

Productivity Ecosystems for Decent Work

Mid-term evaluation – ILO Management Response

► Background

In line with ILO Evaluation Guidelines, the Productivity Ecosystems for Decent Work programme funded by SECO and NORAD and implemented by the ILO Enterprises and Employment Departments has undergone an independent mid-term evaluation between February and June 2024. Following a competitive bidding process, led by an Evaluation Manager without any links to the programme, The Canopy Lab was contracted to conduct the evaluation to assess progress and generate lessons for the three pilot countries and future projects interested to adopt a Productivity Ecosystems for Decent Work approach.

Representatives from SECO and NORAD at Headquarters and country-levels have been interviewed as part of the evaluation and provided comments to the draft evaluation report. A comment log-sheet has been provided detailing how the evaluators have responded to the comments provided by donors and other stakeholders. The final report has been submitted to donors on June 6th 2024.

In line with ILO Evaluation Guidelines, this document outlines how the ILO intends to respond to the findings and recommendations from the evaluation team.

► General appreciation of the evaluation findings

The mid-term evaluation presents a critical opportunity for the ILO to leverage independent external expertise to assess the project's relevance, efficiency and effectiveness, ultimately enhancing project outcomes. This is particularly important for a pilot programme that for the first time is implementing a Productivity Ecosystems for Decent Work approach with the object to establish "proof of concept". The evaluation's findings come at an opportune moment with sufficient time elapsed to assess the early results and effectiveness of the approach and with sufficient time remaining in phase I to adjust the project strategies based on the recommendations. Furthermore, the lessons learned and emerging good practices have broader implications for ILO private sector development projects.

Overall, The Canopy Lab executed the evaluation professionally and delivered within the agreed timeframe. Three separate consultants assessed the three country components through desk review and field visits coordinated by a lead consultant. All involved stakeholders were interviewed and it is evident that their views are reflected in the final report. Given the complexity of the interventions, it was a challenge for the evaluators to give equal consideration to all interventions by the programme, and as a result, some work, for example the extensive work with National Statistics Offices on better measurement of productivity, received little

recognition in the report. Some of the recommendations are somewhat broad and generic and the programme will propose how to make them more specific in their implementation.

The ILO particularly appreciates the following findings from the evaluation:

- **Relevance:** The programme as a whole, and three country pilot projects are seen as highly relevant to, and consistent with, national and tripartite actors and their priorities, and interviewed stakeholders were able to articulate this relevance. This relevance is attributed to the fact that the projects were designed and are being implemented in collaboration with these stakeholders.
- **Effectiveness of management arrangements:** The programme's management arrangements are effective but also have room for improvement. For the most part, time frames and workplans are adhered to across the three countries. The advisory committees at the global level and in Ghana and South Africa are working effectively and are considered useful. The M&E system is considered appropriate and straightforward to use, although it is a work in progress, and could be used to better communicate with donors and project partners.
- **Efficiency of resource usage:** The programme does make efficient use of its financial and human resources, but staffing could be optimized.
- **Impact and sustainability:** There are early signs of the programme's potential impact. At the macro-level (Outcome 1), there are encouraging signs of national ownership and changes in policies, although the impact of these policies cannot yet be seen. At the meso-level (Outcome 2), the country projects have made various inroads, but the effectiveness of sector-level interventions remains unclear. At the micro level (Outcome 2), there have been tangible improvements in efficiency in supported enterprises.

The table below lists all recommendations in the report and the ILO's responses.

► Response to evaluation recommendations

The evaluators have formulated the following recommendations below – eight for the overall global programme, six for Ghana and South Africa and seven for Viet Nam. The following table outlines how the programme intends to respond to the recommendations. Where the country-recommendations repeat the global recommendations we added a corresponding reference and avoid duplicative answers.

No	Recommendation	ILO Management response	ILO Action	SECO Comments
1	<p>Mainstream gender inclusion and non-discrimination through sector selection: During design stage, in future country projects, choose sectors for project interventions that already include women (and potentially other marginalised groups, such as PWDs). Because sectors are chosen through tripartite dialogue, influencing the choice to include sectors that already include women and marginalised groups will likely require advocacy by the ILO and gender and equality champions within the other tripartite groups. The ILO must accept that ultimately, they have limited control over the outcome of sector selection. The design can be flexible depending on the difficulty of enhancing/achieving gender inclusion in a particular sector. In existing projects, the teams would benefit from using the programme's financial resources to bring in more capacity (e.g. consultants) to better integrate gender within the programme, potentially even going beyond gender mainstreaming to having targeted interventions.</p> <p>In addition, the programme should clarify within ILO, PACs, and donors to what extent it is feasible to integrate activities specifically targeted at people with disabilities in the programme design, because of the programme resource constraints.</p>	Accepted with reservations – integration of gender equality should be strengthened, though sector selection is a complex process where gender is just one of several criteria	<p>From an ILO point of view, the recommendation's perspective on "gender inclusion" through sector selection is limited. Sectors with a high representation of women workers tend to be those with low(er than average) productivity, high informality, and low job quality. There is thus a trade-off between selecting such sectors, although these are unlikely to be the engines of structural transformation, and/or selecting sectors where women are (not yet) as represented but that have high potential for growth, decent job creation etc. and then working to get more women into those sectors. Cognizant of these trade-offs, the productivity ecosystems approach looks at selecting a portfolio of sectors in a target country, i.e., a mix of sectors with high growth potential (with a view to promoting inclusive structural transformation) and sectors with high employment rates (with a view to improving working conditions, productivity and transitions to higher value adding segments of the economy). This trade-off is a complexity that has been factored into the sector selection process but is also a complexity that is not resolved with sector selection alone. In practical terms, the following actions are proposed:</p> <ol style="list-style-type: none"> 1. The programme will hire a consultant with gender equality expertise in 2024 to train staff and advise projects how to better mainstream gender equality concerns (beyond sector selection) into project design and activities, and to strengthen targeted interventions. 2. The projects will add an agenda point to the next Project Advisory Committees to what extent it is feasible to integrate interventions specifically targeting people with disabilities into the project design while being aware that it might mean reducing other activities. 	<p>Agree with ILO response and action.</p> <p>The trade-off between sectors with high women representation but lower potential for structural transformation and sectors with low women representation but higher potential for structural transformation should be reflected in the selection process of the sector portfolio. Selecting sectors in which women are well represented is only one side of the coin; improving women's participation and representation in men-dominated sectors (and management positions) is an equally crucial component of gender mainstreaming.</p> <p>Regarding the practical actions proposed, SECO would like to know what other staff costs would be compensated to allow the hiring of the consultant on gender equality without disproportionately increasing overheads. It welcomes the proposal of the ILO to work on a revised approach to sector selection. SECO should also be</p>

	<p>Addressed to: ILO Programme Management, PACs, Donors, Priority: Medium, Resource implications: Medium, Timing: Short-term</p>		<p>3. The ILO is taking note of the recommendation to prioritize economic sectors with high representation of women in new Productivity Ecosystems for Decent Work projects, while equally noting that sector selection is a consultative process led by constituents, and that there are other criteria (potential to drive structural transformation, environmental concerns etc) relevant for sector selection. A revised approach to sector selection, both evidence-based and participatory, will be developed for future programme expansion</p>	<p>consulted in this process. Finally, in view of future developments, SECO demands to prioritize the programme's cross-cutting themes within the resources available, as addressing too many transversal issues may negatively impact the implementation of the programme's core interventions.</p>
2	<p>Strengthen macro and meso level engagement and collaboration: Continue to encourage constant knowledge exchange between bottom-up activities (BSO and enterprise support activities) and top-down policies. This will continue to help reduce wastage of resources and duplication of efforts and enhance demand driven interventions. The ILO country offices should continue to facilitate these engagements and collaborations with Tripartite partners and sector-level players to help streamline efforts, avoid redundancy, and maximize impact in addressing the needs and priorities of the partners and stakeholders.</p> <p>Addressed to: ILO Country Offices, Priority: High, Resource implications: Low, Timing: Short-term</p>	<p>Accepted – linkages between policy-level work and sector work should be strengthened</p>	<p>1. Overall, the linkages across the macro, meso and micro levels of intervention of the programme are crucial to its overall effectiveness. In addition to country-specific measures, listed below, the sectoral/meso dimension in the overall ecosystems approach is considered as crucial to an effective linkage across these levels. Consistent with an improved sector-selection approach, a strengthened sectoral development approach will also be a key area of focus in the programme's incremental improvement. It also links to recommendation Nr. 4 to focus interventions on fewer geographic areas and integrate a cluster perspective on top of the sector-focus.</p> <p>2. For Ghana several activities are proposed to better link the macro and meso levels (and even the micro level):</p> <ul style="list-style-type: none"> a. The project will continue supporting the national-level organization Ghana Trade Union Congress (GTUC) and the Ghana Employers' Association (GEA) to strengthen their presence in the selected sectors and their capabilities to support these sectors through productivity trainings, development of position papers and the creation of a pricing mechanism for the shea sector. b. The project will continue to support the implementation of the national Occupational Safety and Health (OSH) policy in the two sectors, for example through "Leading Safely Trainings" for decision makers in the priority sectors 	<p>Agree with ILO response and action.</p> <p>As the evaluation outlines that outcomes and impacts of meso level interventions are more unclear that at both micro and macro levels, SECO welcomes practical efforts aiming at enhancing interventions at the meso level and fostering linkages between all levels of intervention.</p> <p>ILO needs to specify how it intends to work with Nedlac in order to strengthen macro-meso linkages in South Africa</p>

			<ul style="list-style-type: none"> c. The project will support implementation of the revised national Labour Code in the two sectors d. The project will deepen the development of macro level productivity statistics through sector level statistics <ul style="list-style-type: none"> 3. In Viet Nam the Labour Productivity Forum piloted in 2023 will be continued in 2024 and 2025 as a space to review upscaling potential with sector stakeholders and wider range of relevant partners and strengthen linkages to national policy making. 4. In South Africa, the project will strengthen its working with relationship with Nedlac to achieve stronger macro-meso relationships in project implementation. 	
3	<p>Intervention design: Improve communication with all relevant stakeholders during and after intervention design to improve understanding and reduce apprehension. Given the complexity of the sectors and the multitude of interventions required, partners need to clearly understand the goals of the project and how each intervention keys into the larger ecosystem to achieve results. An inadequacy of this information sharing can lead to stalling of partners.</p> <p>Addressed to: ILO Programme management, ILO Country Offices, Donors, Priority: Low, Resource, implications: Low, Timing: Short-term</p>	<p>Accepted with reservations – Stakeholders have been fully involved in interventions design as highlighted by the evaluation and comms work is overall effective. Some targeted improvements can be made.</p>	<ul style="list-style-type: none"> 1. During the inception phase, stakeholders have been fully involved in sector analyses and intervention design and approved plans and are regularly briefed, hence a claim that information might have been inadequate requires further explanation. Communication has been a priority for the programme and is judged as overall effective: Over 600 people are opening our quarterly productivity newsletters (of 2000+ subscribers). Key constituents are added to the distribution list each month. Regular posting (at least 1 x per week) on institutional and private social media channels, depending on where our stakeholders post, is continuously growing our audience size (over 1000 followers on X and over 1600 on LinkedIn). The programme applies a strategic communication approach focusing comms on aspects that require particular attention from stakeholders. 2. Additional targeted communication products for specific stakeholders can be produced on a needs-basis (with the comms programme capacity). Going forward, comms products will highlight more results now that the programme is more mature. 	<p>When considering the next inception phase (in case a new country is included), SECO suggests to hold an ILO-SECO-NORAD meeting in order to further discuss the issue of stakeholders' participative involvement in the intervention design and communication strategy and identify any potential room for improvement.</p>
4	<p>Ecosystem approaches: Consider focusing and integrating interventions by addressing key obstacles of targeted enterprises within one or two</p>	<p>Accepted – interventions could be geographically</p>	<ul style="list-style-type: none"> 1. This recommendation ties in with global recommendation Nr 2 above. Geographical or cluster-specific concentration 	<p>Agree with ILO response and action.</p>

	<p>specific geographic areas and association clusters. Strengthen linkages and information sharing between enterprises and supporting services such as business and industry associations, provincial government departments and other key stakeholders. The adoption of a market systems development approach may be beneficial at enterprise- and sector levels. It's crucial to support and allocate sufficient resources to key stakeholders for the implementation of communication and co-learning activities, as these are foundational to the success of the project.</p> <p>Addressed to: ILO Programme management, ILO Country Offices, Priority: High, Resource implications: Medium-high, Timing: Medium-term</p>	<p>and technically more focused</p>	<p>will be considered as part of a country specific sectoral development strategy.</p> <ol style="list-style-type: none"> 2. In Ghana we will reduce geographic expansion, but this will have to be balanced with the need of reaching the target number of enterprises, which in some sectors such as shea, are spread out on account of their business model. It is suggested to focus our interventions in two poles by sector – apart from Accra - Kumasi and Takoradi for garments and Tamale and Wa for shea. In Viet Nam we started planning for more work on the provincial level with aim to strategically focus the ecosystems approach. There are limitations to provincial work in the sense that it might not be sufficiently focus on sectoral issues, but we will be collecting the insights on this and sharing back in future. 3. In South Africa, this objective will mainly be achieved through the project's Implementation Agreement with Productivity SA, which is multi-provincial and cuts across the two project sectors, automotive and leather and footwear. 	<p>Geographical and cluster-specific concentration may be efficient and cost-effective approaches to leverage impacts of the project. In the case of Ghana, the widespread geographical scope of interventions has proven to be a significant challenge for local teams, especially owing to the lack of reliable and efficient transportation. In this regard, the creation of a new ILO position based in Tamale for the shea sector (as suggested and approved in the new revised staffing structure) is welcome.</p> <p>In sectors geographically widespread due to their business model (e.g., shea), SECO encourages the ILO to further consider available options to improve access to reliable transportation for its field teams.</p> <p>Focusing on association clusters bears significant potential to greatly improve knowledge-sharing and exchange of best practices among enterprises of the same sector.</p> <p>ILO should further explain how it intends to address the trade-off between provincial work and sectoral issues in the case of Vietnam</p>
5	<p>Increase programme timeframe: increase the programme's timeframe (and associated resourcing)</p>	<p>Accepted – the programme requires</p>	<p>1. The programme will discuss the possibility of a no -cost extension ahead of the next donor meeting in April 2025,</p>	<p>Agree with ILO response and action.</p>

	<p>beyond the 4-year pilot to at least 5 years, not including inception. This is necessary to accommodate the programme's objectives of achieving systemic change, which includes policy change. Whether a no-cost extension or costed extension would be best may vary from country to country: it depends on the budgets of individual country projects and spend to date—some country projects are limited by time for implementation rather than their budget. Future country projects should have inception periods longer than 6 months, potentially as long as one year to allow for the projects to establish themselves in terms of staffing, to identify and bring together tripartite partners, and to design the project using collaborative methods.</p> <p>Addressed to: ILO Programme management, ILO Country Offices, Priority: High, Resource implications: Medium-high, Timing: Medium-term</p>	<p>more time to reach all objectives</p>	<p>using unspent funds from year 1 inception phase and earnings from interest occurred.</p> <p>2. Given positive feedback from donors and stakeholders, the programme will initiate discussions on a potential 2nd phase of the programme subject to additional funding following approval of the management response.</p>	<p>SECO is willing to consider a no-cost extension of four months (until April 2026) as proposed by the ILO.</p> <p>The possibility of a second phase for the program should be discussed at the next meeting with ILO.</p>
6	<p>Optimize staffing: The ILO should review and submit a revised staffing structure, in particular to address in-country administrative bottlenecks in projects (to help overburdened administrative staff) and bring in house more sector-focused and national technical expertise. This will require appealing to donors regarding policies on programme costs going to technical staff. Gaps in capacity may be addressed through the use of consultants (e.g. to bring in expertise in cross-cutting themes), but when doing so it is recommended that local consultants or staff are used wherever possible. Lastly, a more sustainable solution to address gaps in capacity would be to embed essential roles (e.g. services to enterprises) within partner organisations, as these are already part of the ecosystem and will remain when the</p>	<p>Accepted – programme staffing should be optimized</p>	<p>1. The programme will review staffing and submit a separate, revised and costed staffing structure by end of July.</p>	<p>Revised staffing structure has been submitted by the ILO and approved by SECO in August 2024.</p>

	<p>projects end. This recommendation is made in conjunction with the recommendation below to improve the ILO's internal procedures.</p> <p>Addressed to: ILO Programme management, ILO Country Offices, Donors, Priority: High, Resource implications: Medium-high, Timing: Medium-term</p>			
7	<p>Peer Learning between Countries: Facilitating knowledge exchange, experiences, and best practices, countries can learn from each other's successes and failures. These include innovative strategies, technologies, and policies that can be implemented in their own contexts and peer learning can also help facilitate social dialogue and cooperation among them.</p> <p>Addressed to: ILO Programme management, ILO Country Offices, Donors, Priority: Low, Resource implications: Low, Timing: Short-term</p>	<p>Accepted – more peer-learning between countries will be beneficial</p>	<ol style="list-style-type: none"> 1. The programme had held a series of Productivity 101 webinars with programme staff for learning and exchange purposes in 2023. In 2024 the programme has already instituted a "Thriving Thursday" global monthly team meeting to increase exchange between programme countries. 2. The programme will organize a KS webinar including donor representatives from HQ and respective embassies in 2024. 3. The programme will organize a KS webinar between project stakeholders in 2024. 4. The programme will organize a webinar including wider ILO staff such as Enterprise and Employment Department Field Specialists. 	<p>These peer learning events should not just include ILO staff, but also target key partners and stakeholders such as PAC members and other interested in-country stakeholders - which includes government officials, labour representatives, business sector etc. This can be done on a yearly and virtual basis.</p>
8	<p>Improve (shorten) ILO internal procedures: ILO systems and procedures have caused delays in PE4DW's implementation. Therefore, the programme would benefit from any and all efforts by the ILO to make their internal processes (e.g. for procurement and contracting) more efficient.</p> <p>Addressed to: ILO administrative departments, Priority: High, Resource implications: Medium, Timing: Long-term</p>	<p>not in the position to accept or to reject</p>	<ol style="list-style-type: none"> 1. This recommendation will be brought up to the attention of senior management in the ILO. 	<p>This is an internal issue that purely concerns the ILO. Not in a position to comment.</p>

Ghana				
No	Recommendation	Management response	Action	SECO Comments
G1	The ILO should increase the focus on people with disabilities to increase their employability in the sectors. Some enterprises have started processes to employ these individuals. There is a general need for guidance on how to go about the process.	To be consulted with Project Advisory Committee	This recommendation links to the global recommendation Nr. 1 above. The project will consult with the PAC to what extent it is feasible to increase the project's focus on people with disabilities. The management opinion is that that beyond some punctual activities at the micro level, it would be difficult to address an additional collective and this could go against the need of increasing the focus of the project. An activity to be suggested to the PAC would be delivering SME support services to several associations of textile producers who employ individuals with disabilities in 2024.	Agree with ILO response and action.
G2	The ILO should speed up interventions at the meso level which can help it increase the number of enterprises engaged. The meso level activities appear to be the ones with the least traction.	Accepted	Activities at the meso level have progressed slowly in the first half of the project due to the necessity of strengthening sector-level organizations. Consequently, in recent weeks, we have achieved meso-level results, such as establishing a pricing mechanism for shea and capacity building in Occupational Safety and Health (OSH) for decision makers in the priority sectors. In the coming months, there are already planned activities in the workplan for 2024 related to the AGAM (Association of Garment Manufacturers) action plan and support for other sector-level organizations, such as Technical and Vocational Education and Training (TVETs) for manufacturing machinery across the sector.	Agree with ILO response and action.
G3	The PAC and its member institutions should be constantly reminded of the M&E framework, so the stakeholders have a view of where things are. This will reduce the risk of lagging behind. They currently receive updates twice yearly prior to the meetings. This risks the slowing of some activities which may impact the final results.	Accepted	The project is currently upgrading the M&E system and is hiring a consultant to improve outcome and impact measurement. Together with the output indicators already collected, this data will be regularly provided to the PAC. In addition to the biannual in-person updates received by the PAC, core members also receive quarterly updates via email in a simplified format. This ensures that stakeholders remain informed of progress and potential challenges more regularly. Moreover, we have integrated discussions on the results framework into every PAC meeting, fostering a continuous dialogue on project milestones	Agree with ILO response and action.

			and adjustments needed. This structured approach aims to maintain momentum and alignment with our project goals.	
G4	The team should increase external communication to better showcase activities and accomplishments. This will involve increasing interactions on its social media handles and sending out publications and/or newsletters to its key partners.	Accepted	<p>The project is already circulating a quarterly Productivity and Decent Work newsletter and a summary of all our upcoming activities to our key partners. This serves as a comprehensive medium to share detailed insights, project progress, and upcoming events, ensuring our stakeholders are well-informed and involved in our journey.</p> <p>Additionally, the project will increase interactions across its social media platforms, providing regular updates on project milestones, success stories, and impactful outcomes thanks to a partnership with DIKAN centre – a non for-profit photography school. This will not only highlight our achievements but also foster transparency and accountability in our initiatives.</p>	Agree with ILO response and action.
G5	The ILO should review staffing requirements to meet current needs. This will reduce the burden on the already hired staff and can improve their work efficiency.	Accepted	This recommendation is responded to as part of the global recommendation Nr.6 above.	Revised staffing structure submitted and approved by SECO in August 2024.
G6	The availability of a programme vehicle will increase efficiency and reduce the risk of exposure to commercial drivers which the team currently faces as a result of using car rental companies for their local logistics.	Accepted	Currently, the team faces challenges related to logistical operations due to dependence on rental services which violates UNDSS regulations. The project proposes to seek donor approval for purchasing of a project vehicle if a project extension is confirmed, to be funded from interest accrued to the project. The project will submit a detailed cost proposal including vehicle purchase, maintenance and cost for a driver with a comparison to costs for vehicle rental.	To be further discussed after approval of project extension and based on detailed cost proposal/comparison submitted by the ILO.

South Africa

No	Recommendation	Management response	Action	SECO Comments
SA1	Long-term support to allow for full implementation of the proposed National Employment Policy	Accepted with reservations	We acknowledge the importance of long-term support to facilitate the full implementation of the proposed National	The issue of the need to have long-term support was also

			Employment Policy, to be discussed with the Department of Employment and Labour. At this stage, the project can only commit to support the National Employment Policy until the end of the project, though the ILO Office will continue supporting it beyond (though on a smaller scale) if there is a request from the Government.	highlighted by Project Advisory Committee (PAC) members at the PAC meeting held on 31 July. This is particularly due to the time needed for macro and meso level interventions to start showing results
SA2	Understanding the challenges faced by different enterprises and sector partners, working with them to identify bottlenecks and work out solutions and approaches to address them and provide value-added services. This will avoid providing standardized solutions to unique problems faced by stakeholders, e.g., training tools, and prevent enterprises from double dipping on support.	Accepted	This issue of providing targeted or tailored assistance is at the centre of the project's Implementation Agreement with Productivity SA. A new training methodology that specifically addresses the need to respond to business challenges instead of providing a one size fits all solution has been developed by the project and Productivity SA and will be applied to more than 120 enterprises over 17 months.	This is on track. The activities that will be implemented by Productivity SA will be tailor made to the needs of the firms. They have already localised the ILO SCORE training material by integrating it with the one from Productivity SA.
SA3	A clear plan on how the project plan delivers and monitors its cross-cutting issues of gender equality, non-discrimination, including people with disability, and environmental sustainability.	Accepted	<ol style="list-style-type: none"> Regarding gender equality and non-discrimination including people with disability, the recommendation is responded to under global recommendation nr. 1. Regarding environmental sustainability, the project will present a plan to the PAC in July 2024 how it will address the topic. 	These issues have already been discussed in the PAC in July.
SA4	Peer learning between countries to share and learn from each other.	Accepted	This recommendation is responded to in the global recommendation nr. 7 above in form of coordinated exchanges between country projects.	See comment above – global recommendation no 7
SA5	As the project is big on capacity development, gathering lessons from its intervention for possible replication, it will be necessary to invite the participation of the Department of Higher Education to the PAC as they are suitably placed to address the skills crises in the country and ensure proper skills for the economy are being developed across all	Accepted	This is well-noted and will be put before the PAC at its next meeting (July 2024).	This was discussed at the PAC however there was mixed reaction from the current PAC members – some were in support while others were against. Further discussions are needed before going forward.

	industries and sectors of the economy, which aligns with the world of work.			
SA6	Inclusion of leather and footwear and automotive workers in the informal sector and possible involvement of the community constituency member in the PAC in the spirit of Leave No One Behind ¹ .	Accepted	The recommendation will be presented to the PAC for consideration at its July 31 st 2024 meeting.	This was also presented at the PAC. Some of the PAC members strongly supported this while some did not know that addressing issues relating to informality was in the proposal from the onset. In this context, the ILO should deliberate to see how to consider the issue. ILO needs to ensure that PAC members are aware of the inclusion of informality as a key issue of the programme

Viet Nam

No	Recommendation	Management response	Action	SECO Comments
V1	Expedite the process for CIEM to formally become the Project Owner in Vietnam and allocate sufficient resources to enable effective coordination of public-private platforms and delivery of policy-dialogue initiatives across Ministries, institutions and partners.	Accepted	CIEM is working on the process of becoming the project owner. Due attention is given to policy dialogue initiatives across Ministries, institutions, and partners and actions will be planned given the current circumstances. This phase will prioritize enhancing the public-private platform/forums and with a view of the presence of the political will for such platforms as the true foundation of effective dialogue (rather than mere spending more resources)	Agree with ILO response and action. Engagement of tripartite partners and other concerned agencies from other ministries (MPI, MOST) in PAC under the coordination of CIEM should be more structured and strengthened.

¹ We acknowledge that this recommendation might not be feasible given the stage at which the project is in, however, it could be considered for future programming of similar interventions.

V2	<p>Prioritize allocation of resources towards tasks related to gender and social inclusion, partnership engagement, knowledge sharing, outreach, and communication. Promote cross-institutional and cross-Ministerial engagement and participation, especially focusing on the tripartite partners: ILO, Government, VGCL, and VCCI. Clarify and strengthen the role of VCCI and VGCL in the project.</p>	Partially accepted	<p>This recommendation is rather broad and encompasses several different aspects which are not all feasible:</p> <ol style="list-style-type: none"> 1. Regarding resource allocation, the project cannot prioritize all the tasks listed over the delivery of the key technical outputs and outcomes described in the project document. What the project can commit to is to shift some resources towards gender mainstreaming (see also global recommendation Nr. 1), partnership engagement and knowledge sharing (see global recommendation Nr.2), outreach and communication (see global recommendation Nr.3) 2. Regarding cross-ministerial engagement and roles of VCCI and VGCL, the project will pursue the informal project advisory committee (see recommendation V3) and further strengthen and clarify the roles of the social partners, while recognizing the limitations to the extent to which the project can promote cross-ministerial engagement within a difficult ODA environment. 	<p>Agree with ILO response and action.</p> <p>Regarding resource allocation, the main focus should remain on the delivery of key outputs and outcomes as defined in the project document, while options on how to better address some cross-cutting issues (e.g., gender mainstreaming) will be considered (see comment above on global recommendation no 2).</p> <p>The role and engagement, if appropriate, of each and every partner (tripartite and other government counterparts) should be clearly defined under the project scale and scope. Flexibility should be made available to encourage the engagement of any interested partners. Their engagement could be at policy and/or technical level. Technical workshops linked to or back-to-back to the Annual National Productivity Forum could be considered.</p>
V3	<p>As forming a Project Advisory Committee (PAC) is currently not feasible, enhance engagement and communication with key PAC stakeholders by exploring initiatives like informal dialogues, roundtables, and regular project reporting and planning meetings.</p>	Accepted	<p>We have initiated informal project advisory meetings with CIEM/MPI to enhance collaboration among stakeholders and share updates. The first meeting took place on May 28, 2024, during which the external evaluator presented the results of the Mid-Term Evaluation (MTE). This meeting marked an important milestone in fostering dialogue and aligning project objectives with CIEM/MPI's strategic goals. Moving forward, these advisory meetings will continue to serve as a platform for discussing</p>	<p>Agree with ILO response and action.</p> <p>See comments above on V2</p>

			opportunities for deeper collaboration, refining project strategies, and ensuring alignment with national development priorities.	
V4	Refine the strategic focus of Outcome 2 interventions and promote communication and knowledge-sharing between intervention activities. Consider assigning a strategic outreach-communication coordinator and developing a project-wide knowledge sharing plan.	Partially accepted	<ol style="list-style-type: none"> 1. The project will review its Outcome 2 intervention effectiveness and refine them as needed. 2. The project will work with the ILO Office Communications Officer and assign the additional National Officer position proposed in the staffing review to strengthen knowledge sharing between interventions and stakeholders, promote best practices and foster collaborative learning among project stakeholders. 	<p>Agree with ILO response and action.</p> <p>Peer learning or good practices exchange events could be considered to strengthen the sector-wide impact. Engagement of BSO is crucial.</p>
V5	Enhance engagement at the sector level, encouraging constant knowledge exchange between bottom-up activities (BSO and enterprise support activities) and top-down policies.	Accepted	The recommendation closely aligns with our planned implementation agreements with TAC/MPI before the Mid-Term Evaluation (MTE) where the project will include activities related to knowledge sharing. Further, the revised staffing structure includes an additional National Officer with the specific role to fostering sector-level engagement and ensuring synergy between enterprise initiatives and overarching policy frameworks.	<p>Agree with ILO response and action.</p> <p>The exchange event should bring on board all three levels: policy makers, BSOs and enterprises, particularly through technical workshop or factory learning visits.</p>
V6	Implement measures to scale the beneficial findings from the business support interventions. Prioritize stakeholder engagement in any effort to scale or replicate interventions in other regions or sectors to ensure a high stakeholder buy-in. The ILO Vietnam team could facilitate a knowledge sharing workshop or similar, with project BSOs and other training and consulting partners to explore some ideas and suggestions for scaling mechanisms they could pilot. ²	Accepted	This initiative aligns with our strategy to leverage successful interventions and replicate them effectively across different regions and sectors, contributing to sustainable economic development and inclusive growth in Viet Nam. Moving forward, we will place greater emphasis on presenting the systemic significance of current interventions in future reporting, underscoring their impact on local economies and communities.	Agree with ILO response and action.

² Some interesting ideas that emerged from interviews with businesses that could contribute to scaling included:

V7	Address delays in procurement and contracting by requesting authorization for simplified administrative practices which are being applied in other project offices.	Accepted	The recommendation to address delays in procurement and contracting by requesting authorization for simplified administrative practices, as applied in other project offices, is noted and will be proposed to the country office Director.	Agree with ILO response and action.

1. One business owner was part of a long established informal social network of similar businesses who shared information and regularly helped each other out when needed. These social networks could be better understood and explored for knowledge sharing, referrals and group learning.
2. Some BSO's appeared to have very good knowledge of and links to Government funding support for business training.
3. Engaging and supporting groups of capable businesswomen, particularly those that may not initially be very visible, may also be a model for more efficient scaling of training and consulting services.