in draft form (Tien 2015). In any case, during the interviews it became quite clear that the local and provincial stakeholders are very much aware of the issues at hand, and are discussing it among the tripartite stakeholders, which clearly was a new area for them to venture in.
- 4) The NWC is here to stay as an established institution where genuine tripartite negotiations are taking place: A number of activities have directly contributed to this: A range of international technical papers including understanding of minimum living needs and impacts on employers; Regional specialists briefing directly the NWC on minimum wage trends in the regions in 2014; Support to social partners to meet and develop their negotiation positions; Australian trade union exchange in 2014 with VGCL on preparing minimum wage cases; During the last 2 years genuine negotiation has taken place within the council; Campaigning through media by both VGCL and VCCI; and, Discussion and recognition of evidence from national surveys and additional meetings scheduled to seek closer consensus through dialogue.
- 5) The bottom-up approach of union restructuring had a clear demonstration effect, and as a result some 4,000 Enterprise Unions (or GTU) are in the process of being set-up: This approach (including the figure) was officially reported by VGCL during the interviews as they have scaled up the approach across Industrial zones in various provinces.
- 6) The Gaps analysis has made the tripartite partners acutely aware of the challenges to be overcome in the ratification process of the ILO Conventions 87, 98 and 105: Two detailed papers were produced by the project and shared through two high level closed door meetings of tripartite partners and National Assembly (one attended by US Embassy as observer). Clarification on principles behind the Conventions were explained in open and strong discussion; for that ILO brought regional and HQ experts to lead this process. Now ILO will support follow up workshops dealing with C87 and C98 for provincial and industry leaders from VGCL and VCCI in the fourth Quarter of 2015.
- 7) Convention 131 on Minimum Wages has been included in the government list having the possibility of ratification during the period 2017-2020: The project's work on minimum

wages has been spelled out already above under item 3 (NWC), which includes quality studies on minimum living needs highly appreciated by several implementing partners.

Each and every implementing partner interviewed underscored that the project is very relevant, and will be even more so in the near future assuming the TPP is signed and the ratification process of the fundamental conventions will actually take off. The impact from the TPP, as well as other trade agreements, in particular the ASEAN Economic Community (AEC) which will start at the end of 2015, and the Vietnam-EU Trade Deal (2015), on the Industrial Relations area is expected to be very significant. A major new round of Labor law reform will most likely be required in order to further adhere to the International Labor Standards (ILS). Therefore, several stakeholders expect that a major effort to continue this kind of support will be required, and that this can best be undertaken through a multi-donor support facility.

This could be done through new 'add-on' elements to the project via new funds (e.g. RBSA) or through a review with donor and partners on the project's objectives and strategies adjusted to the various agreements made on compliance to ILS, in particular to the labour chapter of TPP, and will include the possible ratification of the fundamental Conventions mentioned.

The pilot-projects have in fact been instrumental to arrive at a better understanding of Industrial Relations (IR) at the local level, and as such have raised awareness on union activities, CB and SD and changed attitudes on these topics in a sustainable way. At the same time, it was established, and endorsed by some stakeholders, that there were quite a substantial number of pilots being implemented in a somewhat isolated way. More coordination between pilots, or better still implementing different components in the same location, may achieve enhance impact.

At present, the IR Project does not have an exit strategy per se, but it will be developed in the coming months. However, an 'exit' of support activities by international organisations and donors out of these areas does not seem to be desirable since even in case the TPP is not signed any time soon, Vietnam is also deeply involved in the AEC and APEC agreements, and these are also demanding sustainable attention to the areas of IR and ILS. This is the more so, since as we have seen in the above, not many other international organisations than USDOL and ILO are involved in the areas related to IR in Vietnam.

In the event that external funding does end in mid-2016, sustainability of the project interventions has been guaranteed in several ways. Most of the national institutions and implementing partners involved have the intention to continue specific project activities or carry forward the project's results, perhaps with the exception of the employers' organisations which are less pro-active in the IR area. Institutions, decrees, capacity building, raised awareness and changed attitudes are very sustainable indeed, and this may also increase the likelihood of some other components to become eventually maintained, such as Collective Bargaining Agreements, Social Dialogue, and the motivation of employers' organisations to give priority to these activities.

## Cross-Cutting Issue of Gender

The project has included explicitly issues of **gender equality** such as:

- 1) support to the Female Workers Decree,
- 2) the Decree on outstanding issues in regard female workers,

- 3) support to a possible decree on sexual harassment (later transferred to voluntary code of conduct) and
- 4) the Decree 27-2014 on Domestic Workers (Annex 6, Entry 9).

On the whole, there is sustained attention for the specific position of women in IR, but it varies somewhat between documents and/or activities:

- On the one hand, the Labour Code dedicates a *separate Chapter* to Female Employees (Chapter X: 66-69), and also in other sections gender is an important element, for example Chapter I, Article 4 dealing with 'State's policy on Labor', stipulates:

*'To ensure gender equality principles and to stipulate Labor and social policies to protect female workers...'*, (p. 11)

And another chapter indicates:

*'Employers shall ensure that wage is paid equally without gender-based discrimination against employees performing work of equal value'* (p. 44).

- On the other hand, the Trade Union Law (TUL) includes gender only in one sub-article in the entire document, and even then as just one element among many:

*'Management and use of trade union finance'*, under item 2g) *'Organising activities on gender and gender equality;'* (Article 27: 43).

In case a new round of Labour Law reform will materialize in the near future, this relative lack of attention needs to be rectified in the TUL.

The project also has a few indications of pertinent budgetary dedication regarding gender or sex-aggregated data, albeit at a relatively modest level of funding:

- Budget for Female Worker Decree: Workshop and technical input from the ILO Geneva specialist, Lisa Wong, designing and presenting a PowerPoint entitled: 'ILO Conventions and good practices relevant to equality and non-discrimination against female workers' (January 2015). The Workshop Budget was USD 4,832, and ILO Geneva provided separately for other project subsidised costs of specialist input.
- Consultancy Services by Michael Arnaud on Support to the ILO Constituents in Vietnam in the implementation of provisions related to gender equality and non-discrimination in the revised Labor Code and Trade Union Law (August to December 2013) with a budget of US\$ 14,550.

In general, however, attention for the specific role of women is systematic, for example in the Gaps Analysis report (Annex 6, Entry 16), in reports on minimum wages, in reporting formats, etc. Monitoring includes explicitly issues of gender equality which was sharpened in June 2015, and currently, the project is collecting data from pilots and trainings by gender. During the interviews for the Mid-Term Evaluation it was established that gender equality is recognized by all implementing partners as an important issue to consider in most aspects of the work, however, it was often not their first priority and only very few stakeholders raised this issue themselves during the interviews. Therefore, it is important for the Project Office to maintain the current level of attention for gender issues, and if possible, even increase it through additional budgetary allocation for specific gendered activities related to Industrial Relations.



# Conclusions and Recommendations

The current IR Project cannot be seen separately from its predecessor projects funded by different donors (including the ONE UN Fund and USDOL). The year 2012 saw the adoption by the National Assembly (NA) of the new Labour Code and the Trade Union Law. Therefore, the current project was not only extremely timely, but also highly relevant in order to start with the implementation decrees required by any legislation reform. One of the most important factors in the success of the project was having the two laws approved during its design stage. It was a dynamic environment in the Industrial Relations area and precisely the right time to start with awareness raising on a broader scale of the Labor law reform, with minimum wage fixing mechanisms and even a new institution, the National Wage Council (NWC), as well as with piloting collective bargaining and social dialogue through direct stakeholder participation of the tripartite partners at national level but surely also at the local level leading to sustainable attitude changes among these partners. The final year of the project could be considered as a *bridging year*, as it was voiced during the Validation Workshop, towards a multi-donor facility focusing on a follow-up Labor law reform preparing for TPP, AEC and APEC, and moving towards compliance with ILS and ratification of Conventions 87, 98 and 105, whereby selected pilots could continue in a re-focussed and integrated way.

## Conclusions

The main conclusions of this mid-term evaluation will be presented below according to the six Evaluation Criteria used throughout this report plus the Cross-Cutting Issue of Gender.

The **relevance** of the IR project has been concluded to be quite high for the needs, priorities and plans of the implementing partners in Vietnam, as well as for USDOL/US Government and ILO/UN. The project has been shown in the above to be very relevant for the GoV's 'Socio-Economic Development Plan 2011-2015' (SEDP). At the time of its inception, the IR Project addressed highly relevant needs of Vietnam in particular because at that time (mid-2012) two landmark pieces of legislation had just been adopted by the National Assembly, i.e. the Labour Code and the Trade Union Law. Together this amounted to an influential Labor Law reform. Such newly designed laws required a series of implementation decrees as well as adjustments for flaws and/or omissions. The project is also in line with the GoV/MoLISA 'Sectoral plan on labour, persons rendering services for the country and social affairs' for 2011-2015), and with the setting up of the Center for Industrial Relations Development (CIRD) within MOLISA in 2009 and of the National Industrial Relations Commission (NIRC) in 2007.

The objectives of the IR Project are also relevant for the policy and plans of the other implementing partners. The 10th National Congress of the VGCL adopted in 2008 a resolution emphasizing trade unions' primary role of protecting workers' rights and interests through bottom up organizing and collective bargaining trying to bridge the gap in representation between trade union structures and rank-and-file workers. The employers' organisations (VCCI and VCA) have made efforts to broaden and deepen their contacts with the employers in, for example, consolidating employers' position on labour law revision, which shows the relevance of the project. At the same time, workplace dialogue is not among the employers' top priorities, although they do recognize the importance in terms of preventing wildcat strikes, etc. The Social Affairs Committee of the National

Assembly (SAC/NA) played an important role in the passing of both Labour Code and Trade Union Law and the follow-up although having a small direct share in the project.

The interviews clearly showed the very active and concerned participation of most implementing partners leading to the conclusion that stakeholders' **ownership** of the project's approach has genuinely ingrained itself among most of them, perhaps somewhat less in the case of the employers' organisations and National Assembly. The involvement of certain partners, especially the different departments of MOLISA and VGCL, was so close, that they made persistent appeals for expanded as well as continued support in the light of the volume of work expected for the near future as a result of various trade agreements in which Vietnam is involved, such as TPP, EU and AEC. In particular, TPP's Labor Chapter will require a closer alignment to International Labor Standards (ILS) including the ratification of the last three fundamental ILO Conventions.

For the United States Government and USDOL Vietnam is a *priority* country, and the Cooperative Agreement (CA 2012: 5) indicates that the U.S. Government has a far-reaching agenda in its engagement with the Government of Vietnam. USDOL, being one of few donors active in the labor area, is also funding the Better Work Vietnam program to promote labor compliance in the garment sector. The project is also aligned to the GoV-ILO national cooperation framework entitled 'Decent Work Country Programme' (DWCP) promoting decent work in Vietnam for the period 2012-2016. This concerns especially Outcomes 5 and 6 of Country Priority 3 of the DWCP, which are linked to most of ILO's eight 'Areas of Critical Importance' (ACI) defined for priority action in 2014–15.

The analysis in this report of the **Validity of Design** provided a mixed picture. The baseline condition was formally established in 2011 through an independent evaluation of the predecessor projects, recommending a more decentralised approach aimed at targeting activities at the middle level and closer to productive enterprises. The project's design clearly tried to incorporate this recommendation *without* neglecting crucial activities required at the national level resulting in an ambitious number of five diverging Immediate Objectives (IO) and 46 activities. Some of these IOs are aimed at union restructuring at local and intermediate levels, and at collective bargaining (CB) and social dialogue (SD) at enterprise level, while others are aimed at adopting guiding regulations for and awareness building at national level. All were in themselves highly valid for the situation on the ground.

The intervention logic was at times somewhat confusing as it was based on a document, the Cooperative Agreement between USDOL and ILO (September 2012), which included an Annex, i.e. the PRODOC between MOLISA and ILO (May 2013), which differed in certain respects, in particular related to the Immediate Objectives and to certain indicators (see Table 2). In addition, the Performance Monitoring Plan (PMP) was not always clear-cut. Although it is being used in a useful way, and indicators are regularly updated and include gender-sensitive ones, a sharpening of the difference between indicators and outputs in particular is required, and the Work Plan 2013-2016 (Annex 7) needs to be revised accordingly. Another flaw in the Work Plan is that it does not include the 'Means of Verification' which were identified in the PRODOC, which means that their categorization must be converted to the Immediate Objectives (IO) specified in the CA. Both tasks are quite urgent and the IR Project office contracted a consultant who unfortunately could not complete the tasks, and now a new consultant needs to be identified urgently. The Risk Assessment Matrix has been updated quarterly in the Technical Progress Reports (TPR).

On the whole, the *Project Progress and Effectiveness* in the implementation of activities and production of outputs since the beginning in 2012 has in itself been quite impressive with a steady stream of products and with the implementation of pilots on union restructuring, CB and SD. However, some of these activities and outputs were not causally linked to objectives, and therefore it is difficult to assess exactly whether they will actually lead to the achievement of the objectives. While the quantity and quality of the outputs produced from 2012 until today have mostly been quite satisfactory, several challenges have resulted in delays of certain activities, while new developments have made some adjustments advisable. In addition to these challenges specific for each Immediate Objective (IO), there were also some more general challenges, such as personnel changes at partner organizations and at the IR Project Office, relatively limited project finances for a large number of activities, and the increasing workload for crucial implementing partners related among others to the labor chapter of the TPP.

In terms of effectiveness, the mission has established that in general, the project partners are actually using the outputs. It would be impossible to establish this for all 107 products, but some prime examples are the National Wage Council (NWC), the success of the bottom-up approach of enterprise restructuring the adoption of Master Plans (MP) on IR in five provinces. Effectiveness is further enhanced by the learning curve, which has been illustrated in this report with the improvements in the Minimum Wage fixing and determination system, as the 2014 NWC deliberations, the second since the establishment of the NWC in 2013, was a significant improvement on the first year's process. In addition, social partners have been strengthened through different methods such as trade union restructuring at grassroots and upper level, awareness building on CB and SD and strengthening of TU and Employers in these same areas resulting in several CBA's signed, and awareness building on ILS. Overall, the project resulted in enhanced coordination among all project partners, and this was also demonstrated for the local level through the case study of Dong Nai (Annex 8).

Finally, the selection of geographical areas for the pilots was effective in that it took various factors into account: the representation from the different parts of Vietnam (North, South Central), continuity of partnership from the previous project phase, representation of industrialised and dynamic regions, and regions with active employers' organisations.

In terms of *Efficiency*, it was concluded that the allocation of resources has been quite strategic since the start of the project, and the resources used so far were employed generally in an efficient way to achieve outputs. When signing the agreement between USDOL and ILO it was for an initial US\$ 1 million with a **possible** maximum of US\$ 3 million. Although this total of US\$ 3 million was indeed generously provided by USDOL, along the way it resulted in some uncertainties on this issue especially in late 2013 for example and in 2014; a few measures were taken to anticipate a lower than maximum disbursement, such as a substantial reduction of the activities in the Work Plan for 2014 and the deliberate delay in the replacement of the CTA, which were considered by the IPs as less than efficient.

After 3 years of project implementation about two-thirds of the total funding of USDOL of US\$ 3 million has been actually spent, and a substantial part of the remainder has already been committed. Matching the remaining resources with the work plan will be challenging for the final year of the project, especially in view of the ambitious project design and the many requests from the IP's for more support for their future activities. However, the project office managed to secure additional funding for certain project activities from other sources, such as ILO-HQ in Geneva and

the Better Work Project (financed by USDOL), and some IPs are using own resources. The distribution of funds is concluded to be efficient, and along the lines of most ILO projects around the world.

In view of the changed focus on the preparations for compliance to ILS (for TPP, AEC and other trade discussions) and for the study of the ratification of ILO Fundamental Conventions, some re-allocations of uncommitted funds seem logical within the limits of donor and partner commitments. In particular, a larger share of total (especially RBSA) funding might be allocated to the consensus building on C87 and C98 and to the Road Map for the ratification process. It was furthermore concluded that the project delivered many of the large number of activities and used most of the funding in a *timely* manner with the important qualification that a number of delays in each of the Immediate Objectives have taken place. These delays were all duly justified in the quarterly Technical Progress Reports (TPR). At the present stage of implementation where there is only about one year of project time left, there is little space to suggest time and/or cost efficiency measures; however, apart from the already mentioned re-allocations of un-committed funds, one suggestion is to re-focus and, where possible, reduce the number of pilots.

The conclusions on *Effectiveness of Management Arrangements* were mixed which is not surprising considering that so many different partners in Vietnam and outside of it were involved in so many different types of project activities. The funding agency, USDOL, has signed the CA (2012) with ILO to implement the project, and they are in regular contact. The project is executed by the ILO Country Office in Hanoi in particular by the IR Project Office, which has provided effective overall coordination, although changes in staff resulted in substantial disruptions. ILO's vast global network of experts has been used effectively when national experts were not available or when very specific expertise was required. In all other instances preference goes to the contracting of national experts in view of local knowledge, and also in view of speed, flexibility, logistics and cost factors. The ILO, being very much aware of the preference of the IPs to contract international experts knowledgeable about Vietnam, has decided to appoint an *additional* technical staff member to the CO Hanoi.

The implementing partners, being the tripartite constituents supplemented with the National Assembly, are very strategic for the project in terms of mandate, influence, capacities and commitment. MOLISA is the project's implementing agency, support in that role by the Project Management Unit (PMU). MOLISA and its various units have been involved in more than half of the long list of 107 products produced so far by the project. The single largest partner in this respect is MOLISA's CIRD, the project holder (with 26 products), while the trade union, VGCL, follows not very far behind. The key coordinating unit for the project representing all implementing partners and functions, the National Project Steering Committee (NPSC), has not been really effective meeting as it does only once a year, especially in view of a communication gap between several partners that was established during the mission. This gap could in part be related to the ongoing, very pressing workload entrusted on MOLISA and CIRD with respect to the preparations for the labor chapter of the TPP. Half-yearly, or preferably quarterly meetings are recommended.

The VGCL is the organization entrusted to represent the interests of the workers and its role is gradually changing, for example through the Trade Union Law of 2012. Its representation towards workers and towards the local (GTU) and intermediate levels (ULTU) has been the subject of several project activities. The roles of the ULTU have also changed as a result of major new areas of responsibility being added in the new LC/TUL. The employers' organizations (VCCI and VCA)

indicated their desire to cooperate more, being quite different in outreach into the provinces and districts. The last of the IPs is the SAC/NA which has proven to be an effective partner because of their role in passing legislation.

The IR project office at ILO monitors project performance and results among others through the periodically updated annual Work Plans and the extensive Quarterly Technical Progress Reports (TPR) with inputs from the various implementing partners through regular reporting. These arrangements seem to be effective but some have only recently been designed precisely because on-time reporting was in the past not sufficient. Therefore, strict adherence to reporting deadlines and regular communication with partners is essential. The project's management approach has been perceived positively by ILO technical backstopping units (Bangkok and Geneva).

From the inception phase of the project a participatory/consultative approach has been applied, whereby the implementing partners were requested to provide their comments and inputs into the draft proposal. In later years, the 5 areas of the immediate objectives got somewhat separated, and since the overarching NPSC meetings were only held once a year, partners became often involved more exclusively in their own element within the project.

The sixth and last assessment criteria concerns *Impact and Sustainability*, which is judged by the Mid-Term evaluation overall as satisfactory, although of course there are large differences between the various project elements. It was established that a number of observed changes can indeed *at least partially* be causally linked *directly* to the IR project's interventions, and these changes include:

- 1) 13 Implementation Decrees for the LC and TUL were issued;
- 2) Capacity building of all implementing partners;
- 3) Raised awareness concerning, and enhanced capacities in CB and SD among the tripartite partners, also at the local level in pilot areas;
- 4) The NWC is here to stay as an established institution where genuine tripartite negotiations are taking place;
- 5) The bottom-up approach of union restructuring had a clear demonstration effect;
- 6) The Gaps analysis has made the tripartite partners acutely aware of the challenges to be overcome in the ratification process of the ILO Conventions 87, 98 and 105; and
- 7) Convention 131 on Minimum Wages has been included in the government list having the possibility of ratification during the period 2017-2020.

The impact on the Industrial Relations area from the TPP, as well as other trade agreements, in particular the AEC which will start at the end of 2015, and the EU Trade Deal, is expected to be very significant. A major new round of Labor law reform will most likely be required in order to further adhere to the International Labor Standards (ILS). Therefore, several stakeholders expect that a major effort to continue this kind of support will be required, and that this can best be undertaken through a multi-donor support facility.

The pilot-projects have in fact been instrumental to arrive at a better understanding of Industrial Relations (IR) at the local level, and as such have raised awareness on union activities, CB and SD and changed attitudes on these topics in a sustainable way. At the same time, it was established, and endorsed by some stakeholders, that there were quite a substantial number of pilots being implemented in a somewhat isolated way. More coordination between pilots, or better still implementing different components in the same location, may achieve enhance impact.

At present, the IR Project does not have an exit strategy per se, but it will be developed in the coming months. In the event that external funding does end in mid-2016, sustainability of the project interventions has been guaranteed in several ways. Most of the national institutions and implementing partners involved have the intention to continue specific project activities or carry forward the project's results, perhaps with the exception of the employers' organisations which are less pro-active in the IR area. Institutions, decrees, capacity building, raised awareness and changed attitudes are very sustainable indeed, and this may also increase the likelihood of some other components to become eventually maintained, such as Collective Bargaining Agreements, Social Dialogue, and the motivation of employers' organisations to give priority to these activities.

### **Cross-Cutting Issue of Gender**

The project has included explicitly issues of **gender equality** such as support to the Female Workers Decree, and to other Decrees directed at gender issues. On the whole, there is sustained attention for the specific position of women in IR, but it varies somewhat between documents and/or activities, for example the Labour Code dedicates a complete, *separate Chapter* to Female Employees, while the Trade Union Law (TUL) includes gender only in one sub-article in the entire document. The project also has a few indications of pertinent budgetary dedication regarding gender or sex-aggregated data, albeit at a relatively modest level of funding.

In general, however, attention for the specific role of women is systematic, for example in the Gaps Analysis report, in reports on minimum wages, in reporting formats, etc., and monitoring includes explicitly issues of gender equality. During the interviews for the Mid-Term Evaluation it was established that gender equality is recognized by all implementing partners as an important issue to consider in most aspects of the work, however, it was often not their first priority and only very few stakeholders raised this issue themselves during the interviews.

## **Recommendations**

The recommendations will be presented also according to the same six Evaluation Criteria, as well as the cross-cutting issue of gender. The Recommendations given below are specifically also intended for consideration by the National Project Steering Committee (NPSC) in its next meeting in late August of this year (as it was fixed by the MOLISA Vice-Minister during the Validation Workshop on 21 July 2015). For easy reference the recommendations are numbered, and a table is added for each with the key data.

### **Relevance**

- 1) **Modify, where possible, the approach and activities for the last year of the project (mid 2015 – mid 2016)** in order to be able to best prepare for the expected enhancement of the workload after the possible signing of the Trans Pacific Partnership (TPP) and the start of the ASEAN Economic Community (AEC) at the end of 2015, because another round of revisions of Labor law reform will then become necessary. Should TPP be approved by this time, it will be discussed at the NPSC meeting in August 2015, and is likely to result in re-allocations of some of the un-committed funding within the budget.

Responsible Unit	Priority	Time Implication	Resource Implication
NPSC, to be prepared by IR project office and CIRD	High	Decision at NPSC Meeting in August	Re-allocation of un-committed funds

### Validity of Design

- 2) **Make the Performance Monitoring Plan (PMP) more outcome-based** (instead of activity-based), and modify the annual Work Plans accordingly. The project had a consultant contracted earlier this year to undertake this task, but due to several personal reasons the expert kept on delaying her departure to Vietnam; it is strongly recommended to re-tender this assignment **soonest**. Thereby, the consultant will also:
- Sharpen the Results-Based Monitoring system and its PMP, and harmonize indicators and outputs in the annual Work Plans, while narrowing it where possible, and include one indicator for each Immediate Objective;
  - Update the means of verification for tracking progress, performance and achievement of indicator values defined in the PRODOC (2013: 42-47), and include them in the annual Work Plans; and
  - Provide advice on how to maintain strict adherence of the Monitoring and Evaluation arrangements in place in the project, in particular the regular reporting from all implementing partners.

Responsible Unit	Priority	Time Implication	Resource Implication
IR project office contracts a consultant	High	Start with highest priority; Four to Six months	Use funds earmarked for this activity

### Project progress and effectiveness

- 3) **Improve the communication between ILO and the Implementing Partners (IPs)**, especially on the development of urgently needed technical notes on selected topics not only by increasing the frequency of the NPSC meetings, but also by having regular bilateral meetings with specific partners, e.g. weekly with the project holder, the Center for Industrial Relations Development (CIRD) of the Ministry of Labor, Invalids and Social Affairs (MOLISA), and monthly or so with the trade union (VGCL) and the employers' organisations (VCCI and VCA).

Responsible Unit	Priority	Time Implication	Resource Implication
Initiative taken by IR project office; all implementing partners	High	Start immediately (partly already started); One year	From regular budget (travel, workshops, etc.).

- 4) **Continue the awareness raising among social partners and their Capacity Building particularly at the local level** through the pilots with respect to Collective Bargaining (CB) and Social Dialogue (SD).

Responsible Unit	Priority	Time Implication	Resource Implication
Planned by IR project office; VGCL, VCCI, VCA and local organizations	Medium (continuity)	Continue from current activities; One year	From regular budget

### Efficiency

- 5) **Re-allocate the un-committed funds of the USDOL project and of the additional budget categories, to accommodate new requests for technical assistance especially within the framework of TPP, AEC and the ratification process of the three remaining Fundamental Conventions of the ILO.** Allocate a larger share of the remaining budget to:
- a. A study of the effects of having more than one Trade Union after Ratification of Convention 87, in particular on how to supervise and control that situation;

- b. Follow up to the Gaps analysis of Vietnam's Labor laws in relation to ILO Conventions;
- c. The Road Map for the ratification process of the fundamental conventions;
- d. Studies on international experiences in setting Minimum wages, in particular in relation to productivity and macro-economic issues in neighbouring countries.
- e. Extend the committed funds for IR Project Staff with 3 months until the end of September 2016, because the project requires a project office until the end of the project period, partly considering what the stakeholders brought up during the interviews in the regions about the importance of the support and guidance by the office in Hanoi, and the need for the staff members to be involved in the bridging of the gap between the current project and possible follow-up projects.

Responsible Unit	Priority	Time Implication	Resource Implication
<b>IR project office jointly with CIRD, and support from national and international consultants</b>	High	Decision at NPSC Meeting in August; One year	Use funds earmarked for this activity and allocate un-committed funds

- 6) **Re-focus and, where possible, reduce the number of pilots** for the last year of the project, and implement the various components as much as possible all in the same province (one or two provinces will be enough) so that interaction will occur directly on the ground between the tripartite local stakeholders. At the same time, reconsider the pilots on Mediation and those on multi-enterprise CB, and if no clear alternative or means of improvement are found, consider to phase them out, or re-integrate them into other pilots or provinces. Prepare for the end of project phase by making preparations for the pilots at the local level to be taken over by the Implementing Partners (IPs) with sufficient coaching from ILO.

Responsible Unit	Priority	Time Implication	Resource Implication
<b>Planned by IR project office; VGCL, VCCI, VCA and local organizations</b>	Medium	After current agreements and contracts have been completed; runs for one more year	Use funds earmarked for this activity

#### *Effectiveness of Management Arrangements*

- 7) **Conduct half-yearly, or preferably quarterly meetings, of the NPSC, beginning late August 2015**; the next meeting should then be scheduled for December 2015 or January 2016 in order to be able to plan for the activities during the last phase of the project in a coordinated way with participation of all stakeholders.

Responsible Unit	Priority	Time Implication	Resource Implication
<b>NPSC, prepared by IR Project Office and CIRD</b>	High	Decision at NPSC Meeting in August;	Use funds earmarked for this activity, or allocate uncommitted funds

- 8) Design a **communication & media strategy** to enhance the visibility of the IR Project further, and, as a matter of priority, maintain the 'IR Bulletin'. The priority use of the Vietnamese language in documents, and where required the English language (as well), is considered quite appropriate. This also needs to include in particular:
- o Maintain very regular communication with the VGCL pilots under Immediate Objective 3, for example quarterly handover meetings, weekly discussions between PIUs and the IR Project Office, etc.



- Enhance the involvement of employers' organisations as they are currently somewhat less proactive, and facilitate the enhancement of the coordination between VCCI and VCA, so that they will become able to benefit from each other's strengths, i.e. the VBCCI's stronger position at the national level, and in particular in trade promotion, and the better representation in the regions of the VCA.

Responsible Unit	Priority	Time Implication	Resource Implication
IR Project Office and CIRD, contract a national media consulting company	Medium	1 year.	Use funds earmarked for communication/media activities, or allocate uncommitted funds

#### *Impact and sustainability.*

- 9) **Enhance the structural set-up of the National Wage Council (NWC) by stimulating and, where possible providing for, a platform for other ministries** to become involved so that they can provide inputs in the minimum wage fixing process. In particular, inputs from specific ministries on productivity and macro-economic issues need to be institutionalised.

Responsible Unit	Priority	Time Implication	Resource Implication
Jointly by NWC, CIRD and IR Project Office	Medium	1 year.	None.

- 10) **Prepare for a Multi-Donor Support Facility to scale-up the support for Industrial Relations in Vietnam** as soon as TPP is signed and AEC starts implementation later in 2015.
- Maintain the links with the other Labor-related programme of USDOL, i.e. the Better Work Trade Union Capacity Building program, and enhance links with other donors potentially interested in funding a new round of Labor law reform following the implementation of TPP and AEC preferably through a multi-donor facility. Study the example of Myanmar's multi-donor facility as a good practice
  - Prepare an Exit strategy in case the signing of TPP is delayed; such a strategy is being developed for the NPSC meeting in August 2015.

Responsible Unit	Priority	Time Implication	Resource Implication
IR Project Office, jointly with CIRD, USDOL and ILO-Bangkok/Geneva	Medium	1 year.	Workshops, etc. to be covered by regular budget

#### *Cross-Cutting Issue of Gender*

- 11) **Maintain the current level of attention for gender issues, and where possible increase it through additional budgetary allocations for specific gendered activities** related to Industrial Relations at national but surely also at local levels.
- Maintain and update the gendered entries in the templates for reporting by the implementing partners.
  - Include gendered criteria in the ToR for the consultant to sharpen the Results-Based Monitoring system and its PMP, and harmonize indicators and outputs in the annual Work Plans discussed under Recommendations 4 and 12.

Responsible Unit	Priority	Time Implication	Resource Implication
IR Project Office	Urgent	1 year.	Additional budgetary allocation from un-committed funds

# Lessons Learned and Emerging Good Practices

This chapter compiles three lessons learned (LL) and three good practices (GP) from the experience gained by evaluating the IR project, namely:

*LL1: The Bottom-up Approach in Trade Union Restructuring.*

*LL2: Uncertainty about Total Funding Amount.*

*LL3: Enhanced Communication between the Implementing Partners and Project Management, and the Building of Trust among them.*

*GP1: The Minimum Wage Fixing System through the National Wage Council (NWC).*

*GP2: The Use of Innovative Pilots in Industrial Relations Reform.*

*GP3: The Building up of a Transition Strategy into a Multi-Donor Support Facility.*

These will each be discussed in the following sections. The IR Project is expected to result in a few more LL and/or GP by the end of the project in particular related to IR Master Plans, dispute resolution, and support to decrees, but at this point in time it is too early to establish those clearly.

## Lessons Learned

One of the purposes of evaluations in the ILO is to improve project or programme performance and promote organizational learning. Evaluations are expected to generate lessons that can be applied elsewhere to improve programme or project performance, outcome, or impact. The ILO/EVAL Template for each of the three Lessons Learned (LL) is included in Annex 9.

### ***LL1: The Bottom-up Approach in Trade Union Restructuring.***

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	The bottom-up approach in union restructuring in the trade union pilots in Vietnam and how to set it up, has been one of the project's strengths, and has already led many enterprises in the country to replicate it.
<b>Context and any related preconditions</b>	There is only one trade union in Vietnam, the Vietnam General Confederation of Labor (VGCL), the organization entrusted to represent the interests of the workers in the country. Its role is gradually changing, for example through the Trade Union Law (TUL) of 2012. Improving its representational role and focus in relation to workers at the Grassroots Trade Union (GTU) level through support of the intermediate, i.e. 'Upper Level Trade Unions' (ULTU), such as Federations of Labor (FoL) and Industrial Zone Trade Unions (IZTU), has been the subject of several project activities. The roles of the ULTU have also changed as a result of major new areas of responsibility being added in the new TUL as well as Labour Code (LC)
<b>Targeted users / Beneficiaries</b>	Trade unions at all levels, workers, enterprises, governments, donors, ILO, and project management.
<b>Challenges /negative lessons - Causal factors</b>	Capacities at local levels need to be raised simultaneously.

<b>Success / Positive Issues - Causal factors</b>	Better representation of the rights and interests of the union members and other workers by the union, and reduction of disputes, in particular unorganized ('wild-cat') strikes.
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	n.a.

**LL2: Uncertainty about Total Funding Amount.**

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	A negative lesson learned is that the total funding availability and release timing were not clear for a long time, which made implementation and planning more difficult and subject to variation, as well as negatively impacting on outputs and partner relations in some cases.
<b>Context and any related preconditions</b>	The funding when signing the agreement was for an initial obligation amount of US\$ 1 million, with a possible maximum of US\$ 3 million, whereby the difference of US\$ 2 million was subject to availability of funds.
<b>Targeted users / Beneficiaries</b>	Donor, ILO, all implementing partners and project management.
<b>Challenges /negative lessons - Causal factors</b>	Project management was not able to plan activities for the total period, so the work plan was reduced and appointment of replacement CTA delayed with several months.
<b>Success / Positive Issues - Causal factors</b>	If the total amount is known and fixed, planning can be done more consistently.
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	n.a.

**LL3: Enhanced Communication between the Implementing Partners and Project Management, and the Building of Trust among them.**

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	<p>Regular and sustained communication between Project Management and the Implementing Partners (IPs) can prevent misunderstandings arising among them because of reduced understanding of each other's up-to-date roles and activities (including the sheer volume of work each one is undertaking). Through regular communication the building of trust is substantially enhanced.</p> <p>Regular communication could typically include quarterly Project Steering Committee meetings; regular bilateral meetings with specific partners, (e.g. two times per month) with the project holder, the trade union and the employers' organisations; and, quarterly handover meetings with the stakeholders at the local level (in pilots, etc.) as well as for example weekly discussions (in person or through the internet/phone) between project implementation units at the local level and the Project Office usually at central level.</p>

	<p>In a context of a relatively poor understanding of Industrial Relations (IR), it is a good practice (initiated in this case by the project holder with project support) to provide for a discussion platform for monthly open and challenging discussions (no lecturing) thereby building a network of IR practitioners, including tripartite partners, academics, lawyers and students, providing further opportunities for communication and building trust.</p> <p>Designing a communication &amp; media strategy at the outset will enhance the visibility of a project, and, as a matter of priority, include (regular) bulletins with contributions of partners.</p>
<b>Context and any related preconditions</b>	<p>The implementing partners should have a substantial sense of ownership of the project as was the case in the current project among most of them. The occurrence of changes in staff positions among either the partners or the project management makes it all the more important to have a strategy and an ingrained structure of communication.</p>
<b>Targeted users / Beneficiaries</b>	All implementing partners, project management, ILO and Donor.
<b>Challenges /negative lessons - Causal factors</b>	A reduced level of communication negatively impacts on partner relations.
<b>Success / Positive Issues - Causal factors</b>	Have a good understanding and appreciation of each other's role and activities burden, and enhanced trust among each of the stakeholders.
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	n.a.

## Emerging Good Practices

ILO evaluation sees lessons learned and emerging good practices as part of a continuum, beginning with the objective of assessing what has been learned, and then identifying successful practices from those lessons which are worthy of replication. The ILO/EVAL Templates are included in Annex 10. There are three Good Practices that emerged in the project that could well be replicated under certain conditions in other projects and/or countries.

### ***GP1: The Minimum Wage Fixing System through the National Wage Council (NWC).***

<b>GP Element</b>	<b>Text</b>
<b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b>	<p>The specific project approach to supporting the National Wage Council is considered a good practice in terms of building evidence-based approaches to decisions; encouraging active participation by social partners, i.e. genuine collective bargaining; encouraging common understanding among tripartite partners on minimum living needs calculations; use of technical specialists to bring international and regional perspectives and lessons to Vietnam for consideration; supporting expert studies on minimum living needs and economic impacts of minimum</p>

	<p>wage decisions to strengthen NWC voice; and flexibly responding to requests of the NWC.</p> <p>The system of Minimum Wage Fixing through the NWC is a good practice to be replicated elsewhere with the necessary improvements proposed in this report, i.e. to enhance its structural set-up by stimulating and, where possible providing for, a platform for other ministries to become involved so that they can provide inputs in the minimum wage fixing process. In particular, inputs from specific ministries on productivity and macro-economic issues need to be institutionalised.</p>
<b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b>	Vietnam has only one trade union and two main employers' organisations, making negotiations easier than when there are many competing organizations catering for the interests of the workers (as is the case, for example, in Indonesia) and/or for the employers.
<b>Establish a clear cause-effect relationship</b>	A representative system of minimum wage adjustment accepted by all (tripartite) parties reduces considerably the chances for labour conflicts and strikes, which is in the interest of all tripartite partners and of society in general.
<b>Indicate measurable impact and targeted beneficiaries</b>	The yearly minimum wage adjustment itself, and the discussions surrounding it.
<b>Potential for replication and by whom</b>	With the necessary modifications the system or parts thereof can be replicated in any country.
<b>Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)</b>	<p>Minimum wage fixing impacts especially on ILO Vietnam Decent Work Country Programme Outcomes 5 and 6.</p> <p>It also impacts on many of the Areas of Critical Importance (ACI), in particular:</p> <ol style="list-style-type: none"> <li>1.Promoting more and better jobs for inclusive growth</li> <li>4.Productivity and working conditions in SMEs</li> <li>5.Decent work in the rural economy</li> <li>6.Formalization of the informal economy</li> <li>8.Protection of workers from unacceptable forms of work</li> </ol>
<b>Other documents or relevant comments</b>	n.a.

**GP2: The Use of Innovative Pilots in Industrial Relations Reform.**

<b>GP Element</b>	<b>Text</b>
<b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b>	The innovative pilots implemented by the project assisted substantially in the practical advances achieved in the new Labour Code and Trade Union Law. This improved policy environment has contributed to the fact that the new pilots in union organizing, representation, CB and SD are now more generally supported and recognized as significant practical demonstrations of change by all partners (while still difficult and challenging). Continued focus on IR reform (including the ratification process of Fundamental

	<p>Conventions 87/98) and assisting that reform when opportunities arise is important.</p> <p>Linking three different pilot programs on CB and SD for each tripartite partner at the local level within the same province: Mutually support and build synergies between pilots e.g. in Dong Nai in social dialogue. It is particularly useful in responding to the low level of implementation of new aspects of the Labour Code in regard to social dialogue and improved processes of collective bargaining. The crucial element of this approach is collective bargaining and social dialogue based on:</p> <ul style="list-style-type: none"> <li>• Strength and participation of members, including the involvement and active participation of union members, and the way in which the collective strength of union members and of unions is built and increased through the process of collective bargaining,</li> <li>• Skills to organize and undertake collective bargaining,</li> <li>• Methods of communication in a regular way with union members in the collective bargaining process (more than the outcome of collective bargaining).</li> </ul>
<b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b>	An appropriate legislative framework is required, which arrived at in Vietnam especially with the passing of the Labour Code and the Trade Union Law in 2012. The process that led to the acceptance of these laws also led to a great sense of ownership among all partners.
<b>Establish a clear cause-effect relationship</b>	Social dialogue and genuine collective bargaining were almost non-existent before these laws came into being.
<b>Indicate measurable impact and targeted beneficiaries</b>	<p>Measurable impact is possible to be established through keeping count of the number of Collective Bargaining Agreements (CBA), the content and the process of the CBA's, and keeping track of the numbers of and trends in individual and collective disputes including stoppages and non-legal strikes.</p> <p>Beneficiaries are all the levels of the trade union, of the employers' organisations, as well as the enterprises where collective bargaining agreements are/will be negotiated</p>
<b>Potential for replication and by whom</b>	Especially in countries where social dialogue and collective bargaining has not developed very much yet.
<b>Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)</b>	<p>Industrial Relations Reform impacts especially on ILO Vietnam Decent Work Country Programme Outcomes 5 and 6.</p> <p>It also impacts on many of the Areas of Critical Importance (ACI), in particular:</p> <ol style="list-style-type: none"> <li>6. Formalization of the informal economy</li> <li>7. Strengthening workplace compliance through Labor inspection.</li> </ol>
<b>Other documents or relevant comments</b>	n.a.

**GP3: The Building up of a Transition Strategy into a Multi-Donor Support Facility.**

<b>GP Element</b>	<b>Text</b>
<b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b>	The building up of a transition strategy into a Multi-Donor Support Facility focusing on a follow-up Labour Law Reform preparing for major economic developments, in the case of Vietnam the Trans Pacific Partnership (TPP), the ASEAN Economic Community (AEC), the EU-Vietnam Trade Deal and the APEC.
<b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b>	The scaling-up of donor support for industrial relations reform into a Multi-Donor Support Facility needs to be triggered by major global and/or regional trade negotiations which explicitly have labor law reform in mind, as for example the TPP which has a separate Labor Chapter.
<b>Establish a clear cause-effect relationship</b>	The pressure from international negotiations and from the required levels of compliance to International Labour Standards triggers enhanced commitment of governments and national partners to move towards reforms in the industrial relations area.
<b>Indicate measurable impact and targeted beneficiaries</b>	The acceptance by governments of the agreements including the provisions in the area of industrial relations (e.g. the acceptance of TPP's Labor chapter).
<b>Potential for replication and by whom</b>	Is replicable in each country that is involved in such international trade agreements containing labor provisions.
<b>Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)</b>	Such a transition strategy impacts especially on ILO Vietnam Decent Work Country Programme Outcomes 5 and 6. It also impacts on several Areas of Critical Importance (ACI), in particular: <ul style="list-style-type: none"> <li>1.Promoting more and better jobs for inclusive growth</li> <li>4.Productivity and working conditions in SMEs</li> <li>5.Decent work in the rural economy</li> <li>6.Formalization of the informal economy</li> <li>7.Strengthening workplace compliance through Labor inspection</li> <li>8.Protection of workers from unacceptable forms of work.</li> </ul>
<b>Other documents or relevant comments</b>	Study the example of Myanmar's multi-donor support facility as a good practice.

# Terms of Reference (TOR)

**Independent Mid-Term Evaluation  
of a Technical Assistance Project  
The Vietnam Labor Law Implementation Project (also known as the  
Industrial Relations Project)  
Terms of Reference**

<b>Project title</b>	<b>The Vietnam Labor Law Implementation Project, aka the Industrial Relations Project in Vietnam</b>
<b>TC Code</b>	<b>VIE/12/01/USA</b>
<b>Donor</b>	<b>US Department of Labor</b>
<b>Total budget</b>	<b>US\$ 3,000,000</b>
<b>ILO Administrative Unit</b>	<b>CO-Hanoi</b>
<b>ILO Technical Unit</b>	<b>DWT/CO Bangkok</b>
<b>ILO Other Collaborating Units</b>	<b>Governance Department at Geneva HQ</b>
<b>Evaluation date and the field work dates</b>	<b>July-August 2015 (with proposed field visit during mid-July 2015)</b>
<b>Evaluation Manager</b>	<b>Francesca Fantoni</b>
<b>TOR preparation's date</b>	<b>12 June 2015</b>

## Introduction and Rationale for the Mid-Term evaluation

This terms of reference (TORs) covers the mid-term evaluation of the project. The project is implemented by ILO and funded by the United States Department of Labor (USDOL). In December 2012, USDOL and ILO signed a four-year Cooperative Agreement in which USDOL provided \$3 million to ILO to support implementation of the Vietnam Labour Law Implementation Project. The effective date of the agreement is from September 30, 2012 until June 30, 2016.

ILO endeavors to support industrial relations (IR) in Vietnam initiated in 2003. The One UN Fund provided the ILO with an amount of \$2 million during the period 2009 to 2011 to support industrial relations and labour code reform in Vietnam. Following this ILO project and in order to keep momentum, the USDOL engaged in a second phase and supported continuation of work to develop regulations for the new labour legislation consistent with International Labour Standards in Vietnam, with a view to educate tripartite constituents on the provisions of the laws and regulations, and build their capacity to promote good IR with the new provision's application in practice.

The second phase of the project funded by the USDOL focused on completing, rolling out and implementing a revised Labour Code and Trade Union Law, and supporting policy decision making in developing wage policy and IR. In the process, the project assisted with preparing for the ratification of fundamental and other related international labour Conventions. The project continued and expanded upon the implementation strategy used successfully in the first phase, relying on project implementation directly by co-implementing national agencies.



In line with ILO policies and procedures on evaluations, this project is subject to both a mid-term and final evaluation, at least one of which must be independent. The mid-term evaluation is expected to (i) assess progress made on the implementation towards achieving impact; (ii) adjust the programme implementation according to the evaluation recommendations and (iii) strengthen the organizational learning by sharing lessons learnt and good practices that emerged from the evaluation findings.

The evaluation manager will prepare TORs and will subsequently finalize it in a consultative process involving key stakeholders of the project including USDOL. The evaluation will comply with UN norms and standards and that ethical safeguards will be followed.

## Background

Significant institutional changes have been required in recent years as a result of Vietnam's transition from a centrally planned to a socialist-market economy. These have included adaptation and development of labour law and the IR system, in which there is a clear separation of roles and responsibilities between government administration, worker organizations, and employer organizations. Compared to the mid-1990s when the Labour Code came into effect, today's Vietnam is a vibrant, diversified and integrated market economy that requires sound IR institutions and practices to address the following challenges in Vietnam:

- New decrees, ordinances, guidelines and other regulatory instruments must be drafted through social dialogue to give full effect to the new legislation. The labor laws are complex and comprehensive with substantial revisions in basic concepts and enforcement responsibilities. For example, the prior Trade Union Law (TUL), which was a product of the Marxist-Leninist model, provided for no governmental enforcement authority, other than the Vietnam General Confederation of Labor (VCGL)'s political authority as constituents of the Communist Party. In contrast, the reformed TUL authorizes and empowers the Ministry of Labor, Invalids and Social Affairs (MoLISA) to enforce certain provisions and develop appropriate regulatory instruments.
- The tripartite stakeholders need to be informed of the new laws and regulations and educated on how to implement them, with established roles and responsibilities for each stakeholder.
- Vietnam's economy is growing rapidly with inflation and a lack of appropriate laws and dispute resolution procedures fueling large strikes, commonly described as 'wildcat' in nature in that they happen outside the provisions of the labour law and without the involvement of (and often without the knowledge of) Vietnam's trade union movement. These have caused social upheaval and disrupt production.
- The requirements of the new labor legislation, high rates of inflation and wildcat strikes have resulted in a pressing need to review and reform the system of minimum wage fixing and determination.

The number of wildcat strikes has reduced considerably since 2006: 2518 strikes – none following legal procedures – occurred between 2006 and April 2011; over 750 strikes have occurred in the first 9 months of 2011 and approximately 350 were reported in 2014.

However, two parallel IR systems effectively continue to operate in Vietnam today: the formal system dominated by procedures and arrangements stipulated in the country's labour legislation, including various implementing decrees and administrative approaches, and informal practice dominated by high turnover rates or "exits" and wildcat strikes arising from employer unilateralism and workers' voluntary initiatives. In response to the problem of industrial unrest, mainly caused

by the gap between the parallel formal IR system and informal IR practices, Labour Code provisions dealing with dispute settlement and strikes were amended in 2006.

Between 2006 and 2011 the Government cautiously moved toward important reform designed to narrow and ultimately eliminate the gap, taking the following steps:

- The National Assembly (NA) and the Government decided to revise both Labour Code and Trade Union Law to modernize the legal framework governing employment relations and aspects of IR;
- The National Industrial Relations Commission (NIRC) was set up in 2007 as a main tripartite (government, employer, worker) body to bring changes to IR through national social dialogue;
- The national congress of the VGCL adopted in 2008 a resolution emphasizing trade unions' primary role of protecting workers' rights and interests through organizing and collective bargaining; and
- In early 2009, the Prime Minister approved a MoLISA proposal to set up a Center for Industrial Relations Development (CIRD) within the MoLISA to strengthen the government's IR policy and service capacity.

These developments signaled the potential for important changes to come. Key co-implementing agencies in this project such as MoLISA and VGCL – were charged with preparing the detailed policy and implementing laws needed to bring these changes in orientation into being.

- Responsibility for policy review and the revision of the Labour Code has been entrusted to MoLISA (Legal Dept) and the Social Affairs Committee of the National Assembly (SAC/NA); the draft of the law itself was prepared by the Legal Department of the MoLISA.
- Responsibility for policy review and law drafting for the Trade Union Law has been entrusted to the VGCL. The Committee on Legal Affairs of the National Assembly (CLA/NA) supervised receipt of the draft Trade Union Law in the National Assembly and related consultations.

The current project funded by USDOL (VIE/12/01/USA) builds on the continued ILO projects in Vietnam in the area of Labour Code reform and IR development, which have been carried out under the following resources and awards:

- One UN Fund supported Project on “Support to Industrial Relations and Labour Code Reform in Vietnam (VIE/09/03/OUF)”, conducted from 30 September 2009 to 30 June 2012;
- One UN Fund (DFID) supported Project on “Support to Implementation of the Revised Labour Code Focusing on Industrial Relations and Gender Related Issues (VIE/12/02/OUF)”, conducted from July 1 2012 to 31 Dec. 2012;
- “Immediate Objective 3: Strengthened capacity of the Vietnamese union through piloting initiatives for innovation of union organization in an expanded number of BWV participating factories” undertaken as a part of the ILO Project “Better Work Vietnam: Union Capacity Development (VIE/11/50/USA)”;
- Activities under a number of RBSA awards were also coordinated by the IR Project

Much of the work outlined in the Cooperative Agreement between the USDOL and the ILO, in nature, are extension, expansion, and deepening of the objectives and activities initiated and put in motion under the above mentioned Projects:

- Immediate Objective 1 in the Cooperative Agreement is extension of the activities supported under the VIE/12/02/OUF in supporting the development of the “regulations, including decrees, ordinances and other instruments, and guidelines for the new Labor Code and Trade Union Law.”
- Immediate Objective 3 in the Cooperative Agreement calls for the extension and expansion of the programme undertaken under VIE/11/50/USA to “improve trade union capacity to effectively and democratically represent workers, particularly at the enterprise level in coordination with national union organizations, per the new Trade Union Law and Labour Code”. The project aims at addressing the following major issues:
  - Following the legislative revision of the Labour Code and Trade Union Law adopted in June 2012, there remains the task of developing implementation decrees, guidelines, and other regulatory instruments for effective enforcement, which requires continued support.
  - Awareness raising among the immediate tripartite constituents and the public in general, through information dissemination, direct education, and training for implementation.
  - Reform of the wage setting system needs to be given careful consideration following the finalization of the revision of the Labour Code.
  - Representational gap between trade union structures and rank-and-file workers.
  - Representational gap that prevails for employers as well.
  - Urgent need to develop policy and programme to develop a Vietnamese model of collective bargaining.
  - The country’s system of labour dispute settlement is no longer appropriate because it reflects the gap between the formal system and informal practices of industrial relations in today’s Vietnam.
  - Need for professional support services at the various levels where industrial relations interactions take place, starting with the enterprise level.
  - The country’s economic development is fuelling its ever broader and deeper integration with the global community, its institutions and governance mechanisms. As a result, there is an increasing need for the support of the social partners.

The overarching objective of the project is to develop regulations for the new labor legislation consistent with International Labour Standards, educate tripartite constituents on the provisions of the laws and regulations, and build their capacity to promote good IR with the new provision’s application in practice.

The project has five Immediate Objectives:

1. Facilitate the drafting and adoption of regulations, including decrees, ordinances and other instruments, and guidelines for the new Labor Code and Trade Union Law.
2. Promote education and awareness of the new Labor Code and Trade Union law and their regulations and guidelines.
3. Improve trade unions’ capacity to effectively and democratically represent workers, particularly at the enterprise level and in coordination with national union organizations, per the new Trade Union law and Labor Code.
4. Facilitate development of an effective and sustainable system of minimum wage fixing and determination.
5. Promote the use of collective bargaining resulting in signed collective bargaining agreements per the provisions of the new Labour Code.

The direct beneficiaries of the project will be MoLISA, employer organizations and their constituent members, and the trade unions at central, provincial and enterprise levels. Workers and managers will also directly benefit from the project's activities.

Since the project aims to contribute in an important way to the institutional framework under which the IR system and wage setting as a whole will operate, the intended beneficiaries include all Vietnamese employees and employers covered by the labour legislation, particularly those in the private sector. They will benefit from a clearly established and effectively operating IR and wage setting systems, which recognize and protects their rights, encourages social justice and properly identifies the responsibilities of those who operate within the system.

In line with suggestions from the evaluation of the first phase of the project, this second one in particular has aimed at targeting activities at the middle level and closer to productive enterprises, and where government's IR support functions play themselves out. This complements the earlier phase of the project, which had a strong focus on actors – law and policy makers – at the upper and centralised levels.

The Ministry of Labour, Invalids and Social Affairs (MoLISA) has been assigned by the Government of Vietnam to work with the ILO on the execution of this Project as implementing agency. In order to assist the MoLISA in fulfilling its role as line agency, to facilitate the execution of the project in line with the national agenda, MoLISA has set up a Project Management Unit (PMU). This Unit has been established at MoLISA and includes representatives appointed by the workers' organization and employers' organization to ensure coordination with non-government partners.

Other implementation partners (IPs) are various units of the implementing and co-implementing agencies designated throughout the Project. Identified IPs include the Legal Department of MoLISA (which is responsible for preparing labour law reform legislation), the Wage and Labour Department (National Wage Council), ICD, and the CIRDC (which is responsible for industrial relations Provincial Master Plans, conciliation and mediation and shares promotion of collective bargaining); the Organising Department and Industrial Relations Department of the VGCL (which is responsible for preparing trade union reform legislation, and collective bargaining), Bureau for Employer Activities of VCCI; VCA, and the Social Affairs Department of the National Assembly Office in collaboration with the industrial relations actors.

The Project is designed to support these implementing partners to become capable and effective industrial relations actors in improved industrial relations environment in the course of carrying out the activities set out in the project.

The project is executed by the ILO Office in Vietnam (based in Hanoi). The ILO Office for Vietnam provides overall coordination and implementation, with technical backstopping provided by the ILO Decent Work Team for East Asia and the Pacific (ILO DWT-EAP). ILO DWT-EAP is the lead technical unit for all components of the project. ILO headquarters relevant units in the GOVERNANCE Department also provided technical quality control.

#### Progress to date

Progress reports up to date suggest within Objective 1 and 2, the project has provided technical inputs to a range of Decrees developed under the Labour Code and Trade Union Law and detailed input and advice on International Labor Standards. Progress has also been reported against

Objective 3, 4, 5 and includes: i) VGCL pilot programs, ii) the newly established National Wage Council and minimum wage fixing system, iii) VCCI pilot programs and those with MoLISA/DOLISA via support to IR Master Plans development and implementation in five provinces; iv) promotion of collective bargaining, social dialogue and dispute resolution.

Purpose, Scope and Clients

The purpose of the mid-term evaluation of the ILO project in Vietnam is to address issues of project design, implementation, lessons learned, replicability and recommendations for the future of the programme and for IR related work in Vietnam.

Of primary importance is for the mid-term evaluation to examine the project's design, implementation strategy, institutional arrangements and partnerships, as well as project set ups within the context of vibrant, diversified and dynamic Vietnamese market economy. The evaluation should yield a contextualized analysis and propose possible corrections/adjustments to be deployed by the project.

More specifically, the mid-term evaluation will allow a comprehensive assessment of progress made in relation to the planned achievements of the results and the immediate objectives indicated in the original logical framework. It may lead to suggestions for certain modifications to the logical framework in light of the experience after nearly three years of work. It may also lead to suggestions for future priority interventions within any of the five immediate objectives.

Secondly the evaluation will allow a review of the project management, coordination mechanisms among the partners and the effectiveness and efficiency of programme implementation in general. This may lead to recommendations in the various areas for consideration by the National Project Steering Committee (NPSC).

Thirdly, the mid-term evaluation fulfills ILO's internal requirements and its grant obligations to USDOL for an independent evaluation of the IR Project, complementing Donor's own monitoring mechanisms. As such the recommendations from the report that have an impact on the terms and conditions of the Cooperative Agreement should be the basis for a discussion between USDOL and ILO.

The scope of the evaluation is the project from its inception until June 2015, covering work at central levels and in target Cities/Provinces Ho Chi Minh City, Binh Duong, Dong Nai, Da Nang, Ha Noi, Hai Phong, Hai Duong as well as Hung Yen and Vinh Phuc, and encompassing all the strategic components.

The clients of this evaluation are:

- the project management (ILO Office for Vietnam) who will be able to adapt the strategy of the project's implementation and readjust project's delivery if needed;
- MoLISA and all the project's implementation partners (IPs) who will be actively involved in the evaluation;
- the United State Department of Labor (USDOL);
- the ILO constituents in Vietnam (trade unions and employers);
- the ILO Decent Work Team for East Asia and the Pacific and any relevant ILO technical backstopping units and partner UN agencies of the ILO in Vietnam.

Possible users of this evaluation, besides its clients, are all the direct beneficiaries of the project.

#### Suggested methodology and framework

ILO's Evaluation Handbook provides the basic framework, the evaluation will be carried out in accordance with ILO standard policies and procedures and USDOL requirements as specified in the Cooperative Arrangement signed with the ILO. The ILO adheres to the United Nations system evaluation norms and standards as well as to the OECD/DAC Evaluation Quality Standards.

The evaluation is an independent evaluation and the final methodology and evaluation questions will be determined by the Evaluation Team in consultation with the Evaluation Manager. The details of the methodology will be elaborated by the evaluator on the basis of the TORs and documented in the Inception Report, which is subject to approval by the Evaluation Manager.

It is expected that the evaluation will apply mixed methods that draw on both quantitative and qualitative evidence and involve multiple means of analysis. These include but are not limited to:

- Desk review of relevant documents that relate to performance and progress related to the project, including the initial programme document, progress reports, project M&E documents, in-built project knowledge, etc.
- Review of other relevant documents such as the Vietnam National Development Priorities,

U.S. Country development cooperation strategy for Vietnam, Vietnam Decent Work Country Programme (2012-2016), Vietnam UNDAF etc.

- Interviews with the IR specialist in DWT/EAP, with the CTA and with staff at HQ in view of information for the preparation of the inception report
- Field visit to Vietnam (Hanoi and provincial visits) and field interviews
- Stakeholders' validation workshop where to present preliminary findings

At the completion of the field mission, a stakeholder workshop will be organized by the ILO in Hanoi to present the preliminary findings and proposed recommendations. Draft evaluation TORs and report will be shared with relevant stakeholders for their comments and inputs.

All data should be sex-disaggregated and different needs of women and men and those marginalized groups should be considered through-out the evaluation process. The suggested framework for the mid-term evaluation of the IR project is set out below.

The Evaluator will assess issues of (i) relevance, (ii) validity of design, (iii) project progress and effectiveness, (iv) efficiency, (v) effectiveness of management arrangements, and (vi) impact and sustainability. The evaluation will seek to address the following evaluation questions:

Assessment Criteria	Questions to be addressed
Relevance	<ul style="list-style-type: none"> <li>- Does the IR Project address relevant needs and identified decent work deficits in Vietnam in terms of new labor legislation consistent with ILS? Was a needs analysis carried out at the beginning/design, reflecting the needs of different stakeholders? Are these needs still relevant? Have new, more relevant needs emerged that the project should address?</li> <li>- To what extent have stakeholders taken ownership of the project concept and approach?</li> <li>- How is the project aligned with the national development plans, the Decent Work Country Programme as well as programmes and priorities of the social</li> </ul>

	<p>partners consistent with the project objectives set forth in the Cooperative Agreement?</p> <ul style="list-style-type: none"> <li>- How well does the project complement and fit with other programmes of USDOL and other agencies/donors in the area of labour law reform and promotion of sound industrial relations?</li> </ul>
Validity of design	<ul style="list-style-type: none"> <li>- What was the baseline condition at the beginning of project? How was it established? Was a gender analysis carried out?</li> <li>- Are the planned objectives and outcomes relevant and realistic to the situation on the ground? Does the logical framework need to be adapted?</li> <li>- Is the intervention logic coherent and realistic? What needs to be adjusted?</li> <li>- Is the design based on reasonable assumptions?</li> <li>- Do outputs causally link to the intended outcomes (immediate objectives) that link to broader impact (development objective)? How plausible are the underlying causal hypotheses?</li> <li>- What are main means of action? Are they appropriate and effective in achieving planned objectives?</li> <li>- Which risks and assumptions were identified and to what extent have they affected the project? Do these need to be re-assessed?</li> <li>- How appropriate and useful are the indicators in assessing the project's progress? Are the targeted indicator values realistic and can they be tracked? If necessary, how should they be modified to be more useful?</li> <li>- Is the project's performance monitoring plan practical, useful, and sufficient for measuring progress toward achieving project objectives? How is the gathered data used? How could it be used better?</li> <li>- Are indicators gender-sensitive? Are the means of verification for the indicators appropriate?</li> </ul>
Project progress and effectiveness	<ul style="list-style-type: none"> <li>- Is the project making sufficient progress towards its planned objectives? Will the project be likely to achieve its planned objectives upon completion?</li> <li>- Have the quantity and quality of the outputs produced so far been satisfactory?</li> <li>- Are the project partners using the outputs? Have they transformed outputs into outcomes?</li> <li>- How do the outputs and outcomes contribute to ILO key strategies in the context of Vietnam: <ul style="list-style-type: none"> <li>o On the strengthening of the social partners and social dialogue?</li> <li>o On strengthening the influence of labour standards?</li> <li>o On promoting the use of collective bargaining resulting in signed collective bargaining agreements as per the provisions of the new Labour Code</li> <li>o On gender equality?</li> </ul> </li> <li>- In which areas (geographic, sectoral, issue) does the project have the greatest achievements? Why is this and what have been the supporting factors? How can the project build on or expand these achievements?</li> <li>- In which areas does the project have the least achievements? What have been the constraining factors and why? How can they be overcome?</li> <li>- What, if any, alternative strategies would have been more effective to ameliorate performance on these poor results?</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>- Have resources (funds, human resources, etc.) been allocated strategically to achieve outcomes?</li> <li>- Have resources been used efficiently? Have activities supporting the strategy been cost-effective? In general, do the results justify the costs? Could same results be</li> </ul>

	<p>attained with fewer resources?</p> <ul style="list-style-type: none"> <li>- Have project's funds and activities been delivered in a timely manner?</li> <li>- What time and cost efficiency measures could be introduced without impeding the achievement of results?</li> </ul>
Effectiveness of management arrangements	<ul style="list-style-type: none"> <li>- Are management capacities adequate and facilitate good results and efficient delivery? Is there a clear understanding of the roles and responsibilities by all parties involved?</li> <li>- Does the IR project receive adequate political, technical and administrative support from its national partners, the ILO, and the donor? Do implementing partners provide for effective project's implementation?</li> <li>- How effectively does the IR management monitor project performance and results? Have appropriate means of verification for tracking progress, performance and achievement of indicator values been defined?</li> <li>- Has cooperation with the project's implementing partners been efficient? Has the project's management approach been perceived positively by ILO technical backstopping units? Has a participatory/consultative approach been applied?</li> <li>- How strategic are the implementing partners in terms of mandate, influence, capacities and commitment?</li> <li>- Is relevant information and data systematically being collected and collated? Is data disaggregated by sex (and by other relevant characteristics, if relevant)? Is information being regularly analyzed to feed into management decisions?</li> <li>-</li> </ul>
Impact and sustainability	<ul style="list-style-type: none"> <li>- Can observed changes (in attitudes, capacities, institutions, etc.) be causally linked to the IR project's interventions? Has the project successfully built or strengthened an enabling environment (laws, policies, people's attitudes, etc.)?</li> <li>- Can/should the project be scaled up? If so, how do project's objectives and strategies have to be adjusted?</li> <li>- How effective and realistic is the exit strategy of the IR project? Once external funding ends, will national institutions and implementing partners be likely to continue the project or carry forward its results?</li> </ul>

### Cross-Cutting Issues

Gender equality, along with development, has been identified by the ILO as a cross-cutting issue of the strategic objectives of its global agenda of Decent Work. To the extent possible, data collection and analysis will be disaggregated by gender as described in the ILO Evaluation Policy Guidelines and relevant Guidance Notes.

### Main Outputs

The Evaluator will draft a short inception report upon the review of the available documents and an initial discussion with the project's management. This inception report should set out any changes proposed to the methodology or any other issues of importance in the further conduct of the evaluation. The inception report will:

- o Describe the conceptual framework that will be used to undertake the evaluation;
- o Sets out in some detail the approach for data collection and the evaluation methodology, i.e. how evaluation questions will be answered by way of data collection methods, data sources, sampling and indicators;



- o Sets out the detailed work plan for the evaluation, which indicates the phases in the evaluation, their key deliverables and milestones;
- o Sets out a plan for data collection, interviews or discussions;
- o Sets out the list of key stakeholders to be interviewed and will be approved by the Evaluation Manager.

The main output will be first a draft report, later transformed into a final report when comments of the ILO and USDOL have been received on the draft. The report should have around 20-30 pages excluding annexes (supporting data and details can be included in annexes) with an executive summary, a section with project's achievements to date, findings and recommendations for short and medium term action. The quality of the report will be assessed against the EVAL checklists 5, 6 & 7 (see Annexes). Any identified lessons learnt and good practices will also need to have standard annex templates (1 lesson learnt per page to be annexed in the report) as per EVAL guidelines.

The report and all other outputs of the evaluation must be produced in English. All draft and final outputs, including supporting documents, analytical reports and raw data should be provided in electronic version compatible with WORD for Windows. Ownership of the data from the evaluation rests jointly with the ILO and the ILO consultant. The copyrights of the evaluation report rests exclusively with the ILO. Key stakeholders can make appropriate use of the evaluation report in line with the original purpose and with appropriate acknowledgement.

The draft of this report will be presented in a stakeholder validation workshop to be conducted in Hanoi at a date to be decided. The participants will include Project staff (CTA), ILO Hanoi officials, USDOL representatives, ILO constituents and Government counterparts (MoLISA) etc.

The evaluation summary according to ILO standard format will also be drafted by the evaluation team leader after the evaluation report has been finalised. The Evaluation Manager will assess it against the EVAL checklist 8 (see Annexes) and will finalise the evaluation summary.

#### Time line / Schedule/ Duration

The evaluation should start around mid-June 2015 (tentatively on 1 July until end of July/beginning of August). The evaluation is estimated at the total of 20 workdays for the evaluation team leader as indicated below:

Action	Description	Tentative Dates	Responsible persons
1.	Preparation of ToR and consultation with stakeholders	July	Evaluation manager
2.	Call for Expressions of Interest/Selection of evaluator	July	Evaluation manager

3.	Briefing with evaluation manager (phone/skype). Interviews with the IR specialist at DWT/EAP and with the project CTA and USDOL project manager as well as with relevant staff at HQ(phone/skype) Inception report	Beginning of July, 1-2 days (dates to be determined)	Evaluator
4.	Desk review of documents. ILO Hanoi will provide extensive background materials.	7– 8 July	Evaluator
5.	Field visit in <i>Hanoi</i> and provincial visits ( <i>Hai Phong Province</i> in the north to review VGCL pilot AND <i>Dong Nai Province</i> in the south to review Dept of Labour, and visit VGCL and VCCI pilots). ILO Hanoi staff would arrange a proposed programme of meetings. Visits to the districts would be arranged and facilitated by ILO Hanoi. Meetings with US Embassy, with the Government, and social and implementing partners will be arranged so that the consultants could have better understanding of the perspectives of the key stakeholders.	13-17 July	Evaluator
6.	Prepare a preliminary findings report/and present the preliminary findings which would be the basis of a stakeholders' validation meeting (one day) in Hanoi	18-19 July Workshop 20 July (tentative)	Evaluator
7.	Produce a draft report for submission to ILO Hanoi, which will be disseminated it to relevant partners	6 days: from 22 to 27 July (tentative)	Evaluator
8.	Written comments on the draft would be incorporated to produce a Final report, together with an Executive Summary in ILO template	2 days (dates to be determined)	Evaluator

#### Final report submission procedure

The Evaluator is solely responsible for preparing the evaluation report and for the contents, conclusion and recommendations made in it. The report must be drafted in accordance with the TORs, including with respect to the content, format, and schedule for review and submission.

The Evaluation Manager will send the first draft of the evaluation report simultaneously to both the ILO and USDOL, and subsequently to other key stakeholders for review. The review process for evaluation reports is expected to involve stakeholders verifying factual information and/or statements provided in the report, as well as stakeholders requesting clarification of points and inclusion of additional information that, based on the TORs, the evaluation was to cover or other points that may have been raised during the stakeholders' meeting. This kind of consultative process is expected to provide time for the Evaluator to obtain comments from the ILO, USDOL and other stakeholders as appropriate.

Specific schedules and timelines for this evaluation are set above.

#### Budget

The total amount available for this mid-term evaluation is USD 25,000. This budget will cover: the Evaluator's fees, his mission costs for the field visits, the validations workshop's costs, and interpretation costs.

#### Management and Responsibilities

The Evaluator will report to the evaluation manager (Ms. Francesca Fantoni, fantoni@ilo.org) and should discuss any technical, methodological or organizational matters with the evaluation manager, who will consult with the counterpart evaluation manager at USDOL, as appropriate. EVAL will provide quality control of the evaluation process and report.

The evaluation will be carried out with logistical and administrative support of ILO Hanoi.

#### Quality assurance

The Evaluator will be required to ensure the quality of data (validity, reliability, consistency and accuracy) throughout the analytical and reporting phases. It is expected that the report shall be written in an evidence-based manner such that all observations, conclusions, recommendations, etc., are supported by evidence and analysis.

#### Qualifications of the Evaluator

The Evaluator will have the following competencies:

- Knowledge of the ILO's role and mandate, tripartite structure and gender policies;
- Demonstrated experience, especially within the UN system, in project cycle management and logical framework approaches as well as on results-based management
- Extensive experience in the evaluation function of national and international organizations and a full understanding of the UN evaluation norms and standards;
- Ability to write concisely in English;
- No relevant bias related to ILO, or conflict of interest that would interfere with the independence of the evaluation.

#### ANNEXES

- Checklist 5\_Preparing the evaluation report
- Checklist 6\_Rating evaluation report
- Checklist 7\_Filling in the EVAL title page
- Checklist 8\_Preparing the evaluation summary for projects

# Program Field Visit Vietnam

**VIETNAM-ILO INDUSTRIAL RELATIONS PROJECT**  
**Dự án Quan hệ Lao động Việt Nam-ILO**  
 International Labour Organization – VIETNAM VIE/12/01/USA  
**MID-TERM EVALUATION**  
**FINAL ITINERARY**  
**IR Project**  
**13 – 22 July 2015**

**Evaluator: Mr. Theo Van Der Loop**

**Interpreter: Ms. Hoang Lan Anh**

Date	Activity	Address	Remark
<b>ARRIVING</b>			
Saturday – 11 <sup>th</sup> July	18:00 <b>Amsterdam</b> , Schiphol, Nederland KL 0875, Boeing 777-300 KLM		Silk Path Hotel
Sunday – 12 <sup>th</sup> July	09:50 <b>Bangkok</b> , Suvarnabhumi Intl., Thailand 11:55 <b>Bangkok</b> , Suvarnabhumi Intl., Thailand KL 4076, Airbus A320-100 Vietnam Airlines 13:45 <b>Hanoi</b> , Noi Bai, Vietnam (on Sunday)		195-199 Hang Bong St., Hanoi
<b>Monday – 13<sup>th</sup> July</b>			
9:00 – 9:45	Meeting with Country Director, Mr. Gyorgy Sziraczki	48-50, Nguyen Thai Hoc St., Hanoi	<b>Confirmed</b>
10:00 – 11:15	Meeting with IR Project Team	<b>Contact person:</b> Ms. Do Thi Thu Huong 09 87 83 40 94	<b>Confirmed</b>
11:30 – 13:30	Lunch IR Project Team		
14:00 – 16:00	Meeting with Project Holder, Center of Industrial Relations Development, Ministry of Labor-Invalids and Social Affairs (MOLISA) - Mr. Nguyen Manh Cuong, Director of CIRDC	12, Ngo Quyen St., Hanoi <b>Contact person:</b> Ms. Vu Thu Thuy 09 88 26 23 08	<b>Confirmed</b>
<b>Tuesday – 14<sup>th</sup> July</b>			
8:30 – 10:30	Meeting with Vietnam Chamber of Commerce and Industry (VCCI), 1 pilot implementing unit – Vinh Phuc Business Association and Vietnam Cooperatives Alliance (VCA) - Mr. Phung Quang Huy, Director of Bureau of Employers' Activities - Ms. Tran Thi Lan Anh, Deputy Director of Bureau of Employers' Activities - Ms. Vi Thi Hong Minh, Deputy Director of Bureau of Employers' Activities - Mr. Nguyen Minh Tuan, Director of Policy and Development Department, VCA - Mr. Nguyen Van Binh – Vinh Phuc Business Association	48-50 Nguyen Thai Hoc St., Hanoi <b>Contact person:</b> Ms. Do Thi Thu Huong 09 87 83 40 94	<b>Confirmed</b>

11.00 – 12.00	Meeting with Mr. Nguyen Van Binh, Deputy Director General, Legal Department, MOLISA	Room 311, 12 Ngo Quyen St., Hanoi <b>Contact person:</b> Mr. Nguyen Van Binh 09 83 15 41 30	<b>Confirmed</b>
14:00 – 16:00	Meeting with Ministry of Labor, Invalids and Social Affairs (MOLISA) leaders and departments <ul style="list-style-type: none"> <li>- Mr. Pham Minh Huan, Vice Minister</li> <li>- Mr. Ha Dinh Bon, Director General of Department of Legal Affairs</li> <li>- Ms. Tong Thi Minh, Director of Labor-Wage Department</li> <li>- Mr. Nguyen Manh Cuong, Director of CIRDC</li> <li>- Ms. Le Kim Dung, Director of ICD</li> <li>- Mr. Nguyen Van Binh, Deputy Director General, Legal Department</li> </ul>	12, Ngo Quyen St., Hanoi <b>Contact person:</b> Ms. Hang Or Mr. Pham Hong Dao 09 09 16 11 78	<b>Confirmed</b>
<b>Wednesday – 15<sup>th</sup> July</b>			
8:30 – 10:30	Meeting with IR Department and International Department, Vietnam General Confederation of Labor (VCGL) <ul style="list-style-type: none"> <li>- Mr. Le Trong Sang, Director of IR Department</li> <li>- Ms. Thanh Ha, Vice Director of IR Department</li> <li>- Mr. Chau Nhat Binh, Deputy Director of International Department</li> </ul>	82 Tran Hung Dao St., Hanoi <b>Contact person:</b> Ms. Dang Thi Van Lam 09 87 44 61 88	<b>Confirmed</b>
14:00 – 15:30	Meeting with National Assembly <ul style="list-style-type: none"> <li>- Mr. Lam Van Doan, Member of Social Affairs Committee</li> <li>- Dr. Ms. Le This Nguyet, Member of Social Affairs Committee</li> </ul>	22 Hung Vuong St., Hanoi <b>Contact person:</b> Mr. Lam Van Doan 09 12 53 53 25	<b>Confirmed</b>
16:00 – 17:00	Meeting with Joseph Narus, Economic Officer, US Embassy	ILO Office, 48-50, Nguyen Thai Hoc St., Hanoi	Confirmed
<b>Thursday – 16<sup>th</sup> July</b>			
5:00 – 8:00	Moving from Hanoi to Hai Phong (expected 3.5 hours of travelling)		
8:00 – 9:30	Meeting with Hai Phong Pilot Implementing Unit <ul style="list-style-type: none"> <li>- Mr. Hoang Dinh Long, Head of PIU, Vice President of Hai Phong Federation of Labor</li> <li>- Ms. Pham Thi Hang, President of Economic Zone Trade Union</li> <li>- Other members of Pilot implementing unit</li> </ul>	24 Cu Chinh Lan St., Hong Bang dist., Hai Phong <b>Contact person:</b> Ms. Pham Thi Hang 09 04 12 06 65	<b>Confirmed</b>
Noon	Flight from Hai Phong to Ho Chi Minh city 1VN 1183 J7 C2 D0 O0 Y7 B7*HPHSGN 1045 1240 321 S C /E		A&Em Corner Saigon Hotel 39-41 Thu Khoa Huan, HCMC

14:00 – 15:30	Meeting with Mr. Nguyen Ngoc Son, Vice Director of Organizing Department, VGCL	VGCL Guesthouse, No. 1 Bui Thi Xuan, district 1, HCM city <b>Contact person:</b> Mr. Nguyen Ngoc Son 09 15 57 55 85	<b>Confirmed</b>
16:00 – 17:30	Meeting with VCCI Ho Chi Minh city branch - Ms. Le Thanh Thuy, Director of Bureau for Employers' Activities (BEA)	171 Vo Thi Sau St., 3 <sup>rd</sup> Dist., HCMC <b>Contact person:</b> Ms. Dieu Trang 012 53 38 85 68	<b>Confirmed</b>
<b>Friday – 17<sup>th</sup> July</b>			
6:00 – 8:00	Moving from HCMC to Dong Nai (expected 2 hours of travelling)		
8:00 – 9:30	Meeting with Dong Nai Department of Labor, Invalids and Social Affairs (Dong Nai DoLISA) - Mr. Cong, Head, Wage Policy Division - Mr. Hoang Phu Son, Vice Head of Wage Policy Division - 01 mediator from local district	5 Phan Dinh Phung St., Bien Hoa dist., Dong Nai <b>Contact person:</b> Mr. Hoang Phu Son 09 08 83 03 69	<b>Confirmed</b>
10:00 – 11:30	Meeting with Dong Nai Pilot Implementing Unit - Mr. Nguyen Van Thang, Member of Executive Committee of VGCL, and President of Bien Hoa Industrial Zone Trade Union (IZTU) - Mr. Ho Thanh Hong, Vice President of Dong Nai Federation of Labor (FoL) - Other members of Pilot implementing unit (PIU)	31 No. 2A St., Biên Hòa 2 IZ, Bien Hoa <b>Contact person:</b> Mr. Nguyen Van Thang 09 03 72 74 44	<b>Confirmed</b>
13:30 – 17:00	Meeting with 2 enterprises in Dong Nai: - Tomei Company (Malaysian) – Pilot1, site visit, meet with Company management, HR Officer and Enterprise Union Prresident and Memers - Mabuchi Motor Company (Japanese) – Pilot 3, meet at office of PIU; meet with Mrs. Phung, President of GTU, Mrs. Dian, Member of Executive Committee of GTU	31 No. 2A St., Biên Hòa 2 IZ, Bien Hoa Or Enterprise visit <b>Contact person:</b> Mr. Nguyen Van Thang 09 03 72 74 44	<b>Confirmed</b>
Afternoon	Moving from Dong Nai to HCMC		
<b>Saturday – 18<sup>th</sup> July</b>			
Saturday – 18 <sup>th</sup> July	Flight from HCMC to Hanoi 1VN 254 J7 C7 D0 O0 Y7 B7 M7 S7*SGNHAN 1445 1650 777 S 0 /E		Silk Path Hotel 195-199 Hang Bong St., Hanoi
<b>Sunday – 19<sup>th</sup> July</b>			

14:00 – 16:00	Meeting with Mr. Tran Van Ly, Vice President of VCGL	Silk Path Hotel, 195-199 Hang Bong St., Hanoi	Confirmed
<b>Monday – 20<sup>th</sup> July</b>			
	Preparation for partners meeting to discuss on the findings of mid-term evaluation		
	Follow up and clarifications with CTA and IR Project team		
<b>Tuesday – 21<sup>st</sup> July</b>			
11:00 – 12:00	Wrap-up Meeting with ILO CO Hanoi	48-50, Nguyen Thai Hoc St., Hanoi <b>Contact person:</b> Ms. Do Thi Thu Huong 09 87 83 40 94	
12:00 – 13:30	Lunch IR Project Team		
Afternoon	<b>Stakeholders meeting on Initial Findings of Mid-term Evaluation</b> <b>14.00 – 17.00 Chaired by Mr. Pham Minh Huan, Vice Minister, MOLISA</b>	MOLISA, 12, Ngo Quyen St., Hanoi	Confirmed
<b>LEAVING</b>			
Wednesday – 22 <sup>nd</sup> July	09:00 <b>Hanoi</b> , Noi Bai, Vietnam KL 4077, Airbus A320-100 Vietnam Airlines 10:50 <b>Bangkok</b> , Suvarnabhumi Intl., Thailand 12:05 <b>Bangkok</b> , Suvarnabhumi Intl., Thailand KL 0876, Boeing 777-300 KLM 18:35 <b>Amsterdam</b> , Schiphol, Nederland		

# Criteria, Questions for Stakeholders and Data Sources

Assessment Criteria and Questions to be addressed are as follows:

Criteria and Questions to be Addressed	Sources of data	Which stakeholder
<b>Relevance</b>		
1. Does the IR Project address relevant needs and identified decent work deficits in Vietnam in terms of new labor legislation consistent with ILS?		ILO/CTA
2. Was a needs analysis carried out at the beginning/design, reflecting the needs of different stakeholders?	Progress Reports	ILO/CTA
3. Are these needs still relevant?		All stakeholders
4. Have new, more relevant needs emerged that the project should address?		All stakeholders
5. To what extent have stakeholders taken ownership of the project concept and approach?	Documents	All stakeholders
6. How is the project aligned with the national development plans?	Identify nat. dev. plans	TA & IP
7. How is the project aligned with the Decent Work Country Programme	DWCP	CO/CTA
8. How is the project aligned with the programmes and priorities of the social partners	IP documents	IP
9. In how far are these alignments consistent with the project objectives set forth in the Cooperative Agreement?	Coop. Agreem.	All three above
10. How well does the project complement and fit with other programmes of USDOL in the area of Labor law reform and promotion of sound industrial relations?	BW	USDOL
11. How well does the project complement and fit with other programmes of other agencies/donors in the area of Labor law reform and promotion of sound industrial relations?	Identify donor study?	ILO/USDOL
<b>Validity of design</b>		
12. What was the baseline condition at the beginning of project? How was it established?	PRODOC & Coop Agreem.	ILO/CTA
13. Was a gender analysis carried out?		ILO/CTA
14. Are the planned objectives and outcomes relevant and realistic to the situation on the ground?	PRODOC & Coop Agreem.	
15. Does the logical framework need to be adapted?	PRODOC & Coop Agreem.	DWT, CTA & USDOL
16. Is the intervention logic coherent and realistic? What needs to be adjusted?	PRODOC & Coop Agreem. Progress Reports	DWT, CTA & USDOL
17. Is the design based on reasonable assumptions?	PRODOC & Coop Agreem.	DWT, CTA & USDOL



18. Do outputs causally link to the intended outcomes (immediate objectives) that link to broader impact (development objective)?	Id.	Id.
19. How plausible are the <u>underlying causal hypotheses</u> ?	Id.	Id.
20. What are main <u>means of action</u> ? Are they appropriate and effective in achieving planned objectives?	PRODOC & Coop Agreem.	DWT, CTA
21. Which <u>risks</u> and assumptions were identified and to what extent have they affected the project? Do these need to be re-assessed?	PRODOC, Coop Agreem. & Progress Rep.	CTA
22. How appropriate and useful are the <u>indicators</u> in assessing the project's progress? Are the targeted indicator values realistic and can they be tracked? If necessary, how should they be modified to be more useful?	PRODOC, Coop Agreem. & Progress Rep.	DWT, CTA & USDOL
23. Is the project's performance monitoring plan (PMP) practical, useful, and sufficient for measuring progress toward achieving project objectives? How is the gathered data used? How could it be used better?	PRODOC, Coop Agreem. & Progress Rep.	DWT, CTA & USDOL
24. Are indicators gender-sensitive?	PRODOC, Coop Agreem. & Progress Rep.	CTA
25. Are the means of verification for the indicators appropriate?	PRODOC, Coop Agreem. & Progress Rep.	CTA
<b>Project progress and effectiveness</b>		
26. Is the project making sufficient progress towards its planned objectives? Will the project be likely to achieve its planned objectives upon completion?		IPs
27. Have the quantity and quality of the outputs produced so far been satisfactory?	Check Project Documents	IPs
28. Are the project partners using the outputs? Have they transformed outputs into outcomes?		IPs
29. How do the outputs and outcomes contribute to ILO key strategies in the context of Vietnam:		
a) On the strengthening of the social partners and social dialogue?	Progress reports	ILO
b) On strengthening the influence of Labor standards?	Progress reports	ILO
c) On promoting the use of collective bargaining resulting in signed collective bargaining agreements as per the provisions of the new Labour Code	Progress reports	ILO
d) On gender equality?	Progress reports	ILO
30. In which areas (geographic, sectoral, issue) does the project have the greatest achievements? Why is this and what have been the supporting factors? How can the project build on or expand these achievements?	Progress reports	IPs/ILO
31. In which areas does the project have the least achievements? What have been the constraining factors and why? How can they be overcome?	Progress reports	IPs/ILO
32. What, if any, alternative strategies would have been more effective to ameliorate performance on these poor results?		ILO/CTA/ DWT

Efficiency		
33. Have resources (funds, human resources, etc.) been allocated strategically to achieve outcomes?	Financial reports	ILO & Project Holder
34. Have resources been used efficiently? Have activities supporting the strategy been cost-effective?	Financial reports	ILO & Project Holder
35. In general, do the results justify the costs? Could same results be attained with fewer resources?	Financial reports	ILO & Project Holder
36. Have project's funds and activities been delivered in a timely manner?	Financial & progress reports	ILO & Project Holder
37. What time and cost efficiency measures could be introduced without impeding the achievement of results?	Financial & progress reports	ILO & Project Holder
Effectiveness of management arrangements		
38. Are management capacities adequate and facilitate good results and efficient delivery?	Progress reports	ILO & Project Holder
39. Is there a clear understanding of the roles and responsibilities by all parties involved?		All Stakeholders
40. Does the IR project receive adequate political, technical and administrative support from its national partners, the ILO, and the donor?		All Stakeholders
41. Do implementing partners provide for effective project's implementation?		All Stakeholders
42. How effectively does the IR management <u>monitor</u> project performance and results? Have <u>appropriate means of verification</u> for tracking progress, performance and achievement of indicator values been defined?	PRODOC, Coop Agreem. & Progress Rep.	DWT, CTA & USDOL
43. Has cooperation with the project's implementing partners been efficient?		All Stakeholders
44. Has the project's management approach been perceived positively by ILO technical backstopping units?		DWT & HQ
45. Has a participatory/consultative approach been applied?	PRODOC, Coop Agreem. & Progress Rep.	ILO
46. How strategic are the implementing partners in terms of mandate, influence, capacities and commitment?		ILO
47. Is relevant information and data systematically being collected and collated?	Data bases	ILO & DWT
48. Is data disaggregated by sex (and by other relevant characteristics, if relevant)?	Data bases	ILO & DWT
49. Is information being regularly analyzed to feed into management decisions?	Data bases	ILO & DWT
Impact and sustainability		
50. Can observed changes (in attitudes, capacities, institutions, etc.) be causally linked to the IR project's interventions?	Progress Reports	All Stakeholders
51. Has the project successfully built or strengthened an enabling environment (laws, policies, people's attitudes, etc.)?	Progress Reports	All Stakeholders
52. Can/should the project be scaled up? If so, how do project's objectives and strategies have to be adjusted?	Progress Reports	All Stakeholders
53. How effective and realistic is the exit strategy of the IR project? Once external funding ends, will	Progress Reports	All Stakeholders

**national institutions and implementing partners be likely to continue the project or carry forward its results?**

# Inception Report

*Inception Report is attached.*

# List of Persons Consulted

## SKYPE Conversations from home-base with:

1. Ms. Francesca Fantoni, Evaluation Manager, Strategic Programming and Management Department (PROGRAM), ILO Geneva.
2. Mr. Phillip Hazelton, CTA IR project, ILO CO-Hanoi
3. Mr. John Ritchotte, Specialist Social Dialogue and Labor Administration, Decent Work Team, ILO Bangkok
4. Mr. Jeffrey Wheeler, USDOL project manager, U.S. Department of Labor, Bureau of International Labor Affairs (ILAB), Office of Trade & Labor Affairs, Division of Technical Assistance & Cooperation, Washington DC
5. Mr. Chang-Hee Lee, Senior Labor Relations and Collective Bargaining Specialist, Work Quality Department ILO Geneva.
6. Mr. Malte Luebker, Regional Wage Specialist, ILO-RO- Bangkok.

## Meetings in Hanoi, Vietnam with:

### MOLISA, Ministry of Labor, Invalids and Social Affairs:

- Mr. Pham Minh Huan, Vice Minister, MOLISA
- Mr. Nguyen Manh Cuong, Director of CIRDP, Center of Industrial Relations Development, Project Holder.
- Mr. Ha Dinh Bon, Director General of Department of Legal Affairs
- Ms. Tong Thi Minh, Director of Labor-Wage Department
- Ms. Le Kim Dung, Director of ICD
- Mr. Nguyen Van Binh, Deputy Director General, Legal Department

### VGCL: Vietnam General Confederation of Labor:

- Mr. Tran Van Ly, Vice President of VCGL
- Mr. Le Trong Sang, Director of IR Department
- Ms. Thanh Ha, Vice Director of IR Department
- Mr. Chau Nhat Binh, Deputy Director of International Department

### VCCI, Vietnam Chamber of Commerce and Industry:

- Mr. Phung Quang Huy, Director of Bureau of Employers' Activities
- Ms. Tran Thi Lan Anh, Deputy Director of Bureau of Employers' Activities
- Ms. Vi Thi Hong Minh, Deputy Director of Bureau of Employers' Activities
- Mr. Nguyen Van Binh – Vinh Phuc Business Association

### VCA, Vietnam Cooperatives Alliance

- Mr. Nguyen Minh Tuan, Director of Policy and Development Department, VCA

### National Assembly

- Mr. Lam Van Doan, Member of Social Affairs Committee
- Dr. Ms. Le This Nguyet, Member of Social Affairs Committee

### U.S. Embassy, Hanoi:

- Joseph Narus, Economic Officer, US Embassy

ILO Hanoi:

- ILO Country Director, Mr. Gyorgy Sziraczki
- Mr. Phillip Hazelton, CTA IR project
- Ms Nguyen Thi Hai Yen - National Program Coordinator (MOLISA Wages, VCCI and VCA)
- Ms Ta Thi Bich Lien - National Program Coordinator (VGCL and CIRD IR Master Plan)
- Ms Do Thi Thu Huong - Program Assistant (MOLISA and support to CTA )
- Ms Le Thi Tra Me - Program Assistant (VGCL and Better Work UCB Program)
- Ms Tran Ngoc Diep - Admin/Finance (all project).

Meetings in Hai Phong:

Hai Phong Pilot Implementing Unit:

- Mr. Hoang Dinh Long, Head of PIU, Vice President of Hai Phong Federation of Labor
- Ms. Pham Thi Hang, President of Economic Zone Trade Union
- Other members of Pilot implementing unit

Meetings in Ho Chi Minh city

- Mr. Nguyen Ngoc Son, Vice Director of Organizing Department, VGCL
- Ms. Le Thanh Thuy, Director of Bureau for Employers' Activities (BEA), VCCI Ho Chi Minh city branch

Meetings in Dong Nai:

DOLISA, Dong Nai Department of Labor, Invalids and Social Affairs:

- Mr. Cong, Head, Wage Policy Division
- Mr. Hoang Phu Son, Vice Head of Wage Policy Division
- 01 mediator from local district

Dong Nai Pilot Implementing Unit:

- Mr. Nguyen Van Thang, Member of Executive Committee of VGCL, and President of Bien Hoa Industrial Zone Trade Union (IZTU)
- Mr. Ho Thanh Hong, Vice President of Dong Nai Federation of Labor (FoL)
- Other members of Pilot implementing unit (PIU)

Two enterprises in Dong Nai:

- Tomei Company (Malaysian) – Pilot1, site visit, meet with Company management, HR Officer and Enterprise Union President and Members
- Mabuchi Motor Company (Japanese) – Pilot 3, meet at office of PIU; meet with Mrs. Phung, President of GTU, Mrs. Dian, Member of Executive Committee of GTU

# List of IR Project Products (dated July 2015)

LIST OF IR PROJECT PRODUCTS			
No	Product	IO	Implementing Partner
<b>IO1</b>	<b>Facilitate the drafting and adoption of guiding regulations, including decrees, circulars and other mechanism and instruments for the new LC and TU Law</b>		
1	Decree No. 41/2013/ND-CP dated May 08, 2013 on Enterprises where strike is not allowed	IO1	Wage Dept, MOLISA
2	Decree No. 43/2013/ND-CP dated May 10, 2013 on the rights and responsibilities of the trade union in representing, caring for and protecting the legitimate rights and interests of the workers according to the Article 10 of the Trade Union Law	IO1	Wage Dept, MOLISA
3	Decree No. 44/2013/ND-CP dated May 10, 2013 on Labor contract	IO1	Wage Dept, MOLISA
4	Decree No. 46/2013/ND-CP dated May 10, 2013 on Labor dispute settlement	IO1	Wage Dept, MOLISA
5	Decree No. 49/2013/ND-CP dated May 14, 2013 on Wage and National Wage Council	IO1	Wage Dept, MOLISA
6	Decree No. 55/2013/ND-CP dated May 22, 2013 on Labor Sub-leasing	IO1	Legal Dept, MOLISA
7	Decree No. 60/2013/ND-CP dated June 19, 2013 on Democratic regulation at workplaces	IO1	Wage Dept, MOLISA
8	Decree No. 95/2013/ND-CP dated August 22, 2013 of the Government on penalties of administrative violations in labor, social insurance and overseas manpower supply by contract	IO1	Legal Dept, MOLISA
9	Decree No. 27/2014/ND-CP dated April 7, 2014 on domestic workers	IO1	Wage Dept, MOLISA
10	Decree No. 53/2014/ND-CP dated May 26, 2014 on national tripartite consultation	IO1	Wage Dept, MOLISA
11	Decree No. 119/2014/ND-CP dated December 17, 2014 on denunciation	IO1	Inspectorate, MOLISA
12	Decree No. 05/2015/ND-CP dated Jan 12, 2015 on implementation of a number of Articles in the Labor Code	IO1	Wage Dept, MOLISA
13	Decree to revise Decree 95/2013/ND-CP	IO1	Legal Dept, MOLISA
14	Draft Decree on Female workers	IO1	Legal Dept, MOLISA
15	Circular 32/2014/TT-BLDTBXH date December 1, 2014 on Labor administration authorization to IZ Authority	IO1	Legal Dept, MOLISA
16	Draft ILO Working Paper - Vietnam Labor Law review in light of International Labor Standards November 2014	IO1	NA-SAC /MOLISA
17	Draft ILO Working Paper - Review of the Vietnamese Labor Law against Core non-ratified International Labor Standards March 2015	IO1	MOLISA/NA -SAC
18	Study Report on Convention 88	IO1	Legal Dept, MOLISA
19	Study Report on Convention 95	IO1	Legal Dept, MOLISA
20	Reference materials for and participation at MOLISA workshop on revision of Vietnam constitution	IO1	Project Office
21	Comparative study on administrative violation management in trade union area	IO1	Legal Dept, MOLISA
22	Advice to CIRDC Re Trade Union Regulations	IO1	CIRDC, MOLISA
23	Survey report on the violations in the area of trade union	IO1	Legal Dept, MOLISA
<b>IO2</b>	<b>Increase the awareness of the LC and TU Law 2012 and their detailed regulations and guidelines</b>		
24	Materials of National IR Conference/ IR Project Launching Event: Towards better industrial relations under the revised Labour Code and TU Law (English and Vietnamese language)	IO2	Project Office
25	Bilingual Labour Code 2012 (English and Vietnamese language)	IO2	ICD, MOLISA
26	Bilingual Trade Union Law 2012 (English and Vietnamese language)	IO2	ICD, VGCL

27	Labour Code Guide Book Draft	IO2	Legal Dept, MOLISA
28	Comments for Labour Code Guidebook Draft	IO2	Project Office
29	Feature story: When dialogue makes good sense for businesses and workers alike (1st May 2015) <a href="http://www.ilo.org/asia/info/public/features/WCMS_363159/lang--en/index.htm">http://www.ilo.org/asia/info/public/features/WCMS_363159/lang--en/index.htm</a>	IO2	Project Office
30	Materials from Media training on international Labor standards, workplace compliance and inspection May 2015	IO2	Project Office
<b>IO3</b>	<b>Improve TU capacity of effectively and democratically representing workers, particularly at the enterprise level and coordinative role of national and upper level union organizations, per the implementation of the TU Law and LC</b>		
31	Materials for consultation workshop on 3rd December 2012 on providing VGCL inputs for draft Decree 43/2013/ND-CP	IO2	VGCL
32	Launching and Plans for second-generation pilot initiatives to strengthen the capacity of trade unions to effectively and democratically represent workers under the context of the new laws (Hai Phong, Da Nang, Binh Duong, Dong Nai, and VGCL)	IO3	VGCL
33	Post-launching baseline survey reports and action plans of 4 provincial pilot units (Hai Phong, Da Nang, Binh Duong, and Dong Nai)	IO3	VGCL
34	VGCL proposal and inputs for revision of Decree 95	IO3	VGCL
35	Checklist on Pilot 1	IO3	VGCL
36	Checklist on Pilot 3	IO3	VGCL
37	Materials of VGCL pilot review meeting in June 2014	IO3	VGCL
38	Monthly progress reports from July to December 2014 of Hai Phong pilot unit	IO3	VGCL
39	Monthly progress reports from July to December 2014 of Da Nang pilot unit	IO3	VGCL
40	Monthly progress reports from July to December 2014 of Binh Duong pilot unit	IO3	VGCL
41	Monthly progress reports from July to December 2014 of Dong Nai pilot unit	IO3	VGCL
42	Baseline survey report and action plan 2015 of HCM city pilot unit	IO3	VGCL
43	Monthly progress reports from Jan to Apr 2015 of Hai Phong pilot unit	IO3	VGCL
44	Monthly progress reports from Jan to April 2015 of Da Nang pilot unit	IO3	VGCL
45	Monthly progress reports from Jan to May 2015 of Binh Duong pilot unit	IO3	VGCL
46	Monthly progress reports from Jan to May 2015 of Dong Nai pilot unit	IO3	VGCL
47	Monthly progress report in Apr 2015 of HCM city pilot unit	IO3	VGCL
48	Materials of VGCL pilot review meeting on 3-4 June 2015	IO3	VGCL
49	Video clip on VGCL pilot initiatives broadcasted on national TV (Portrait of Life -Chan dung cuoc song)	IO3	VGCL
<b>IO4</b>	<b>Facilitate development of minimum wage fixing and determination system</b>		
50	Media report on the launching of National Wage Council	IO4	NWC
51	Note on the occasion of the launching event of National Wage Council in Vietnam	IO4	Project Office
52	VCCI study report on participation of Employers in the National Wage Council	IO4	VCCI
53	Materials from the study tour to Korean Minimum Wage Council	IO4	NWC
54	Materials from the study tour to Singapore Minimum Wage Council	IO4	NWC
55	Study report: Review of methods for determining minimum living needs of workers in Vietnam for ILO and National Wage Council	IO4	NWC
56	Study report: Effects of minimum wage changes on manufacturing firms in Viet Nam	IO4	NWC
57	Study report: The impact of minimum wage adjustments on Vietnamese workers' hourly wages	IO4	NWC



58	Materials of National Wage Conference: Vietnam Wage Policy in the context of a market economy and economic integration November 2014 (Vietnamese and English language)	IO4	NWC
59	Country Brief November 2014: Viet Nam wage policy in the context of market economy and economic integration (English and Vietnamese language)	IO4	NWC
60	Matrix: Vietnam National Wage Council Deliberations on Minimum Wage Adjustment 2013-2014	IO4	Project Office
61	Materials for training workshop on minimum wage fixing: ACTU Experience June 2014 (Vietnamese and English language)	IO4	VGCL
62	Materials for VCA discussion on minimum wage fixing (Vietnamese language)	IO4	VCA
63	Materials for VCCI roundtable discussion on minimum wage fixing (Vietnamese language) June 2014	IO4	VCCI
64	Press release: Employers discuss 2015 minimum wage increase, better co-ordination and evidence-based data needed	IO4	VCCI
65	Materials for VCCI roundtable discussion on minimum wage fixing (Vietnamese language) May 2015	IO4	VCCI
<b>IO5</b>	<b>Promote the use of collective bargaining resulting in signed collective bargaining agreements per provisions of the Labour Code 2012</b>		
66	Materials of consultation workshop on Labor issues in Civil Proceedings Code	IO5	Legal Dept, MOLISA
67	Implementation plan for pilot programme on capacity building for employers organizations at provincial level	IO5	VCCI
68	1st quarterly report by VCCI on pilot programme on capacity building for employers organizations at provincial level	IO5	VCCI
69	2nd quarterly report by VCCI on pilot programme on capacity building for employers organizations at provincial level	IO5	VCCI
70	3rd quarterly report by VCCI on pilot programme on capacity building for employers organizations at provincial level	IO5	VCCI
71	4th quarterly report by VCCI on pilot programme on capacity building for employers organizations at provincial level	IO5	VCCI
72	Decision on the establishment of Vinh Phuc HR Club	IO5	VCCI
73	Decision on the establishment of Hung Yen HR Club	IO5	VCCI
74	Social dialogue manual draft (Vietnamese language)	IO5	VCCI & VGCL
75	Survey report on management capacity of agricultural and non-agricultural cooperatives in northern delta and north central region	IO5	VCA
76	Publication of Book on 100 most common terms in IR (in Vietnamese)	IO5	CIRD
77	CIRD-DOLISA Report on Mediation system in HCM city	IO5	CIRD
78	Technical guideline on baseline survey on IR situation and formulation of IR Master Plan in 7 provinces/cities	IO5	CIRD
79	Guidelines to developing enterprise IR profiles	IO5	CIRD
80	IR Profile template	IO5	CIRD
81	IR Profiles of 18 enterprises in Dong Nai in April 2015	IO5	CIRD
82	IR Bulletin No.1 (Vietnamese language)	IO5	CIRD
83	IR Bulletin No.2 (Vietnamese language)	IO5	CIRD
84	IR Bulletin No.3 (Vietnamese language)	IO5	CIRD
85	IR Bulletin No.4 (Vietnamese language)	IO5	CIRD
86	IR Bulletin No.5 (Vietnamese language)	IO5	CIRD
87	IR Bulletin No.6 (Vietnamese language)	IO5	CIRD
88	IR Bulletin No.7 (Vietnamese language)	IO5	CIRD
89	IR Bulletin No.8 (Vietnamese language)	IO5	CIRD
90	IR Bulletin No.9 (Vietnamese language)	IO5	CIRD
91	IR Report (Draft 2 - in Vietnamese)	IO5	CIRD
92	IR Network (CIRD Website)	IO5	CIRD

93	Approved Master Plan for IR development in HCMC (both English and Vietnamese)	IO5	CIRD
94	Approved Master Plan for IR development in Binh Duong (both English and Vietnamese)	IO5	CIRD
95	Approved Master Plan for IR development in Dong Nai (both English and Vietnamese)	IO5	CIRD
96	Approved Master Plan for IR development in Hanoi (only in Vietnamese)	IO5	CIRD
97	Approved Master Plan for IR development in Hai Phong (only in Vietnamese)	IO5	CIRD
98	Implementation plan of pilot programme for new approaches to mediation	IO5	CIRD
99	Mini talk VGCL on Labor court proceedings (Vietnamese language)	IO5	Project Office
100	Mission report of Justice Alan Boulton on Labor court proceedings	IO5	Project Office
101	IR Prizes for Hanoi Law University undergraduate students	IO5	Project Office
102	Signed Letter of Intent for Cooperation between ILO Hanoi and Ton Duc Thang University (IR project as focal point for implementation)	IO5	Project Office
103	IR Talk at University of Labor and Social Affairs	IO5	Project Office
104	Bilingual Law on Cooperatives and Decree 193/2013/ND-CP (English and Vietnamese language)	IO5	VCA
105	Trade Union Regulations in Comparison	IO5	CIRD
106	Materials workshop presentation 'International Labor standards in the context of Vietnam's international economic integration'	IO5	National Assembly (SAC)
107	Materials workshop presentation 'Experience of Labor court proceedings from the region and some recognized good practices'	IO5	National Assembly (SAC)

**Source:** Provided by the ILO IR Project Office to the evaluator.

# Multi-Year Work Plan 2013 – 2016

## PROJECT WORKPLAN

### Development of industrial relations, wage determination mechanism, capacity and institutional enforcement of labor legislation in Vietnam 2013-2016

VIE12/01/USA

Sub-objectives	Activities	Timeline										Main implementing partners	Performance Indicators	
		2013				2014				'15	'16			
		1	2	3	4	1	2	3	4					
<b>Objective 1. Facilitate the drafting and adoption of guiding regulations, including Decrees, Circulars and other mechanism and instruments for the new Labour Code and Trade Union Law.</b>														
SO_1.1 Implementation decrees and other regulatory guideline for the Labour Code and Trade Union Law (2012) are developed.	Act_1.1.1 Studies and workshops for the development of key additional implementation Decrees.												Legal Dept., Labor and Wage Dept., MOLISA	<ul style="list-style-type: none"> <li>5 additional implementation Decrees and/or Circulars are adopted and brought into force, which are more effective in giving effect to international Labor standards.</li> </ul> ⇒ ILO technical review

SO_1.2 Regulatory instruments and institutions for effective implementation of the laws and regulations are improved in view of the Labour Code and Trade Union Law 2012	Act_1.2.1 Surveys, analysis, and evaluation of Labor administration practices in industrial zones, where the function of Labor administration is delegated to the “Industrial Zone Management Board”, to develop new circular.											Legal Dept, MOLISA	<ul style="list-style-type: none"> <li>Existing regulatory instruments are replaced with new texts.</li> <li>A medium-term road-map on recommendations for future legislative agenda for extension of related regulatory and policy outreach is adopted by the Social Affairs Committee of the National Assembly.</li> </ul>
	Act_1.2.2 Survey of the law enforcement and policy implementation performance monitoring system, including the collection and utilization of administrative data and information, to develop new legal instrument for improved performance.											Legal Dept, MOLISA	
	Act_1.2.3 Expert studies and expert hearings of the SAC-NA on the coverage of protection, support, and development of industrial relations institutions in the informal sector (which currently lie outside the scope of the Labor laws), to develop and publish a “White Paper” on policy challenges in extending the outreach of industrial relations in the informal sector.											SAC-NA	

<p>SO_1.3 The laws, decrees, and other instruments better reflect the requirement of international core Labor standards on forced Labor and discrimination.</p>	<p>Act_1.3.1 Expert studies and workshops to review and survey the legislations, institutions, and practices to identify challenges, and to develop proposals for reforms to meet the requirement of [to give effect to] the Conventions 100&amp;111 and 29&amp;105.</p>																		<p>Legal Dept., MOLISA</p> <ul style="list-style-type: none"> <li>▪ A road-map for the ratification and/or the review of the application of the relevant ILO Convention is adopted.</li> <li>⇒ ILO supervisory bodies identify improvements.</li> </ul>
<p><b>Objective 2. Increase the awareness of the Labor Code and Trade Union Law 2012 and their detailed regulations and guidelines.</b></p>																			
<p>SO_2.1 The effectiveness of the implementation of the Labor Code and Trade Union Law 2012 is monitored and evaluated.</p>	<p>Act_2.1.1 Field surveys and public hearings of Social Affairs Committee of the National Assembly (SAC-NA) to monitor and evaluate the implementation of some of the new provisions in the Labour Code 2012.</p>																	<p>SAC-NA (with support of relevant Ministry units)</p> <ul style="list-style-type: none"> <li>▪ Social Affairs Committee of the National Assembly adopts an evaluation of the implementation of the Labour Code 2012 for discussion at the National Assembly sessions.</li> </ul>	
<p>SO_2.2 Tripartite partners at different levels are informed of changes and able to operate effectively under the new regulations.</p>	<p>Act_2.2.1 Development of a “guide book” on the Labour Code 2012.</p>																	<p>Legal Dept., MOLISA</p> <ul style="list-style-type: none"> <li>▪ MOLISA produces and distributes an official “users guide book” for the Labour Code 2012.</li> </ul>	
	<p>Act_2.2.2 Development of guidelines on protection of trade union rights and prevention and remedy of “unfair Labor practices”.</p>																	<p>MOLISA, VCCI, VGCL</p> <ul style="list-style-type: none"> <li>▪ Guidelines on protection of trade union rights and prevention and remedy of “unfair Labor practices” is produced and distributed among the local Labor administration agencies.</li> </ul>	
	<p>Act_2.2.3 Public awareness campaign for the Labour Code and</p>																	<p>Legal Dept. MOLISA</p>	

	Trade Union Law 2012, using different methods.																				<ul style="list-style-type: none"> <li>▪ A “standard operating procedure” for dealing with trade union rights violation and unfair Labor practices is adopted by Labor administration agencies in at least two major industrial provinces.</li> <li>▪ Social partners produce guidelines on the Labour Code and Trade Union Law for their respective constituents.</li> <li>▪ Social partners produce guidelines on the Labour Code and Trade Union Law for their respective constituents.</li> </ul>
	Act_2.2.4 Labour Code guidelines for employers.				→															VCCI	
	Act_2.2.5 Development of Labour Code and Trade Union Law guidelines for cooperatives, focusing on compliance of Labor standards.				→															VCA	
	Act_2.2.6 Trade Union “know your rights” campaign.						→													VGCL	
SO_2.3 Application of the revised laws is informed by the requirement of various international agreements.	WP 2.3.1 Study and training on the Labor-related issues and requirement of various international agreements, treaty arrangements.							→												MOLISA, VCCI, VCA, VGCL	<ul style="list-style-type: none"> <li>▪ A gap analysis on the requirements of various international instruments on international Labor standards is produced.</li> </ul>
	WP 2.3.2 Review of Vietnam’s compliance with reporting obligations.								→											ICD MOLISA	
<p><b>Objective 3. Improve trade union capacity of effectively and democratically representing workers, particularly at the enterprise level and coordinative role of national and upper level union organizations, per the implementation of the Trade Union law and Labour Code.</b></p>																					
SO_3.1 The work and operation of upper-level	Act_3.1.1 Development of a manual for trade union officials on supporting																			VGCL	<ul style="list-style-type: none"> <li>▪ National-level strategy/policy platform on the work and</li> </ul>

trade unions and their officials are improved, based on the new Labour Code and Trade Union Law and nation level policies and strategies.	and dealing with individual disputes/grievances and unfair Labor practices.													operation of upper-level trade unions and trade union officials is adopted.
	Act_3.1.2 Development of trade union guidelines on the work and operation of trade unions (with specific focus on upper-level trade unions) under the Labour Code, Trade Union Law 2012, and new national-level policy, focusing on promoting and supporting dialogue, collective bargaining, wage negotiations.												VGCL	<ul style="list-style-type: none"> <li>▪ Reports documenting the work and operation of upper-level trade unions dealing with individual disputes are produced by the national level organisation.</li> <li>▪ Documentation of achievements in establishing mandatory dialogue mechanisms at the workplace level, collective bargaining, and wage negotiations is produced by the national level organisation for wider dissemination and replication.</li> <li>▪ 10 immediate upper-level trade unions in most industrialised provinces are included in a national level programme to strengthen the role of upper level unions.</li> </ul>
SO_3.2 Representation capacity of trade unions is strengthened by improving workers' empowerment	Act_3.2.1 Pilot initiatives in new approaches and methods in union organizing, including establishment of "multi-enterprise" grassroots trade unions.												VGCL	<ul style="list-style-type: none"> <li>▪ A national-level pilot implementation and coordination body is established.</li> </ul>

and the role of upper level trade unions.	Act_3.2.2 Pilot initiatives in strengthening the shop-floor-level work and structure of grassroots trade unions through active support and coordination of upper-level trade unions.												VGCL	<ul style="list-style-type: none"> <li>▪ A number of industrial zones trade unions and Provincial FoLs are selected to carry out specific pilot initiatives.</li> <li>▪ Reports documenting the progress of the pilot initiatives are produced and submitted to the official decision-making body of the national-level organisation (VGCL).</li> </ul>
	Act_3.2.3 Pilot initiative to rebuild grassroots trade unions and collective bargaining process at enterprises affected by wild-cat strikes or non-functioning trade union structure.												VGCL	<ul style="list-style-type: none"> <li>▪ 5 – 10 “multi-enterprise” grassroots trade unions are established.</li> </ul>
	Act_3.2.4 Study of corporate restructuring process, and capacity building workshops, to improve trade union capacity for engagement in corporate restructuring process to better protect the rights and interests of workers.												VGCL	<ul style="list-style-type: none"> <li>▪ 5 – 10 non-performing grassroots trade unions are re-organised through new approaches.</li> <li>▪ Monthly plans of action and work-reports on the implementation pilot initiatives produced by each pilot implementing units.</li> <li>▪ A special report documenting the effects of corporate restructuring and the intervention of trade unions is produced.</li> </ul>



SO_3.3 Good practices of trade union work are disseminated and institutionalized by development and implementation of national-level policies, strategies, and actions.	Act_3.3.1 Development of a trade union action plan to implement dialogue and democratic regulation at the workplace level.										VGCL	<ul style="list-style-type: none"> <li>▪ A national-level action plan to establish mandatory dialogue mechanisms at the enterprise level is adopted.</li> <li>▪ A national-level collective bargaining coordination body (or taskforce) is established.</li> <li>▪ Report(s) documenting activities carried out by national-level organisation, upper-level trade unions, and grassroots trade unions to organise collective bargaining is produced, is published in news media.</li> <li>▪ Substantial collective bargaining process and outcomes are achieved in 30 enterprises.</li> </ul>	
	Act_3.3.2 Launching and operation of a special collective bargaining campaign “100 real Collective Bargaining Campaign” and the appropriate execution and coordination unit the national level.												VGCL
SO_3.4 Wage negotiation practices are developed and implemented.	Act_3.4.1 Expert studies and workshops on wage composition, wage form for a better understanding of wage practice, to develop wage negotiation strategy.											VGCL	<ul style="list-style-type: none"> <li>▪ Wage agreements as a result of coordinated wage negotiations are achieved in 100 enterprises.</li> </ul>
	WP 3.4.2 Pilot initiative in local-sectorial coordinated wage negotiations.											VGCL	

Objective 4. Facilitate development of minimum wage fixing and determination system.												
SO_4.1 Technical capacity of minimum wage deliberation and determination is improved.	Act_4.1.1 Wage related studies in preparation for the deliberations at the National Wage Council: • Wage survey • Study on the criteria for minimum wage determination • Impact of minimum wage.										Labor and Wage Dept, MOLISA	<ul style="list-style-type: none"> <li>▪ A number of technical reports are submitted to / published by the National Wage Council for consideration during the deliberation on minimum wage adjustment.</li> </ul>
	Act_4.1.2 Expert study on the coverage and exclusion of minimum wage for its extension										Labor and Wage Dept. MOLISA	
SO_4.2 Minimum wage fixing and enforcement mechanism is reformed and established.	Act_4.2.1 Studies and expert workshops to develop the rules of operation of the National Wage Council, on the basis of study of similar bodies in other countries.										Labor and Wage Dept. MOLISA; NWC	<ul style="list-style-type: none"> <li>▪ Official operational regulations and plan of work are adopted by the NWC.</li> <li>▪ Fact-finding reports are published by the NWC.</li> <li>▪ Official recommendations for minimum wage adjustment are produced.</li> <li>▪ A communication plan on MW enforcement is developed.</li> </ul>
	Act_4.2.2 Training on the operation of the National Wage Council, including study tour.										NWC MOLISA	
	Act_4.2.3 Consultation and fact-finding work of NWC to assist its deliberation on the new minimum wage.										NWC MOLISA	

	Act_4.2.4 Development of minimum wage enforcement mechanism, including communications strategy												NWC MOLISA	
SO_4.3 Social partners are able to participate effectively in the minimum wage fixing mechanism.	Act_4.3.1 Development of minimum wage proposals for NWC.												VCCI; VGCL	<ul style="list-style-type: none"> <li>▪ Social partners produce and submit minimum wage adjustment proposals for deliberation of the NWC.</li> <li>▪ Trade unions and employers organisations establish respective coordination bodies for effective intervention in the minimum wage deliberation.</li> </ul>
	Act_4.3.2 Training for effective participation in the NWC, including development of internal mechanisms for preparation and coordination for participation in minimum wage deliberations.												VCCI; VGCL	
	Act_4.3.3 Studies on the impact of minimum wage for the respective constituents.													
SO_4.4 New minimum wage law is developed.	Act_4.4.1 Review/surveys/studies of legislation, institutions and practice, identification of challenges, and development of proposals for reforms to meet the requirement of [to give effect to] the conventions C.95 and C.131.												Legal Dept, MOLISA	<ul style="list-style-type: none"> <li>▪ Draft “Minimum Wage Law” is prepared and presented for stakeholder consultations.</li> </ul>

	Act_4.4.2 Comparative study of different minimum wage systems for the development of narrative proposal and outline of a new law on minimum wage.																	Labor and Wage Dept. MOLISA; NWC	
<b>Objective 5. Promote the use of collective bargaining resulting in signed collective bargaining agreements per the provisions of the Labour Code 2012.</b>																			
SO_5.1 Government is more active and effective in promoting collective bargaining and dialogue at the enterprise level based on the Labour Code and Trade Union Law 2012.	Act_5.1.1 Expert studies and social partner expert consultation to develop MOLISA guidelines on collective bargaining.																	CIRD, Labor and Wage Dept. MOLISA	<ul style="list-style-type: none"> <li>▪ MOLISA guidelines on collective bargaining and sectorial and multi-employer collective bargaining are adopted.</li> <li>▪ Tripartite joint-guidelines on mandatory dialogue and democratic regulation at the enterprise level are adopted.</li> </ul>
	Act_5.1.2 Development of guideline (possible development of a decree) on sectorial collective bargaining and other forms of multi-employer collective bargaining, through a pilot initiative in sectorial collective bargaining in the rubber sector, and expert review of other initiatives, and stakeholder workshops.																	Labor and Wage Dept, MOLISA	
	Act_5.1.3 Expert study and stakeholder workshops to develop guidelines on dialogue and democratic regulation at the enterprise level.																		

	Act_5.1.4 Tripartite meetings (conference, special National Industrial Relations Commission session) to adopt tripartite joint communicate or resolution on collective bargaining and social dialogue.											CIRD, Labor and Wage Department, VGCL, VCCI	
SO_5.2 Social dialogue at the enterprise level is promoted through active government and tripartite support and participation.	Act_5.2.1 Development of a Government action plan to enforce and promote bi-partite dialogue at the workplace level.											Labor and Wage Dept., MOLISA, CIRD	<ul style="list-style-type: none"> <li>▪ Action plan for the enforcement and promotion of bi-partite dialogue at the workplace level is adopted.</li> </ul>
	Act_5.2.2 Government initiative to promote and support the establishment and operation of bi-partite dialogue mechanism at the enterprise level: concentrated and integrated enforcement, promotion, and support effort.											Labor and Wage Dept. MOLISA, CIRD, VGCL, VCCI	<ul style="list-style-type: none"> <li>▪ A special initiative to promote and establish mandatory dialogue mechanism is developed.</li> <li>▪ 1 industrial zone in 1 or 2 selected provinces is targeted for concentrated campaign, with an aim of establishing the dialogue mechanisms at most of the enterprises within the selected area.</li> <li>▪ Effective dialogue mechanism is established and operational in at least ¼ of the enterprises in the targeted industrial zone.</li> </ul>

SO_5.3 Social dialogue practices at different levels, focusing on consultation structure and process at enterprise level are established and operated.	Act_5.3.1 Thematic workshops of National Industrial Relations Commission on selected topics/issues in industrial relations trends, to strengthen the understanding of the tripartite partners.														NIRC, Labor and Wage Dept, MOLISA, CIRD	<ul style="list-style-type: none"> <li>▪ National Industrial Relations Commission produces tripartite recommendations, joint reports, etc. on important industrial relations issues.</li> <li>▪ Province-level tripartite consultation mechanisms are established and are operational in at least 3 provinces.</li> </ul>
	Act_5.3.2 Establishment and strengthening of official regional/province-level tripartite/bipartite social dialogue and consultation bodies and processes: HCMC, Hanoi, etc.														Labor and Wage Dept, MOLISA	<ul style="list-style-type: none"> <li>▪ Local-sectorial level tripartite consultations are held regularly in at least 3 localities/sectors, and produce important recommendations on collective bargaining and other industrial relations matters for their respective constituents.</li> </ul>
	Act_5.3.3 Pilot initiatives in voluntary industrial zone level or local-sectorial tripartite/bi-partite consultation process, in selected provinces and sectors, including the Better Work sector.														VCCI HCMC VGCL	
SO_5.4 Capacity of employers' organizations are improved to engage effectively in (and/or to support their members to	Act_5.4.1 Pilot initiative to strengthen representative capacity and coordination of employers' organisations: "Employers IR Roundtable".														VCCI	<ul style="list-style-type: none"> <li>▪ Employers' organisations at different levels (in at least 3 provinces) produce collective bargaining and/or wage negotiations guidelines or advisory statement ahead of</li> </ul>

engage in) collective bargaining and social dialogue at various levels.	Act_5.4.2 Pilot initiative to strengthen coordinated action of employers: “Local employers IR coordination”.											VCCI	<p>collective bargaining or wage negotiations at the member enterprises.</p> <ul style="list-style-type: none"> <li>▪ Employers’ organisations produce joint position papers/statements on key industrial relations issues, for example, on minimum wage determination.</li> <li>▪ Guideline on the Labour Code implementation in cooperatives is developed, and collective bargaining is piloted in selected cooperatives.</li> <li>▪ Collective bargaining and dialogue mechanisms are established in at least 10 cooperatives.</li> </ul>	
	Act_5.4.3 Establishment of province level employer organizations in Binh Duong and Dong Nai, effective partners to trade union.											VCCI		
	Act_5.4.4 Survey study of Labour Code compliance in various new types of cooperatives.													VCCI, VCA
	Act_5.4.5 Development of employers guidelines on trade union rights, collective bargaining, and dialogue mechanism at the enterprise level													VCCI
	Act_5.4.6 Pilot initiatives to promote collective bargaining, dialogue, and relationship with trade unions in cooperatives (in those cooperatives which employ sizeable number of “non-member workers”).													VCA
	Act_5.4.7 Development of employers’ code of conduct on issues of discrimination and sexual harassment.													VCCI





	improvement of the overall structure of Government administration of industrial relations.											CIRD	
	Act_5.6.5 Comparative studies and exchanges with neighbouring countries (especially ASEAN countries) on selected issues in collective bargaining, dialogue, Labor law enforcement.											ICD, MOLISA	
SO_5.7 Industrial relation mediation, conciliation and arbitration services, and individual dispute settlement mechanisms are improved.	Act_5.7.1 Pilot initiative in mediation work in HCMC: establishment of a management and coordination mechanism for mediation work; development of new approaches in mediation work for active support to collective bargaining and reduce wild-cat strikes.											DoLISA-HCMC, CIRD	<ul style="list-style-type: none"> <li>▪ Management and coordination mechanism for mediation work in HCMC established in HCMC-DoLISA.</li> <li>▪ Guidelines/manual on new approaches in mediation work is produced.</li> </ul>
	Act_5.7.2 Expert survey review and study of cases and trends in individual disputes.											Labor Court with the support of relevant Ministry units and law institutions	<ul style="list-style-type: none"> <li>▪ Collective bargaining in 30 enterprises is supported by mediators taking part in the pilot initiative.</li> </ul>

	Act_5.7.3 Analysis of how trade union rights violation and unfair Labor practices cases are handled by workers, trade unions, employers, and the public authority												Labor Court with the support of relevant Ministry units, VGCL, and law institutions, CIRD	<ul style="list-style-type: none"> <li>Wild-cat strikes in 20 enterprises are resolved through new mediation approach under the pilot initiative.</li> <li>A review report and manual on individual disputes and trade union rights violation (unfair Labor practices) is produced.</li> </ul>
	Act_5.7.4 Seminars and trainings for judges on selected Labor law issues.												Labor Court; MOLISA	
	Act_5.7.5 Development of a manual on the individual dispute settlement.												Labor Court; MOLISA, VGCL	<ul style="list-style-type: none"> <li>Draft “Law on Labor Court Proceedings” is produced and presented for official discussion.</li> </ul>
	Act_5.7.6 Expert studies and workshops for the development of “Law on Labor Court Proceedings”.												Labor Court	
SO_5.8 Industrial relations research capacity is improved, to support the capacity building of actors engaged in collective bargaining, social dialogue, and dispute resolution.	Act_5.8.1 Support to regular research seminars and sharing/cross-cultivation of researchers and practitioners with a view to promoting IR research community.												Project Office	<ul style="list-style-type: none"> <li>Establishment of an “Industrial Relations Association”, making membership application to ILERA.</li> </ul>
	Act_5.8.2 Expert research and expert seminars on selected industrial relations issues.												Project Office	<ul style="list-style-type: none"> <li>Publication of books, academic research paper (published in recognised journals).</li> </ul>

	<p>Act_5.8.3 Publication and dissemination of research and studies to promote better understanding of industrial relations issues, especially among the wider policy-making circles and media.</p>														<p>Project Office</p>	<ul style="list-style-type: none"> <li>▪ Media exposure on Project supported activities of tripartite partners.</li> </ul>
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## Dong Nai – Case Study

### ***DOLISA:***

The People's Committee signed the Master Plan (MP) 2014-2020 on Industrial relations (IR) for the Province of *Dong Nai* in June 2014.

No funding yet allocated for the project from the local Government; mostly from the ILO and some from Government Project 31 (propagating and disseminating the province's Law);

MP: Specifies to have separate IR division in DOLISA, but not clear (not sufficient HR).

Developed IR Records: DOLISA selected 18 Enterprises for that.

3 Questionnaires (one for employer, workers and TU).

Good support from by ILO and CIRI. Including Training of IR staff.

6 Mediators in 3 locations: Problems:

1. Difficult to meet employers (leaves Questionnaire behind).
2. All mediators themselves working on the IR pilots are from the District office of Labor, Invalids and Social Affairs (DOLISA), who are inexperienced in the IR area.
3. Employers are hesitant to receive public officials.
4. IR Records not stipulated in law, so no participation of employers.

Multi-enterprise CB: Just more difficult than for one enterprise.

Among 15 enterprises DOLISA selected 4 committed ones for Pilot-phase 2.

Biggest problems at Provincial level: Too many documents from National ministries creates confusion on laws, guidelines, decrees, Labour Code, etc. Plus hiring freeze until end 2016.

### ***Dong Nai Pilot Implementing Unit (PIU): FoL + IZTU:***

IZTU is large covering 6 IZ with over 150,000 workers.

#### **Four Pilots:**

1. Pilot 1 already completed. Before there was a gap between GTU and ULTU, but because of the pilot it was reduced, and GTU now do not hesitate to contact ULTU.
2. Pilot 2 more or less completed. 366 GTU, with 165,000 members (out of 188,000 workers), so union membership is 89%.
3. Support by ULTU to GTU in negotiating and signing CBA, and in multi-enterprise CB:
4. SD: work together with VCCI to speed the process up, and make the employers see the benefits of SD.

### ***TOMEI Company, Dong Nai:***

GTU established in May 2014. June 2015 General Conference of GTU, and new committee elected.

May 2015: CBA is signed.

Support from IZTU is good, hands-on advice, training, etc.

Annual training of staff will be very difficult during company time (according to the staff from HR Section), but can perhaps be combined with the Company training they are getting!! (Especially in low season).

IZTU reminded company management of the rules following Decree 60 according to which they need to submit a specific form; they promised to do that.

### ***MABUCHI Motor, Dong Nai:***

Company has 4,932 workers (mostly women: 4,303).

Average salary over 7 million VND per month, while MW for new entrant is VND 3,650,000.

Almost all are TU members (4,907).

GTU-Staff: 13 members, of which only one is full-time (paid by VGCL), others are part-time.

The draft of the renewed CBA is ready now; to be renewed already for the third time (latest was signed on 15 November 2014). Revised every two years.

It specifies also additional benefits beyond the law, e.g. paternity leave, allowance for night shift workers, etc.

Sufficient and timely support from ULTU: negotiation skills, info & documents, guidance and advice, and training sessions organized by ULTU.

GTU also cooperates closely with IZTU on salary revision.

Big focus of GTU: Fight against lay-offs of workers; e.g. since 2015 there were 30 workers whose contracts were not renewed.

Mabuchi is part of a Multi-enterprise, or Group-Based CBA with 5 enterprises in total: the CBA is being developed, with support from FoL, IZTU and DOLISA.

Bottlenecks: the 5 enterprises have different characteristics (e.g. financial potential), and so it is difficult to reach consensus.

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# Lessons Learned Templates

## ILO Lesson Learned Template

Project Title: Independent Mid-Term Evaluation of a Technical Assistance Project: The Vietnam Labor Law Implementation Project (also known as the Industrial Relations Project) Project TC/SYMBOL: VIE/12/01/USA

Name of Evaluator: Theo van der Loop

Date: 2 September 2015

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
<b>Brief description of lesson learned (link to specific action or task)</b>	<b><i>LL1: The Bottom-up Approach in Trade Union Restructuring.</i></b> The bottom-up approach in union restructuring in the trade union pilots in Vietnam and how to set it up, has been one of the project's strengths, and has already led many enterprises in the country to replicate it.
<b>Context and any related preconditions</b>	There is only one trade union in Vietnam, the Vietnam General Confederation of Labor (VGCL), the organization entrusted to represent the interests of the workers in the country. Its role is gradually changing, for example through the Trade Union Law (TUL) of 2012. Improving its representational role and focus in relation to workers at the Grassroots Trade Union (GTU) level through support of the intermediate, i.e. 'Upper Level Trade Unions' (ULTU), such as Federations of Labor (FoL) and Industrial Zone Trade Unions (IZTU), has been the subject of several project activities. The roles of the ULTU have also changed as a result of major new areas of responsibility being added in the new TUL as well as Labour Code (LC).
<b>Targeted users / Beneficiaries</b>	Trade unions at all levels, workers, enterprises, governments, donors, ILO, and project management.
<b>Challenges /negative lessons - Causal factors</b>	Capacities at local levels need to be raised simultaneously.
<b>Success / Positive Issues - Causal factors</b>	Better representation of the rights and interests of the union members and other workers by the union, and reduction of disputes, in particular unorganized ('wild-cat') strikes.
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	n.a.

## ILO Lesson Learned Template

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LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	<p><b><i>LL2: Uncertainty about Total Funding Amount.</i></b></p> <p>A negative lesson learned is that the total funding availability and release timing were not clear for a long time, which made implementation and planning more difficult and subject to variation, as well as negatively impacting on outputs and partner relations in some cases.</p>
<b>Context and any related preconditions</b>	<p>The funding when signing the agreement was for an initial obligation amount of US\$ 1 million, with a possible maximum of US\$ 3 million, whereby the difference of US\$ 2 million was subject to availability of funds.</p>
<b>Targeted users / Beneficiaries</b>	<p>Donor, ILO, all implementing partners and project management.</p>
<b>Challenges /negative lessons - Causal factors</b>	<p>Project management was not able to plan activities for the total period, so the work plan was reduced and appointment of replacement CTA delayed with several months.</p>
<b>Success / Positive Issues - Causal factors</b>	<p>If the total amount is known and fixed, planning can be done more consistently.</p>
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	<p>n.a.</p>

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**Date:** 2 September 2015

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
<p><b>Brief description of lesson learned (link to specific action or task)</b></p>	<p><b><i>LL3: Enhanced Communication between the Implementing Partners and Project Management, and the Building of Trust among them.</i></b></p> <p>Regular and sustained communication between Project Management and the Implementing Partners (IPs) can prevent misunderstandings arising among them because of reduced understanding of each other's up-to-date roles and activities (including the sheer volume of work each one is undertaking). Through regular communication the building of trust is substantially enhanced.</p> <p>Regular communication could typically include quarterly Project Steering Committee meetings; regular bilateral meetings with specific partners, (e.g. two times per month) with the project holder, the trade union and the employers' organizations; and, quarterly handover meetings with the stakeholders at the local level (in pilots, etc.) as well as for example weekly discussions (in person or through the internet/phone) between project implementation units at the local level and the Project Office usually at central level.</p> <p>In a context of a relatively poor understanding of Industrial Relations (IR), it is a good practice (initiated in this case by the project holder with project support) to provide for a discussion platform for monthly open and challenging discussions (no lecturing) thereby building a network of IR practitioners, including tripartite partners, academics, lawyers and students, providing further opportunities for communication and building trust.</p> <p>Designing a communication &amp; media strategy at the outset will enhance the visibility of a project, and, as a matter of priority, include (regular) bulletins with contributions of partners.</p>
<p><b>Context and any related preconditions</b></p>	<p>The implementing partners should have a substantial sense of ownership of the project as was the case in the current project among most of them. The occurrence of changes in staff positions among either the partners or the project management makes it all the more important to have a strategy and an ingrained structure of communication.</p>
<p><b>Targeted users / Beneficiaries</b></p>	<p>All implementing partners, project management, ILO and Donor.</p>



<p><b>Challenges /negative lessons - Causal factor</b></p>	<p>A reduced level of communication negatively impacts on partner relations.</p>
<p><b>Success / Positive Issues - Causal factors</b></p>	<p>Have a good understanding and appreciation of each other's role and activities burden, and enhanced trust among each of the stakeholders.</p>
<p><b>ILO Administrative Issues (staff, resources, design, implementation)</b></p>	<p>n.a.</p>

# Emerging Good Practices Templates

## ILO Emerging Good Practice Template

**Project Title:** Independent Mid-Term Evaluation of a Technical Assistance Project: The Vietnam Labor Law Implementation Project (also known as the Industrial Relations Project)  
**Project TC/SYMBOL:** VIE/12/01/USA

**Name of Evaluator:** Theo van der Loop **Date:** 2 September 2015

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
<b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b>	<p><b><i>GP1: The Minimum Wage Fixing System through the National Wage Council (NWC).</i></b></p> <p>The specific project approach to supporting the National Wage Council is considered a good practice in terms of building evidence-based approaches to decisions; encouraging active participation by social partners, i.e. genuine collective bargaining; encouraging common understanding among tripartite partners on minimum living needs calculations; use of technical specialists to bring international and regional perspectives and lessons to Vietnam for consideration; supporting expert studies on minimum living needs and economic impacts of minimum wage decisions to strengthen NWC voice; and flexibly responding to requests of the NWC.</p> <p>The system of Minimum Wage Fixing through the NWC is a good practice to be replicated elsewhere with the necessary improvements proposed in this report, i.e. to enhance its structural set-up by stimulating and, where possible providing for, a platform for other ministries to become involved so that they can provide inputs in the minimum wage fixing process. In particular, inputs from specific ministries on productivity and macro-economic issues need to be institutionalized.</p>
<b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b>	Vietnam has only one trade union and two main employers' organizations, making negotiations easier than when there are many competing organizations catering for the interests of the workers (as is the case, for example, in Indonesia) and/or for the employers.
<b>Establish a clear cause-effect relationship</b>	A representative system of minimum wage adjustment accepted by all (tripartite) parties reduces considerably the chances for labour conflicts and strikes, which is in the interest of all tripartite partners and of society in general.
<b>Indicate measurable impact and targeted beneficiaries</b>	The yearly minimum wage adjustment itself, and the discussions surrounding it.
<b>Potential for replication and by whom</b>	With the necessary modifications the system or parts thereof can be replicated in any country.

<b>Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)</b>	Minimum wage fixing impacts especially on ILO Vietnam Decent Work Country Programme Outcomes 5 and 6. It also impacts on many of the Areas of Critical Importance (ACI), in particular: 1.Promoting more and better jobs for inclusive growth 4.Productivity and working conditions in SMEs 5.Decent work in the rural economy 6.Formalization of the informal economy 8.Protection of workers from unacceptable forms of work
<b>Other documents or relevant comments</b>	n.a.

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<b>GP Element</b>	<b>Text</b>
<b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b>	<p><b><i>GP2: The Use of Innovative Pilots in Industrial Relations Reform.</i></b></p> <p>The innovative pilots implemented by the project assisted substantially in the practical advances achieved in the new Labour Code and Trade Union Law. This improved policy environment has contributed to the fact that the new pilots in union organizing, representation, CB and SD are now more generally supported and recognized as significant practical demonstrations of change by all partners (while still difficult and challenging). Continued focus on IR reform (including the ratification process of Fundamental Conventions 87/98) and assisting that reform when opportunities arise is important.</p> <p>Linking three different pilot programs on CB and SD for each tripartite partner at the local level within the same province: Mutually support and build synergies between pilots e.g. in Dong Nai in social dialogue. It is particularly useful in responding to the low level of implementation of new aspects of the Labour Code in regard to social dialogue and improved processes of collective bargaining.</p> <p>The crucial element of this approach is collective bargaining and social dialogue based on:</p> <ul style="list-style-type: none"> <li>• Strength and participation of members, including the involvement and active participation of union members, and the way in which the collective strength of union members and of unions is built and increased through the process of collective bargaining,</li> <li>• Skills to organize and undertake collective bargaining,</li> <li>• Methods of communication in a regular way with union members in the collective bargaining process (more than the outcome of collective bargaining).</li> </ul>

<b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b>	An appropriate legislative framework is required, which arrived at in Vietnam especially with the passing of the Labour Code and the Trade Union Law in 2012. The process that led to the acceptance of these laws also led to a great sense of ownership among all partners.
<b>Establish a clear cause-effect relationship</b>	Social dialogue and genuine collective bargaining were almost non-existent before these laws came into being.
<b>Indicate measurable impact and targeted beneficiaries</b>	Measurable impact is possible to be established through keeping count of the number of Collective Bargaining Agreements (CBA), the content and the process of the CBA's, and keeping track of the numbers of and trends in individual and collective disputes including stoppages and non-legal strikes. Beneficiaries are all the levels of the trade union, of the employers' organizations, as well as the enterprises where collective bargaining agreements are/will be negotiated.
<b>Potential for replication and by whom</b>	Especially in countries where social dialogue and collective bargaining has not developed very much yet.
<b>Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)</b>	Industrial Relations Reform impacts especially on ILO Vietnam Decent Work Country Programme Outcomes 5 and 6. It also impacts on many of the Areas of Critical Importance (ACI), in particular: 6. Formalization of the informal economy 7. Strengthening workplace compliance through Labor inspection.
<b>Other documents or relevant comments</b>	n.a.

### ILO Emerging Good Practice Template

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

<b>GP Element</b>	<b>Text</b>
<b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b>	<b><i>GP3: The Building up of a Transition Strategy into a Multi-Donor Support Facility.</i></b> The building up of a transition strategy into a Multi-Donor Support Facility focusing on a follow-up Labour Law Reform preparing for major economic developments, in the case of Vietnam the Trans Pacific Partnership (TPP), the ASEAN Economic Community (AEC), the EU-Vietnam Trade Deal and the APEC.

<b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b>	The scaling-up of donor support for industrial relations reform into a Multi-Donor Support Facility needs to be triggered by major global and/or regional trade negotiations which explicitly have labor law reform in mind, as for example the TPP which has a separate Labor Chapter.
<b>Establish a clear cause-effect relationship</b>	The pressure from international negotiations and from the required levels of compliance to International Labour Standards triggers enhanced commitment of governments and national partners to move towards reforms in the industrial relations area.
<b>Indicate measurable impact and targeted beneficiaries</b>	The acceptance by governments of the agreements including the provisions in the area of industrial relations (e.g. the acceptance of TPP's Labor chapter).
<b>Potential for replication and by whom</b>	Is replicable in each country that is involved in such international trade agreements containing labor provisions.
<b>Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)</b>	Such a transition strategy impacts especially on ILO Vietnam Decent Work Country Programme Outcomes 5 and 6. It also impacts on several Areas of Critical Importance (ACI), in particular: 1.Promoting more and better jobs for inclusive growth 4.Productivity and working conditions in SMEs 5.Decent work in the rural economy 6.Formalization of the informal economy 7.Strengthening workplace compliance through Labor inspection 8.Protection of workers from unacceptable forms of work.
<b>Other documents or relevant comments</b>	Study the example of Myanmar's multi-donor support facility as a good practice.

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- ***Annex 6 provides a complete list of 107 'Project Products', i.e. papers, reports and other documents produced by the IR Project, and these have selectively been reviewed.***