

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: RSGS

<b>TA No. and Name</b> 5887-REG: Strengthening the Role of Labor Standards in Selected DMCs		<b>Amount Approved:</b> US\$400,000	
		<b>Revised Amount:</b>	
<b>Executing Agency:</b> ADB (SOCD of OESD, then RSPR of RSDD) and ILO	<b>Source of Funding:</b> TASF / Norway TA Grants	<b>TA Amount Undisbursed</b> \$784	<b>TA Amount Utilized</b> \$399,216
<b>Approval</b> 23 December 1999	<b>Signing</b> 9 Nov. 2000	<b>Fielding of Consultants</b> February 2001	<b>Completion Date</b> <b>Original: 30 April 2001    Actual: 31 December 2004</b>
			<b>Closing Date</b> <b>Original: 30 April 2001    Actual: 15 April 2005</b>

### **Description (Background and Rationale)**

Many of the Asian Development Bank's (ADB) developing member countries (DMCs) have recognized the need to provide access to employment under acceptable conditions. The application of labor standards contributes to economic and social progress. The ADB's overarching goal of poverty reduction and its strategic development objectives of economic growth, improving the status of women, and human development are closely linked to the improvement of the conditions of the poor of the Asia and Pacific region. The poor are mainly the working poor, most of whom are informal sector workers. The majority are women and children forced to work often under hazardous and harmful conditions. The improved implementation of selected labor standards, especially core labor standards, can help in gradually eliminating the worst forms of child labor, improve the conditions for women's employment, and improve occupational safety and health for workers in small-scale enterprises.

The International Labour Organization (ILO), which is a specialized agency of the United Nations system, is committed to the attainment of social justice through the promotion of decent work with its strategic components of International Labor Standards, employment, social protection, social dialogue and cross-cutting gender issues, in order to enable men and women to have decent and productive work in conditions of freedom, equity, security and human dignity.

In ADB's view, poverty is characterized by a lack of access to essential goods, services, assets, and opportunities to which every human being is entitled. However, in the context of international labor standards, one of the main challenges is to demonstrate that failure to respect labor standards places an economic obstacle in the way of development in the ADB's Developing Member Countries (DMCs). If ADB is to take account of these standards in its work, it must be on a sound economic basis and not just a social imperative.

### **Objectives and Scope**

The goal of the TA was to strengthen the role of labor standards for sustainable economic and social development in ADB's DMCs. The purpose was to help the DMCs and ADB to address key labor standard issues in development interventions assisted by ADB, as well as in their overall development.

The specific objectives were as follows: (i) Increase awareness of key policy makers in the DMCs, NGOs, and the private sector, regarding the economic and social implications of the non-implementation of labor standards; (ii) Improve the capacity of policy makers in DMCs and ADB staff to prepare and implement projects, that would (a) move children from the worst forms of employment and to school, (b) improve employment for women, and (c) reduce occupational safety and health hazards; and (iii) enable ADB staff at headquarters and country levels to address the issues of poverty reduction, child labor, gender discrimination in employment, and occupational safety and health issues by strengthening the implementation of relevant labor standards in ADB-assisted developmental interventions.

The objectives of TA were relevant and appropriate, although very broad. The implementation would have been more meaningful if the focus would have been only on core labor standards instead of a mixed package of core and non-core labor standards. Country studies were focused on Bangladesh, Nepal, the Philippines and Thailand which were appropriate countries. The planned activities included collection and analysis of information; preparation of handbooks; a two-day national workshop in each selected DMC; preparation of regional reports related to the three labor standards; preparation of the Regional Framework and Action Plan for ADB and its DMCs; and a two-day regional seminar to be held at ADB's headquarters in Manila for DMCs, staff of national Project Advisory Committees(PACs), international agencies, trade unions, employers' organizations, private sector, NGOs, and ADB staff. The workshops were highly relevant and useful, and they produced useful materials for the capacity building of DMC and ADB staff.

### **Evaluation of Inputs**

The TA utilized 10 person-months of international consultants and 63 person-months of domestic consultants as compared to originally estimated 8 person-months and 41 person-months respectively. The increase in person-months was mainly caused by the inclusion of two additional core labor standards into the project in 2003. A contract was signed with the ILO on 9 November 2000 to assist in undertaking project activities.

The TA was implemented initially by the Office of Environment and Social Development (OESD) in its Social Development Division (SOCD) and was later transferred to the Regional and Sustainable Development Department (RSDD), in collaboration with other ADB departments. An informal working group drawn from the Task Force on Social Protection Framework, Office of the General Counsel (OGC), and the Poverty Unit, among others gave an additional input for supervision before ADB's reorganization in 2002.

The ILO was the Executing Agency (EA). The performance of ADB and the EA was satisfactory. The work of the two individual consultants was rated as satisfactory and excellent, and all the planned inputs were achieved.

In addition to ADB's financial inputs, the ILO provided in kind contribution to the project. The Government of Norway provided a grant of \$100,000. The project beneficiaries were satisfied with the provided inputs based on the feedback received from national and regional workshops.

### **Evaluation of Outputs and Outcomes**

The implementation of the TA coincided with major organizational and policy related reforms in ADB. The project started during the "old" ADB, and was finished by the "reorganized" ADB. The approval of ADB's Social Protection Strategy in 2001 made ADB's compliance with Core Labor Standards (CLS) compulsory. Therefore two "missing" CLS (freedom of association and the right to collective bargaining, and the elimination of all forms of forced or compulsory labor) were added to the TA implementation. This prolonged implementation time from the originally planned 17 months to 61 months.

The TA produced all the required outputs with two additional CLS comprising (i) three regional studies analyzing labor standard issues in four Asian DMCs, and reports on current good practices in three areas: (a) child labor, (b) gender discrimination in employment and occupation, and (c) occupational safety and health; (ii) four national workshops; (iii) a two-day Regional Workshop on Labor Standards held in ADB Headquarters on 18-19 September 2002; and (iv) a Core Labor Standards Handbook. The Regional Framework and Action Plan for ADB and its DMCs was incorporated as an appendix in ADB's Social Protection Strategy.

Some of the outputs were accomplished in a different form than planned. The original plan was to produce three handbooks covering the TA's topic areas (child labor, gender, and occupational safety and health). However, ADB's Social Protection Strategy (2001) was approved during the implementation of the TA, and it made the compliance of CLS mandatory in ADB's loans. Therefore the ILO's original draft Handbook on Labor Standards from May 2003, which contained the three earlier mentioned "handbooks" as one Handbook, was expanded to include the two missing Core Labor Standards, i.e. freedom of association and the right to collective bargaining, and the elimination of all forms of forced or compulsory labor. An individual consultant was hired to produce the final Handbook (see point (iv) in the previous paragraph).

Along with the implementation of this TA, two ADB publications on street children were produced in 2003 to strengthen the child labor component of this TA. These two publications were "At the Margins - Street Children in Asia and the Pacific" and "Working with Street Children - Exploring Ways for ADB Assistance."

The most important outcome of this TA is the publication: "Core Labor Standards Handbook." Finalizing this publication has taken additional time not only due to the additional two CLS, but because the revision of ADB's Poverty Reduction Strategy affected the country programming cycle, requiring a revised description of how to integrate core labor standards in ADB operations, and increased editing work.

Besides the capacity building of major beneficiaries in the selected four DMCs through the national and regional workshops, the regional reports and other materials presented in the regional workshop in September 2002 have helped ADB staff to familiarize themselves with international labor standards. Feedback from the capacity building exercises was positive.

### **Overall Assessment and Rating**

The TA was successful.

### **Major Lessons Learned**

A Memorandum of Understanding between the ILO and ADB was finalized in May 2002, and actually led to delays in TA implementation due to complex contractual arrangements. ADB has now prepared a model contract for UN agencies that should improve future collaboration. The preparation of clear work plans with mutually agreed outputs and indicators, monitored regularly, would also have improved ADB-ILO collaboration during TA implementation.

### **Recommendations and Follow-Up Actions**

The TA activities focused mostly on capacity building and producing relevant reference materials for ADB staff and DMCs on CLS and their role in developmental interventions. The major focus has been on the design stage of ADB projects. An additional study on the relevance of labor standards in general, and on how they have been taken into consideration in past projects, would have been beneficial to this project.

Because compliance with CLS is now mandatory in ADB operations, staff require tools to ensure that this is accomplished. Consequently, preparation of a handbook on sample loan assurances and covenants, and on bidding clauses would be a useful follow-up activity.

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