



## THIRTEENTH ITEM ON THE AGENDA

**Independent evaluation of the ILO's  
Decent Work Country Programme  
in Indonesia****Introduction**

1. This report presents analysis, findings and recommendations of the independent evaluation of the Decent Work Country Programme in Indonesia, conducted in early 2009.<sup>1</sup> The Decent Work Country Programme is managed and delivered through the ILO Office in Indonesia (ILO Jakarta). The evaluation reviews the ILO's performance during the period 2006–09, when 40 projects were implemented with a total value of over US\$70 million. The evaluation focuses on the ILO's strategic positioning in the country, its approach to setting an ILO agenda, as well as the composition, implementation and evolution of ILO national strategies as they relate to the Decent Work Agenda.
2. The evaluation team used mostly qualitative methods to collect data on the Decent Work Country Programme results. During data collection, the evaluation team reviewed 53 documents, interviewed 125 stakeholders, and conducted direct observation of the ILO's efforts concerning the 2004 tsunami recovery in Banda Aceh.<sup>2</sup>

**History of country programming in Indonesia**

3. The ILO developed its first country programme in Indonesia for the period 2002–03 and the second for 2004–05, and the first Decent Work Country Programme for 2006–10. Over time, the ILO has refined the priorities and better targeted its interventions.
4. The current Decent Work Country Programme has the following three main priorities, which together encompass seven outcomes, 13 indicators and 22 targets:

<sup>1</sup> A full version can be found at: [www.ilo.org/eval/lang--en/index.htm](http://www.ilo.org/eval/lang--en/index.htm) [2 October 2009].

<sup>2</sup> On 26 December 2004, a 9.0 magnitude earthquake occurred off the Indonesian island of Sumatra. The earthquake triggered a tsunami that affected a stretch of land 500 kilometres long and 2–6 kilometres wide along the west and north coasts of Aceh, killing 168,000 people.

- Priority A: Stopping exploitation at work – this priority focuses primarily on the more effective application of policies and laws to reduce the worst forms of exploitation, in particular of girls and boys, young women and men, domestic and migrant workers, in all spheres of work.
  - Priority B: Employment creation for poverty reduction and livelihoods recovery, especially for youth – this priority focuses on pro-poor growth, investment and employment.
  - Priority C: Social dialogue for economic growth and principles and rights at work – this priority focuses on strengthening the institutional capacity of constituents to effectively implement a legal framework within which labour rights can be promoted and enjoyed.
5. It also includes three cross-cutting issues: the effective dissemination of information on the prevention of HIV and AIDS in formal and informal workplaces; the effective implementation and monitoring of occupational safety and health; and the improvement of social protection.

## **Findings and recommendations**

### **Resource mobilization**

6. Technical cooperation (TC) projects are the primary means of ILO action to address the Decent Work Country Programme priorities. While the ILO has a portfolio of projects totalling over \$70 million in Indonesia only a relatively small amount of extra-budgetary TC funding has been available for social dialogue (priority C). As a result, only limited work has been done on labour market flexibility and job security through bipartite cooperation. Additional funding could be used to build tripartite capacity to work towards this outcome.

### **Recommendations**

7. Recommendation 1: The ILO should develop, in close cooperation with its tripartite constituents, two explicit, formal plans: one to develop the separate capabilities of each of the three groups – with special attention to developing the capacities of workers' organizations – and a second to strengthen social dialogue among the three groups and with the ILO.
8. Recommendation 2: The ILO should increase its efforts to fund activities to enhance social dialogue, while recognizing the difficulties involved.

### **Decent work country programming**

9. The ILO had an active project portfolio when the Decent Work Country Programme began in 2006. It was necessary to integrate that portfolio into the Programme. To a great extent, the project portfolio defined the priorities of the Decent Work Country Programme. In the future, the Programme should define the project portfolio.
10. The evaluation team found that of the five key TC projects four were devoted to supporting different Decent Work Country Programme outcomes. As a result, there was little opportunity to create synergy among the projects.

11. An important part of the justification for seeking and managing TC projects is that the ILO's policy advice can be enhanced by lessons learned at the service delivery level. It was not possible for the evaluation team to assess exactly how much learning is being transferred from the operational level to the policy level, but respondents across different settings believe more can be done.
12. Finally, many of the stakeholders whom the evaluation team interviewed asked why the ILO recruited mainly foreign experts to manage key TC projects. They pointed to the head of the child labour project as evidence that national staff could fill these important roles quite effectively. They noted that hiring nationals would be advantageous in terms of personal networks, long-term continuity, potential for sustainability of the efforts, capacity building, and language skills.

### **Recommendations**

13. Recommendation 3: In the next Decent Work Country Programme, all TC projects should be structured to develop synergy in support of all its outcomes. In practical terms, this means that each project or cluster of activities should address multiple Decent Work Country Programme outcomes.
14. Recommendation 4: The ILO should develop an explicit plan for learning lessons at the operational levels of its key TC projects and sharing those lessons with various audiences at the policy level. While this plan may vary slightly from one project to another, the general principles and procedures should be consistent across all projects.
15. Recommendation 5: The ILO should take steps to seek, coach and hire qualified and experienced national staff for project management positions.

### **Programme delivery**

16. The ILO effectively uses the resources that it mobilizes in support of the Decent Work Country Programme. In 2007, the delivery rate was 76 per cent.
17. The tsunami recovery efforts in Aceh earned the ILO the respect of its strategic partners at the country level. Both national and international partners recognize the ILO's past work. Donors who have funded projects often return to fund additional projects. The Government of the Netherlands recently allocated US\$22 million for the project "Education and Skills Training for Youth Employment in Indonesia" (EAST), making it the largest project implemented by the ILO in Indonesia.

### **Recommendation**

18. Recommendation 6: The ILO Office in Indonesia should share its expertise in mobilizing extra-budgetary technical cooperation funding and in achieving high delivery rates within the region and with the rest of the ILO.

### **Gender equality**

19. Gender equality is a fundamental component of decent work. Gender-based discrimination is a persistent concern in Indonesia's sex-segregated labour market. The ILO Office in Indonesia reports that women earn on average 75 per cent of what their male counterparts earn; the situation has not changed since 2001.

20. A substantial proportion of women are engaged in highly vulnerable work in the informal economy and in manufacturing parts of global supply chains. They face fewer opportunities for employment, poor conditions of work and pay, sexual harassment, poor access to finance, and higher risk of HIV/AIDS.
21. The ILO has actively pursued the most critical elements of mainstreaming gender equality into its project operations. This has resulted in notable progress in the area of programming and project implementation.
22. Constituents consider however that success in raising awareness of gender equality and building capacity in this area has been limited. They expect the ILO to do more to develop a more enabling environment regarding gender equality issues, particularly in workers' organizations by supporting them to promote and encourage more women to be active in their organizations.

### **Recommendation**

23. Recommendation 7: The ILO in Indonesia should dedicate resources and backstopping arrangements should be made to enhance efforts to build gender competence among ILO programmes, projects and partner organizations, specifically in the use of ILO tools for gender mainstreaming and gender-specific measures. The ILO Office in Indonesia should also enhance partnerships with media organizations to promote gender issues.

### **Decent Work Country Programme results**

24. The evaluation team used four different methods to assess Decent Work Country Programme results: (1) qualitative data collected from ILO staff in Indonesia; (2) qualitative data collected from constituents and partners; (3) findings from previous evaluations of relevant TC projects; and (4) progress on the Programme's indicators and targets. This permitted findings derived from one method to be validated using a different method, thus enhancing their credibility. All four perspectives showed positive achievements.
25. First, the ILO in Indonesia highlights its work with disaster recovery in Aceh and Yogyakarta; migrant workers; child labour and education; youth employment; new labour laws; the expansion of TC project funding; more and better use of the media; the development of the employers' organization; policy development in several areas; and increased awareness of the concept of decent work. On the other hand, it accepts that there is more to do in order to build and sustain the capacities of workers' organizations.
26. Second, tripartite constituents, government officials, other partners, donors, and UN partners agreed that the ILO succeeded in its tsunami recovery efforts in Aceh, did very useful policy research, had excellent publications, and was influential with its policy advice. The evaluation team heard numerous examples of incorporating ILO advice into the planning, policies and draft legislation of various organizations.
27. The evaluation team also heard strong support for specific TC projects (child labour and migrants' projects most frequently) and that the visibility of the concept of decent work has been raised. Implementation of the core labour Conventions has accelerated and excellent training sessions and materials have been provided. Lastly, the capacity of various organizations (Ministry of Manpower and Transmigration, the employers' organization, some workers' organizations, the National Development Planning Agency, and the new National Migrant Agency) has been developed.

28. Third, the evaluation team analysed reports for eight project evaluations conducted during the period 2006–08. Six of the reports were final evaluations and two were mid-term evaluations. In most cases, the evaluations found that projects were efficient and effective. However, in one report, the evaluators questioned the potential of the project to contribute to the Decent Work Country Programme. The low number of evaluations conducted would suggest that in Indonesia, the ILO’s practice of monitoring and evaluation is weak and should be reinforced.
29. Fourth, the evaluation team analysed 27 data elements needed to determine progress on the 22 targets of the Decent Work Country Programme. Half the targets have been achieved to date; seven targets (32 per cent) have not yet been achieved, but most appear to be in process; and for the remaining four targets (18 per cent) no data are available, making it difficult for programme managers to improve effectiveness.

### **Recommendation**

30. Recommendation 8: A small monitoring and evaluation advisory group should be formed by the ILO Office in Indonesia with one or two representatives each from the ILO and the tripartite constituents. This group might meet quarterly to review progress on Decent Work Country Programme outcomes and to generate practical suggestions for improving performance in the future.

### **Managing for results**

31. The concepts and practical tools of results-based management have not been fully assimilated by the ILO Office in Indonesia. This may be due to a reluctance to give up ongoing activities; lack of useful guidance and feedback from headquarters; concern over the paperwork involved; a preference for other approaches; and an incomplete understanding of the approach. In any event, results-based management and its important elements have yet to take hold in the ILO in Indonesia:
- Logic models are not used to develop strategies for achieving the Decent Work Country Programme outcomes. All projects have logical frameworks, but not the Programme, and the more current (and now required) concept of logic models is unfamiliar.
  - The indicators, baselines, targets and milestones that are included in the Decent Work Country Programme document and supplementary documents do not reflect a sound understanding and good practice of results-based management concepts.
  - There is compliance with the required outcome reporting. However, the reported information is, in the opinion of the evaluation team, of questionable value.
32. Without technically sound data on outcomes and what outputs and activities lead to their achievement, it is difficult to understand objectively what works in different situations. In other words, it is not possible to develop outcome-based lessons learned.
33. Results-based management is also a high priority for the Indonesian constituents. Many respondents from the government, the employers’ organization, workers’ organizations and donors commented that outcomes were important and that “they [the ILO] need to measure results better” and “we want more reports on results, not just activities”. Frequent comments indicated that outcome-focused monitoring and evaluation was important both to them and to their own audiences, that the ILO should do a better job in this arena, and

that they would like to be included in the planning and design of any system the ILO would develop.

### **Recommendation**

34. Recommendation 9: The ILO in Indonesia should renew its commitment to results-based management and participate in the Office-wide effort to adopt its principles into programme and project functioning. Specifically, the indicators, baselines, targets and milestones in the Indonesia Decent Work Country Programme should be refined so that progress towards its outcomes can be reported to programme managers, staff and tripartite constituents.

### **Lessons learned**

35. The evaluation team identified a number of lessons that could be applied to other Decent Work Country Programmes:
- It would be good practice to consider the implications of country offices establishing strategic partnerships with groups other than tripartite constituents. The evaluation team realizes that this issue will necessarily be country specific, but nonetheless urges the ILO to consider some general principles.
  - It would be good practice for ILO country offices to replicate the entrepreneurial approach to mobilizing extra-budgetary technical cooperation funding and the strong work ethic that the ILO brings to project implementation in Indonesia.
  - It would be good practice for the ILO to determine the ideal mix of TC projects in terms of maximum number, size and complexity that can be efficiently managed at any given time.
  - It would be good practice for ILO country offices to designate and to fund a centralized focal point for monitoring progress toward Decent Work Country Programme and project outcomes.

### **Conclusion**

36. In spite of the challenging environment in which it works, the ILO in Indonesia has done well. Indonesia has ratified 18 Conventions, including all of the fundamental Conventions, and the ILO has earned a recognized comparative advantage and a solid reputation as the best source in the country for policy advice regarding labour issues. It has maintained social dialogue among its tripartite constituents through difficult times, and it has expanded its partnerships to include several other agencies of the Government of Indonesia beyond the traditional Ministry of Manpower and Transmigration. National constituents, donors, international development agencies and the media all acknowledge that the ILO is an important player in Indonesia.
37. During the period covered by this evaluation, 17 different donors contributed over US\$70 million for 40 separate TC projects. The ILO staff members are well regarded for their expertise and ability to implement projects.
38. The ILO in Indonesia has some demonstrable achievements, both quantitative and qualitative. The concept of decent work is more visible than before. Policy advice is often woven into legislation and regulations. The capabilities and operations of constituents'

organizations have been improved. At the local level, various TC projects are directly contributing to improving the lives of child labourers, migrant workers, victims of natural disasters, unemployed young people and other vulnerable groups.

39. However, as impressive as these achievements are, they owe relatively little to the existence of a Decent Work Country Programme in Indonesia. Even though the ILO developed a country programme document before one was officially required, the value of an overarching programme-level strategy that supersedes individual projects has not been fully accepted. In reality, the Decent Work Country Programme is more a collection of separate TC projects than a comprehensive strategy at a higher conceptual level. The evaluation team believes that, as positive experiences are gained with the Decent Work Country Programme, this situation will begin to change.

40. The evaluation's recommendations are recapitulated below:

- Recommendation 1: The ILO should develop, in close cooperation with its tripartite constituents, two explicit, formal plans: one plan to develop the separate capabilities of each of the three groups – with special attention to developing the capacities of workers' organizations – and a second plan to strengthen social dialogue among the three groups and with the ILO.
- Recommendation 2: The ILO should increase its efforts to fund activities to enhance social dialogue, while recognizing the difficulties involved.
- Recommendation 3: In the next Decent Work Country Programme, all TC projects should be structured to develop synergy in support of all its outcomes. In practical terms, this means that each project or cluster of activities should address multiple Decent Work Country Programme outcomes.
- Recommendation 4: The ILO should develop an explicit plan for learning lessons at the operational levels of its key TC projects and sharing those lessons with various audiences at the policy level. While this plan may vary slightly from one project to another, the general principles and procedures should be consistent across all projects.
- Recommendation 5: The ILO should take steps to seek, coach and hire qualified and experienced national staff for project management positions.
- Recommendation 6: The ILO in Indonesia should share its expertise in mobilizing extra-budgetary technical cooperation funding and in achieving high delivery rates within the region with the rest of the ILO.
- Recommendation 7: The ILO in Indonesia should dedicate resources and backstopping arrangements should be made available to enhance efforts to build gender competence among ILO programmes, projects and partner organizations, specifically in the use of ILO tools for gender mainstreaming and gender-specific measures. The Office in Indonesia should also enhance partnerships with media organizations to promote gender issues.
- Recommendation 8: A small monitoring and evaluation advisory group should be formed by the ILO Office in Indonesia with 1–2 representatives each from the ILO and the tripartite constituents. This group might meet quarterly to review progress on Decent Work Country Programme outcomes and to generate practical suggestions for improving performance in the future.
- Recommendation 9: The ILO in Indonesia should renew its commitment to results-based management and participate in the Office-wide effort to adopt its principles

into programme and project functioning. Specifically, the indicators, baselines, targets and milestones in the Indonesia Decent Work Country Programme should be refined so that progress towards its outcomes can be reported to programme managers, staff and tripartite constituents.

## Comments from the Office on the evaluation

41. The Regional Office for Asia and the Pacific (Regional Office) welcomes the independent evaluation of its largest and most dynamic country programme in the region.
42. The Regional Office endorses the findings that the ILO in Indonesia has done very well despite the challenging environment and takes in particular note of the recognition by the independent evaluators of the “demonstrable achievements, both quantitative and qualitative” that have been amassed through the ILO contribution in Indonesia. As recognized in the report, through its work and contribution, the ILO has earned “a solid reputation as the best source in the country for policy advice regarding labour issues. It has maintained social dialogue among its tripartite constituents through difficult times, and it has expanded its partnerships to include several other agencies of the Government of Indonesia beyond the traditional Ministry of Manpower and Transmigration”.
  - The Regional Office therefore strongly supports recommendation 6. In addition, there are many other aspects of the ILO programme in Indonesia that can be considered as good practices for replication throughout the ILO, as recognized in the report, including the influence that the ILO and the social partners have had in policy-making on labour and employment issues in the recent Government of Indonesia’s economic stimulus package; the innovative new strategic partnerships that have been established; and the strength of the country office’s media relations in enhancing these strategic partnerships.
  - As a follow up to the ILO Declaration on Social Justice for a Fair Globalization and with support from the Bureaux for Employers’ and for Workers’ Activities, the Regional Office and ILO Jakarta will take into account recommendations 1 and 2 on the need to strengthen the capacity of constituents with special focus on workers’ organizations. Mobilizing donor support in the area of social dialogue is recognized as being difficult. One possible TC project in Indonesia that could help further enhance the capacity of the social partners is the Better Work programme which will be imminently developed for the garment industry directed at improving labour standards and enterprise performance including capacity building for the social partners.
  - Mindful of the constant need to improve the synergy between TC programmes and the Decent Work Country Programme outcomes, and the need to document lessons learnt from the operational level up to the policy level, the Regional Office endorses recommendations 3 and 4. Implementation of these recommendations will help improve the coherence and ideal mix of TC projects for future Decent Work Country Programmes. The recommendations provide a framework for the required collaboration by different ILO units to support the achievement of desired results in an integrated manner. The Regional Office and ILO Jakarta would welcome information on any good practices of other regions in regard to the coherence and synergy between TC projects and Decent Work Country Programmes.
  - Regarding recommendation 5, the Regional Office will seek guidance from the Human Resources Development Department on how better consideration can be given to national candidates for positions with high-level technical responsibilities.



- Concerning recommendation 7, the Regional Office and ILO Jakarta will look into modalities to mobilize resources and promote ILO tools on gender equality mainstreaming to enhance efforts to build gender equality competence among ILO projects, programmes and partner organizations in the region. The Regular Budget Supplementary Account (RBSA) may provide opportunities in this regard.
  - As for recommendations 8 and 9, the Regional Office will seek to further improve the managing-for-results aspect of the Decent Work Country Programme in Indonesia and will move forward to strengthen the capacity of ILO Jakarta in terms of results-based management. It should be noted that the Regional Office since early 2007 has put in place a monitoring mechanism of Decent Work Country Programmes and a regional evaluation network to support the development and implementation of a monitoring and evaluation mechanism in the region. The evaluation demonstrates that the results-based management principles as defined in the *ILO's Guidebook on Results-based Management* are still a relatively new concept in the office. The Regional Office will continue to improve support to country offices with guidance from headquarters in developing results-based Decent Work Country Programmes. The Regional Office will also continue to design and conduct the necessary training in results-based management and in monitoring and evaluation for staff and constituents.
43. In summary, the recommendations and comments in the evaluation report will provide the basis for the development of the next Decent Work Country Programme for Indonesia and will be a guide as to how the development and implementation of such programmes within the region may be further improved. The Regional Office strongly endorses the importance of independent evaluations and looks forward to a significant involvement in future exercises to ensure the independent evaluation team has access to all relevant information, consults all concerned stakeholders and the evaluation methodology is fully understood by all involved prior to the start of the exercise. In this respect, the Regional Office notes that the evaluation methodology could have been more focused on the substantive challenges and achievements of the Indonesia Decent Work Country Programme and how the ILO and the constituents could learn from the experiences of Indonesia.

## Tripartite constituents' comments

44. The following statement was prepared based on the discussions at a tripartite-plus meeting held on 2 September 2009 to consider the draft evaluation report on the Decent Work Country Programme. The statement has been adopted by the Indonesian Employers' Association and the four main workers' organizations in Indonesia:
- The tripartite constituents of the ILO in Indonesia welcome the evaluation of the Indonesia Decent Work Country Programme. The current Programme has provided valuable support to the development of Indonesia in the field of decent work, with important results and progress on key subjects. This work needs to continue in a Decent Work Country Programme for 2011–15, based on clearly identified needs and priorities, based on tripartite feedback.
  - The Decent Work Country Programme for Indonesia is the joint responsibility of the ILO, reinforced by joint implementation among the tripartite constituents.
  - We acknowledge that ILO Jakarta has made enormous efforts in bringing technical cooperation projects and other programmes to Indonesia. The ILO is encouraged to document and share the lessons and best practices of the work over the past years, in

order for others to learn from this work and the projects. For example, the Roads' Project in Aceh and Nias might be replicated in other areas in Indonesia.

- The Government of Indonesia through its National Planning Board is starting to mainstream decent work for national full employment in its development plan for the next five years. The Ministry of Manpower and Transmigration is incorporating decent work in its strategic planning that needs to include an operationalization and targets at the provincial and district level in the context of the decentralization of government responsibilities. Further assistance from the ILO will be needed to ensure that the Government can lead the planning and implementation of decent work in Indonesia.
- While the ILO is engaged in an impressive programme of activities targeted at the tripartite constituents, coordination with, and among, the tripartite constituents needs to be improved. More joint-tripartite activities are called for, in order for ILO constituents to learn from each other and synergize their activities. This in turn will further enhance the support from the tripartite partners to the Decent Work Country Programme.
- We urge ILO Jakarta to further strengthen its programme of work in the field of social dialogue, with an emphasis on working more at the workplace level.

45. The Government of Indonesia endorsed the evaluation report in the following terms:

- The Government of Indonesia welcomes the evaluation of the Indonesia Decent Work Country Programme. The current Programme has provided support to the development of Indonesia in the field of decent work. This work needs to continue in a Decent Work Country Programme for 2011–15, based on clearly identified needs and priorities.
- The Government acknowledges that ILO Jakarta has made enormous efforts in bringing TC projects and other programmes to Indonesia. The ILO is encouraged to document and share the lessons and best practices of the work over the past years, in order for others to learn from this work and the projects.
- While the ILO is engaged in some programmes which have been consulted with constituents, coordination with, and among, the tripartite constituents needs to be improved. More joint-tripartite activities are called for, in order for ILO constituents to learn from each other and synergize their activities. This in turn will further enhance the support from the tripartite partners to the Decent Work Country Programme.
- The Government urges ILO Jakarta to further strengthen its programme of work in the field of social dialogue, with an emphasis on working more at the workplace level.

46. The agreement on the statement was facilitated by Dr Komara Djaja from the Coordinating Ministry of Economic Affairs. The tripartite constituents party to the statement are:

- the Ministry of Manpower and Transmigration;
- the Indonesian Employers' Association (APINDO);
- four main workers' organizations in Indonesia, namely:

- Confederation of Indonesian Prosperity Trade Union (KSBSI);
- Confederation of Indonesian Trade Union – CITU (KSPI);
- Confederation of All Indonesian Trade Union (group I) (KSPSI);
- Confederation of All Indonesian Trade Union (group II) (KSPSI).

***47. The Committee may wish to recommend that the Governing Body request the Director-General to take into consideration the findings, recommendations and lessons learned from the independent evaluation of the Decent Work Country Programme in Indonesia 2006–09, in the preparations of the next Decent Work Country Programme for Indonesia.***

Geneva, 19 October 2009.

*Point for decision:* Paragraph 47.