



International
Labour
Organization

► Terms of References

Strengthening Social Security Inspection in Lao PDR

Building Social Protection Floors for All -
Support to the Extension of Social Health
Protection in Asia

March 2024

1. Background

Lao PDR 9th National Socio-Economic Development Plan (NSED) for 2021-2025 sets as a priority inclusive economic growth, benefiting all members of society under the overall objective of graduating from least developed country status. Inclusiveness must be an integral part of growth to reduce the inequality gap and further reduce poverty. At the same time, continued economic growth means that the government's fiscal capacity is expected to improve over the medium to long-term, enabling a gradual creation and expansion of social protection for the most vulnerable groups.

The Government of Lao PDR is therefore committed to gradually aiming for universal coverage in social protection, according to the available resources and the given socio-economic context, and to working towards building a much-needed social protection floor that protects all Lao people from socioeconomic shocks, environmental disasters and vulnerabilities. In April 2020, the Lao government adopted the National Social Protection Strategy (NSPS), to expand on achievements and better address implementation gaps in social protection as well as to prepare for responses to future challenges, the NSPS is directed by its vision, goals and strategic objectives, and is characterized by the different activities prescribed for its implementation. This strategy covers the three pillars of 1) health insurance, 2) social security and 3) social welfare. In December 2021, the Lao government promulgated the Prime Minister Decree on Organizations and Functions of National Social Protection Commission, which will be the leading standing entity for the implementation of the NSPS. The provincial commissions are now being established.

In particular, the Government of Lao PDR (GoL) has demonstrated strong commitment to address the issue of fragmentation of social health protection schemes. In compliance with the Prime Minister Decree 470, and the Law on National Health Insurance, No. 60/NA promulgated on 25 January 2019, the National Health Insurance scheme - integrating the different Social Health Protection schemes - is now implemented nationwide, under the oversight of the National Health Insurance Bureau, Ministry of Health. In this new NHI model, the Lao Social Security Office (LSSO) keeps the mandate of registering formal economy workers and their dependants, and to collect contributions accordingly.

Ensuring compliance of employers and workers with registration to the LSSO is of utmost importance to ensure adequate social (health) protection coverage of the Lao population. There is expectation from the Ministry of Health that promoting compliance with LSSO registration requirements by formal employment business entities will gradually decrease the financial burden of fully subsidizing NHI coverage of workers in the informal economy and their dependents. An increase in social security coverage through improved inspection and enforcement is also in the strong interest of the Ministry of Labour and Social Welfare (MLSW) and worker organisations to ensure that Lao PDR's workforce is better protected against health and other risks that can affect their income and work capacity. Indeed, LSSO also provides income support benefits to mitigate the risk of unemployment, loss of work capacity, maternity, workplace accidents and diseases, old age, and death of a family member.

Compliance has been an area of concerns among the ASEAN Member States when it comes to extending social security coverage. The factors that contribute towards the low level of compliance of social security laws need to be identified. In addition, weaknesses in the capacity of the social security inspection system and its design need to be studied.

Indeed, while actual compliance is first and foremost driven by a mix of incentives (perceived value of social security, Government subsidies etc.) and disincentives (related to taxes, penalties, licencing etc.), the inspection function also has an important role to play to control and ensure that employers and employees comply with their legal obligations. Labour inspection is a public function of labour administration that ensures the application of labour legislation in the workplace. Its main role is to ensure that a country's labour law is being applied through enforcement and the provision of technical information and advice to employers and workers, as indicated in Convention 81. In the world of work, labour inspection is an important instrument of state presence and intervention to design, stimulate, and contribute to the development of a culture of prevention covering all aspects potentially under its purview. The range of regulatory oversight of labour inspection is potentially huge and varies significantly from one country to another, according to national objectives and legislation. The range of topics that labour inspections usually include are occupational safety and health, compensation (payment of wages, overtime, paid leave), working hours, fundamental labour rights, accident investigation and work injury compensation, social dialogue and industrial relations, enrolment with social security and payment of contributions. In addition to more broad labour inspections, social security inspection plays an important role in ensuring compliance with social security laws.

In Lao PDR, the Social Security Law 2018 specifies in a synthetic way the contents and forms of social security inspections. Rights and responsibilities of inspection targets are specified by Laws and national inspection plans, along with measures to ensure advisory services and to apply disciplinary sanctions and fines, where necessary. The Ministerial Decree on social security inspections further details the assignments, qualifications, right, duties and obligations of inspectors; type and methods of inspections as well as the obligations and responsibilities of inspected entities. A Labour Inspection decree has been developed and is pending endorsement by the Prime Minister. It defines the principles, regulations and measures on monitoring and inspection of the implementation of Labour laws and regulations.

The Ministerial Social Security Inspection Decision was promulgated in November 2021 and has been disseminated in the southern provinces. The Legislation Division is in charge of developing the legislative and regulatory framework on social security, but also to monitor and supervise the implementation, and inspect the participation of labour units in the social security scheme. It plays a role of mediator, being responsible for the social security dispute resolution. The next roles of LSSO on inspection is to nominate inspectors, develop the inspection guidelines and related sub-legislations as well as carrying out inspection visits.

In addition, there is one Labour Inspection Division under MoLSW, which also enquires about labour units' compliance with social security, although to a limited extent¹. Labour inspectors of the MoLSW would check whether a business entity is registered with the Social Security Office but not whether payments are done regularly for all employees and workers who should be covered.

Since 2021, the LSSO and the ILO have been working together to build the social security inspection function of the LSSO, so to contribute to better compliance with legal provisions on social security and with the ultimate objective to protect workers' rights with respect to

¹ Inspection questionnaire includes one question on company's registration with LSSO

their social security entitlements. As a result, social security inspections guidelines as well as Standards Operating Procedures were produced. In 2024, the priority is to train a team of nominated social security inspectors and start implementing strategic planning and inspections activities in selected locations. Therefore, the ILO is seeking an experienced expert on social security inspections to provide technical support to the LSSO.

2. Objective of the assignment

The objective of the assignment is to provide technical support to the Lao Social Security Office to plan, prepare and deliver a training on social security inspections, and to put in motion social security inspection interventions.

3. Scope of work/Specific tasks

The international consultant expected to carry-on the following tasks:

Task 1. Develop a comprehensive training curriculum for Lao Social Security Office inspectors, in close collaboration with the LSSO.

The curriculum is expected to cover the following elements:

- Foundational concepts: foundational concepts or theories on inspections, building from the social security guidelines and relevant international conventions;
- Technical contents, knowledge and skills: covering the contents of the LSSO Social Security guidelines and Standard Operating Procedures. This may include the mention of additional technical skills required, such as software proficiency, or soft skills, such as communication or leadership.
- Case studies: case studies, real-world examples, or simulations that help illustrate key concepts and demonstrate how they are applied in practice.
- Interactive activities: such as group discussions, role-playing exercises, or hands-on labs to engage participants and reinforce learning.
- How to train: skills and methodology so the newly trained inspectors are capacitated to train inspectors who will be nominated in the future.
- Assessment and feedback: quizzes, tests, or practical exercises to help evaluate participants' understanding and proficiency.
- Resources: such as readings, videos, or online materials, particularly if available in Lao language
- Summary of key takeaways
- Evaluation: feedback from participants about the training content, delivery, and overall effectiveness to inform future iterations of the curriculum, particularly for ToT purpose.

The training will be based on and will cover the contents of the LSSO Social Security Guidelines and Standards Operating Procedures. These include:

- Principles guiding labour/ social security inspection
- Obligations and Powers of social security inspectors
- Detailed scope of social security inspections
- Methods and standards of inspection
- Setting of social security inspection targets

- Setting of performance measurement indicators for social security inspectors
- How to conduct inspections (preparation, conduct, report, follow-up)
- Classification of offenses and enforcement measures
- Collaboration with Employers and Workers
- Collaboration with other line ministries and relevant departments
- Coordination across authorities, and bodies
- Standards Operating Procedures on planning and preparation of inspections, approval of inspections, execution of inspections, indirect inspection, direct inspection, reporting of findings, and monitoring and evaluation of inspection findings.

Task 2. Deliver a 5-day training in country to a selected team of inspectors, in close collaboration with the LSSO, with the curriculum developed under Task 1, and produce a training manual, for the purpose of Training of Trainers.

The training will include, as far as possible, the use of LSSO data and actual practice.

Task 3. Support the LSSO in producing a 6-month implementation plan for LSSO inspectors to put in practice the newly acquired knowledge.

The consultant will take into consideration the ILO Labour inspection convention, 1947 (No. 81) and accompanying Recommendations 81, the ILO guidelines on general principles of labour inspection (2021), Lao PDR's legal framework, existing guidelines and good practices from other countries.

The consultant will work in close collaboration with the Ministry of Labour and Social Welfare, and particularly with the LSSO. The consultant expected to adopt a methodology of work that encourages active participation, consulting with relevant stakeholders beyond the Ministry of Labour and Social Welfare.

4. Expected products and timelines

- Product 1. Short inception report (5 pages maximum), detailing scope of work and methodology: 15 April 2024
- Product 2. Full curriculum of training on Social Security Inspection, as specified under Task 1: 15 May 2024
- Product 3. Delivery of a training, as specified under Task 2: 30 June 2024
- Product 4. Implementation plan, as specified under Task 3: 15 July 2024

The timeline is indicative and may be adjusted based on consultant and partners availability.

The international consultant will be supported by the National Project Coordinator of the ILO-Luxembourg Social Health Protection project for the screening and compilation of relevant documents and publications, translation and interpretation work and the coordination of meetings with stakeholders. Logistics and costs related to the organisation of the training will be taken care of by the ILO.

5. Required profile

The service provider is required to have the following qualifications:

- University level academic qualifications in social science, social policy, social protection, public administration, international development or other relevant fields
- At least 10 years of demonstrated experiences of relevant work on social security administration, preferably as a part of a social security institution
- Practical experience and knowledge of working on Labour and/or social security inspection
- Ability to adapt to different environment and to propose alternative options and recommendations to suit a specific country context.
- Experience in South East Asia is an added advantage
- Good report writing and communication skills
- Good knowledge of the Lao political, economic and social context is an asset
- Ability to produce high quality deliverables in a timely manner, in English language
- Work in close consultation with the project team and the ILO country office

6. Duration

The work is expected to be conducted in 25 working days, starting from 05 April 2024 to 30 July 2024.

7. Attestation for having adequate medical and accident insurance

The service provider must be aware that the ILO accepts no liability in the event of death, injury, or illness of the staff under the Service provider.

The Service provider must attest that he/she is adequately covered by insurance for these risks.

In no circumstances shall the Service provider be covered by any ILO insurance. It is the Service provider's own responsibility to take out, at their own expense, any personal insurance policies that are considered necessary, including a civil liability insurance policy.

8. Application requirement

Interested candidates are requested to apply by sending an up-to-date CV as well as daily consultancy fees. Interested candidates are requested to send their applications no later than 22nd of March 2024 to Marielle Phe Goursat, Project Manager at goursat@ilo.org, and Oulayvanh Sayarath, National Project Coordinator, at sayarath@ilo.org