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INTERIM EVALUATION

STRENGTHENING GOVERNMENT LABOR LAW ENFORCEMENT (SGLLE) IN HONDURAS

August 2022

Grantee: American Institutes for Research
Project Duration: January 2019 – March 2024
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ACKNOWLEDGEMENT

This report is the interim evaluation of the Strengthening Government Labor Law Enforcement (SGLLE) – Honduras project. Fieldwork for this evaluation was conducted in April 2022. Sistemas, Familia y Sociedad (SFS) conducted the independent evaluation in collaboration with the project team and stakeholders, and prepared the evaluation report according to the terms specified in its contract with the United States Department of Labor. The evaluation team would like to express sincere thanks to all the parties involved for their support and valuable contributions.

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TABLE OF CONTENTS

LIST OF ACRONYMS

AFL-CIO	American Federation of Labor and Congress of Industrial Organizations
AHM	Asociación Hondureña de Maquiladores (Honduran Maquila Association)
AIR	American Institutes for Research
ATI	Auditoría Técnica de Inspección (Technical Inspection Audit Unit)
CAFTA-DR	Dominican Republic-Central America-United States Free Trade Agreement
CCIC	Cámara de Comercio e Industria de Cortés (Cortes Chamber of Commerce and Industries)
CGT	Central General de Trabajadores (General Workers' Confederation)
COHEP	Consejo Hondureño de la Empresa Privada (Honduras Private Enterprises Council)
CTH	Confederación de Trabajadores de Honduras (Confederation of Honduran Workers)
CUTH	Confederación Unitaria de Trabajadores de Honduras (Unitary Confederation of Workers of Honduras)
DGIT	Dirección General de Inspección del Trabajo (General Directorate of Labor Inspection)
ECMS	Electronic Case Management System
FB	Futuros Brillantes (Bright Futures)
FOA	Funding Opportunity Announcement
ILAB	Bureau of International Labor Affairs
IT	Information Technology
LIT	Ley de Inspección de Trabajo (Labor Inspection Law)
LTO	Long-Term Outcome
M&E	Monitoring and Evaluation
MAP	Labor Rights Monitoring and Action Plan
MTO	Medium-Term Outcome

MPG	Management Procedures and Guidelines
OCAT	Organizational Capacity Assessment Tool
OCFT	Office of Child Labor, Forced Labor, and Human Trafficking
OTLA	Office of Trade and Labor Affairs
PGR	Procuraduría General de la República (Attorney General of the Republic)
PMP	Performance Monitoring Plan
SIGMA	Sistema de Gestión Modular Administrativa (Modular Administrative Management System)
SGLLE	Strengthening Government Labor Law Enforcement
STO	Short-Term Outcome
STSS	Secretaría de Trabajo y Seguridad Social (Secretariat of Labor and Social Security)
TPR	Technical Progress Report
USDOL	United States Department of Labor
WV	World Vision

EXECUTIVE SUMMARY

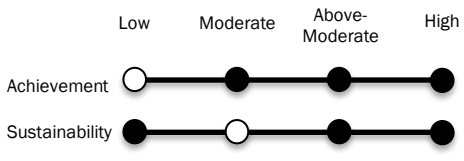
BACKGROUND AND CONTEXT

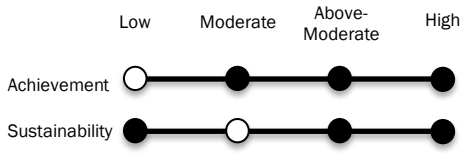
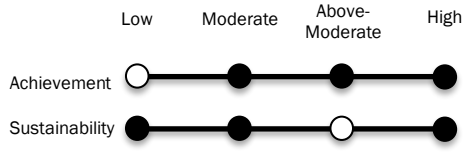
The United States Department of Labor (USDOL) through its Bureau for International Labor Affairs (ILAB) Office of Trade and Labor Affairs (OTLA) awarded the American Institutes for Research (AIR) (formerly IMPAQ) a two-year, USD $2,428,944 grant, to implement the Strengthening Labor Law Enforcement in Honduras (SGLLE) from January 2019 to December 2021, later extended to December 2023. The project's objective is to strengthen administrative labor law enforcement through improved compliance with the Ley de Inspección del Trabajo (Labor Inspection Law, LIT). The project has three long term objectives. The first aims for the government to adopt and/or improve the implementation of laws, regulations, and other legal instruments consistent with relevant labor standards. The second concentrates on the improvement of government identification and remediation of labor law violations. The third seeks the improvement of prosecution of labor law violations.

The project is part of the broader USDOL support to the government of Honduras for the implementation of the Labor Rights Monitoring and Action Plan (MAP), particularly regarding the improvement of the capacities of the Auditoría Técnica de Inspección (Technical Inspection Audit Unit, ATI), within the Secretaría de Trabajo y Seguridad Social (Secretariat of Labor and Social Security, STSS) to provide oversight for the actions of the labor inspection, and the improvement of the capacities of the Procuraduría General de la República (Attorney General of the Republic, PGR) for labor fine collection.

The evaluation methodology used a qualitative design. The evaluation questions were addressed based on a document review, key informant interviews and group interviews. Due to the COVID-19 pandemic, the team combined online conferencing with face-to-face interviews.

Table 1. Performance Summary

Performance Summary	Rating
LTO 1: The government adopts laws, regulations, and other legal instruments that are consistent with	
The project has achieved a low level of progress on this LTO, mainly due to lengthy project design and approval processes. The development of ATI procedures is in an initial phase of gathering the requirements for the procedures and processes for conducting audits. The project is prioritizing this component as the basis for the work under LTO2. Conditions for the legalization of the ATI procedures by the STSS are favorable as the new STSS authorities are showing positive signs of ownership of ATI although the effective commitment remains to materialize. The outputs under this LTO focus on STSS internal procedures, which are low-level regulations that contribute to the objective of improved implementation of the labor law framework.	

Performance Summary	Rating
LTO 2: Improved government identification and remediation of labor law violations	
The progress towards this LTO is low. The project has started the requirements gathering for the development of organizational and planning tools for the ATI. The development of the ATI/ECMS module is in its initial stages, advancing in good coordination with Futuros Brillantes. The project strategy of working on these components in parallel with LTO1 is an efficient approach, as the ATI tools must adhere to the legal procedures. The high-level institutional commitment of the new government establishes a promising environment for achieving the LTO. Capacity gaps of the IT department of the STSS may pose a risk to the effectiveness and sustainability.	
LTO 3: Improved prosecution of labor law violations	
The development of the PGR module is in its initial phase of gathering the requirements for the module, after the mapping of PGR procedures has been completed. In partnership with Futuros Brillantes (FB) and PGR, the project is exploring the best technological design to connect the STSS/ECMS with the PGR systems. If coordination with FB on the IT side is sustained, and the PGR rolls out its SIGMA system as planned, no major obstacle is foreseen to achieve the outcome of increased PGR technological capacities to collect fines, given that PGR shows adequate capacities for the development, uptake and maintenance of the PGR module.	

CONCLUSION AND KEY RECOMMENDATIONS

The project's theory of change adopts an appropriate strategy that envisages strengthened labor law enforcement resulting from improved STSS capacities for the identification and remediation of labor law violations through better ATI oversight of the Dirección General de Inspección del Trabajo (General Directorate of Labor Inspection, DGIT) and improved PGR capacities for the collection of fines. The logical structure of some project components has weaknesses that result from a rigid design approach to fit within the Funding Opportunity Announcement's (FOA) prescribed theory of change. The project assumptions contained in the theory of change adequately capture the major external factors in the policy and institutional context. However, the assumptions related to policy support and institutional uptake are overly optimistic.

The project addressees the main needs and major gaps of the ATI to improve the oversight of labor inspection. It strategically places a significant focus on the development and legalization of the ATI procedures as the cornerstone underpinning the organizational structure of the ATI. The ATI Electronic Case Management System (ECMS) module is highly relevant as a powerful tool to support ATI's timely and full access to the inspection files. The project also addresses a significant gap of the PGR to improve the labor fine collection process, with an effective technological solution by way of a PGR module connected with the ECMS.

The project is closely linked to the Futuros Brillantes (FB) project, which is implemented by World Vision (WV) and funded by USDOL through the Office of Child Labor, Forced Labor, and Human Trafficking (OCFT), that aims to deliver the STSS's ECMS to which the ATI and PGR modules will be linked, making the feasibility and added value of this key project component highly dependent on a third party's ability to deliver. The project strategy to address this situation, which was unforeseen in the initial project design and resulting from the extension of FB, is efficient, but does not fully eliminate the associated risks and will require close coordination between the two implementing organizations.

To date, the project's progress towards the outcomes is still very low, despite starting operations in June 2019. The main cause for this delay can be attributed to the inefficient process carried out by USDOL to revise the SGLLE's design, to fit with that of FB as a consequence of the extension of the latter project and the overlap between the two projects related to the components on the ATI and PGR modules. COVID-19 and related challenges for in-country presence, and communication with national stakeholders and between SGLLE and FB, further added to the delays.

Regarding the ATI component, the project is still in the requirement gathering phase. The ongoing process seems adequate to provide ATI with the improved tools needed. On the ATI/ECMS module, the work is still in its early stages of design and the project is progressing in good coordination with FB to define the technical features. However, planning the development of the module for the second half of the project will leave little time to absorb possible delays in its development, to accommodate additional FB ECMS development delays or the need to extend the transference phase to STSS and ATI should they need further support.

On the PGR component, the project is also in the requirements gathering phase and it is still too early to observe results. Nevertheless, no major obstacle is foreseen to achieve the outcome of increased PGR technological capacities for fine collection.

Some capacity issues may pose a risk for achieving the STSS outcomes, including a poor response from ATI due to technical, knowledge and skills gaps and heavy workloads, and the fragmentation of the ATI structure across various STSS offices. These challenges may be compensated as a result of the positive commitment and supporting attitude of the new government after the November 2021 election to strengthen the ATI and improve labor law enforcement.

Taking account of the status of implementation, the remaining two-year implementation timeline and available resources seem sufficient to deliver all project outputs and achieve the outcomes. However, the monitoring of capacity factors regarding the ATI response and STSS buy-in will be critical.

Although it is still early to identify project impact, there are various factors that may influence whether the project outcomes lead to effective, long-standing strengthening of labor law enforcement. The first is related to the commitment of the STSS authorities to give legal status to the improved ATI procedures. The positive commitment of the new administration brings promising perspectives and bolsters the project advocacy strategy, but close monitoring and anticipation of possible obstacles, such as internal opposition within the STSS will be key.

The current early status of project implementation makes it still too preliminary to observe whether conditions for the sustainability of outcomes and outputs are being met. The project's sustainability strategy, that combines outputs with built-in updating procedures with building

capacities and skills of ATI, DGIT and PGR staff to uptake and upgrade them, seems effective to ensure long-term sustainability of the project outputs. However, the project should strengthen some sustainability factors. First, it should strengthen the training component to ensure that ATI staff acquire a sufficient level of knowledge and skills. Second, it should encourage STSS to take measures to ensure that the information technology (IT) department acquires capacities to maintain and update the ECMS. Third, it should engage in closer collaboration with FB to advocate for the labor inspectors to fully adopt the ECMS.

LESSONS LEARNED

1. For projects that are dependent on the outcomes of other ongoing programming, close communication and collaboration between concerned USDOL offices is required.

The experience of the project demonstrates the risks associated with launching an FOA for an intervention that includes components that are dependent on the outcomes of other ongoing programming, particularly when managed by a different USDOL office. The SGLLE experience has shown the importance in these cases of setting up a joint coordination mechanism between the concerned offices to align the planning, delivery and monitoring of the interlinked components to anticipate and correct any obstacles, and to avoid implementation delays and inefficiencies in the use of project resources.

2. Lengthy project (re)design processes should incorporate an analysis of the budgetary impacts and include corrective measures.

When project implementation is on hold due to delays in approving or finalizing the project design, even if measures are taken during this period to minimize expenditure, such as delaying the hiring of the full team or reducing travel and indirect costs, it is very hard to totally put the project expenditure on stand-by. Extended periods for finalization of project design can lead to negative impacts on the efficiency of the project budget, that may require budget revisions to balance funds across budget lines or budget increases, whenever possible.

PROMISING PRACTICES

1. The project's approach to the legalization of labor law provided a logical workflow for building institutional capacity.

The approach adopted by the project for ATI capacity building, starting with the elaboration, validation and legalization of the ATI procedures, was followed by the development of the operational, organizational and planning tools for conducting audits, and based on this, the further development of the technological platform that provides ATI access to the labor inspection files necessary to implement audits as defined by the procedures and using the tools developed. The sequencing provided a logical and effective workflow for capacity building.

2. Developing flexible, tailored IT solutions maximizes uptake and sustainability.

The use of flexible designs, for the development of IT solutions, that adapt to the technological capacities of the recipient institutions is an effective approach to maximize uptake and sustainability. The project strategy to develop the ATI and PGR modules to operate in the specific IT environment of each institution (ECMS in the case of ATI and Sistema de Gestión Modular Administrativa (Modular Administrative Management System, SIGMA) in the case of the PGR)

facilitates their integration into each institution's respective technological platform, fostering ownership, reducing maintenance and costs.

RECOMMENDATIONS

RECOMMENDATION 1 (USDOL): INCLUDE IN THE FUNDING OF PROJECTS A COORDINATION MECHANISM WITH THE OFFICES MANAGING OTHER ONGOING PROGRAMMING CONNECTED TO THE PROJECT

When launching FOAs of projects linked to another ongoing projects, USDOL should provide for an agile communication and coordination mechanism between the concerned USDOL offices and implementers to facilitate the project design and further implementation. The coordination mechanism should integrate focal points from USDOL offices supporting related programming and implementers and should focus on identifying linkages between projects at outcome, output and planning levels, sharing information on the implementation status and on lessons learned of the ongoing project, among others.

USDOL should also Include in the FOAs an accelerated timeline for the project design and approval process (ideally no more than 6 months), along with a calendar of the outputs to be delivered, including: the status of other relevant programs that may be already underway by other actors, and a proposal for coordination between multiple funders or implementers, if applicable.

RECOMMENDATION 2 (AIR AND GOVERNMENT OF HONDURAS): REINFORCE PROCEDURES WITHIN ATI REGARDING ITS PREVENTIVE AND QUALITY CONTROL ROLE

In the development of the ATI procedures, SGLLE should put a particular emphasis on providing detailed, step-by-step guidance on how to conduct preventive and quality control audits. The procedures should also detail the processes to disseminate the results of the audits to DGIT and other relevant departments and include actionable recommendations for improvement. They should also include provisions for including preventive and quality control audits in ATI annual workplans, as well as follow up to the implementation of the recommendations. The procedures should also provide guidance on how results in improvement of labor inspections, as a result of preventive and quality control audits, should be measured by strategic indicators and reported to the STSS authorities.

RECOMMENDATION 3 (AIR AND GOVERNMENT OF HONDURAS): EXPAND THE ATI STAFF TRAINING PACKAGE

To the extent that the training budget allows and/or can be increased, SGLLE should equip the ATI, based on the set of trainings to be delivered, with a complete stand-alone training package that can be used to provide new staff with the specific knowledge and skills to conduct effective audits and to regularly keep existing staff updated. This training package should be in self-training format or any other modality that minimizes dependence on external trainers. It should also include training on soft skills. SGLLE should also expand as much as possible the training and transference phase to ATI, giving priority to face-to-face activities and leaving sufficient time for follow-up and reinforcement as needed.

RECOMMENDATION 4 (AIR AND GOVERNMENT OF HONDURAS): INCLUDE A STRATEGY TO DISSEMINATE ATI ROLE AND FUNCTIONS

SGLLE should include a strategy to support ATI to implement information campaigns on their role targeting DGIT and other departments that are connected to the labor inspection process (i.e. the

conciliation department). In the information campaigns, SGLLE should give emphasis to the value of ATI to improve the quality and effectiveness of the labor inspection.

RECOMMENDATION 5 (AIR): COLLABORATE WITH LOCAL LEGAL EXPERTISE FOR THE DEVELOPMENT OF THE ATI PROCEDURES

SGLLE should bring onboard local legal experts for the development and legalization of ATI procedures, complementing the inputs of the country director and the expertise provided by the SGLLE legal experts. SGLLE should explore with FB ways to benefit from the accumulated legal expertise of this latter project.

RECOMMENDATION 6 (AIR AND GOVERNMENT OF HONDURAS): FORMALIZE COORDINATION WITH FUTUROS BRILLANTES UNDER THE LEADERSHIP OF THE STSS

SGLLE should reinforce the ongoing communication with FB with regular coordination meetings, together with the STSS to follow-up on the ECMS, ATI and PGR module development, to identify issues and take appropriate measures as necessary, and to keep the STSS informed and engaged. These regular meetings should include ATI, DGIT and other departments as deemed necessary. SGLLE should also have coordination meetings with the STSS IT department and FB on the development of the ATI and PGR modules, as well as to address any IT issue on the development and rollout of the ECMS that may have implications for the ATI and PGR modules.

RECOMMENDATION 7 (AIR AND GOVERNMENT OF HONDURAS): IMPROVE OUTCOME MEASUREMENT IN THE M&E FRAMEWORK

SGLLE should include in the M&E framework quantitative indicators to measure the contribution of ATI oversight to better compliance of the labor inspection with inspection procedures and the labor law. These indicators should be developed jointly with ATI and may include indicators on reduction in complaints by labor inspection users, reduction in irregularities detected by ATI, and others as relevant.

SGLLE should analyze the results with an end line study measuring the improvement on ATI effectiveness including aspects such as ATI use of the ECMS-linked module, value of the ATI module for the auditing process, improvement on the quality of audits, increase in ATI staff performance, and adherence of audits to the procedures, protocols and planning tools, with the purpose of assessing end line results and to support ATI to better identify the areas for improvement and plan its priorities after the project's finalization.

RECOMMENDATION 8 (AIR AND GOVERNMENT OF HONDURAS): IMPROVE STSS IT DEPARTMENT CAPACITIES FOR SUSTAINABILITY

SGLLE should expand, in coordination with WV, the training and transference activities for the STSS IT department and to develop an IT capacity package focusing on software development and maintenance, based on a detailed IT department capacity gaps assessment and the requirements for maintenance and upgrades of ECMS, ATI and, as relevant, the PGR module.

RECOMMENDATION 9 (USDOL, AIR AND GOVERNMENT OF HONDURAS): STRENGTHEN THE STRATEGIC ADVOCACY WITH NATIONAL STAKEHOLDERS

SGLLE should make strategic use of its participation in the MAP tripartite monitoring committee to advocate for the STSS' commitment to support the improvement of ATI capacities, including

legalization of the ATI procedures, assigning sufficient staff and operational resources to ATI and increasing its authority within STSS.

SGLLE should use the tripartite committee to make presentations on the progress and challenges, to keep stakeholders engaged, validate major products, such as the ATI auditing and operational procedures and present a solid narrative on how improvement on ATI oversight based on quality data provided by the ECMS improves labor law compliance.

SGLLE should also expand their engagement with workers organizations to include the three main national trade unions (Central General de Trabajadores (CGT), Confederación Unitaria de Trabajadores de Honduras (CUTH); and Confederación de Trabajadores de Honduras (CTH)) both at the MAP tripartite monitoring committee and through direct contact and follow-up. In key relevant project activities where participation of workers organizations is expected (i.e., dissemination events), SGLLE should invite representatives of the three national trade unions.

USDOL should continue mobilizing STSS and PGR to generate ownership of the project and to foster the participation of SGLLE in the MAP tripartite monitoring committee.

1. PROJECT CONTEXT AND DESCRIPTION

1.1. COUNTRY CONTEXT

The Strengthening Government Labor Law Enforcement (SGLLE) project derives from the United States Department of Labor (USDOL) support to signatory countries of United States free trade agreements (FTAs) to address deficiencies in the countries' labor laws and enforcement systems.

The Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), signed in 2004, entered into force in Honduras in 2006. In 2012, the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) and 26 Honduran unions and civil society organizations filed a submission with USDOL alleging that Honduras had violated certain labor commitments under CAFTA-DR, including those under Article 16.2.1(a),[1] with respect to seven apparel and auto parts factories, nine plantations or farms, and enterprises at the Port of Cortés. The 2015 USDOL Public Report of Review of U.S. Submission 012-01 (Honduras), responding to the submission, noted evidence of labor law violations in most of the cited cases and expressed "serious concerns regarding the Government of Honduras's enforcement of its labor laws in response to evidence of such violations."

In December 2015, the U.S. and Honduran governments agreed to the Labor Rights Monitoring and Action Plan (MAP) for 2015 to 2018, with concrete timelines and indicators, to resolve the submission report's core recommendations. In March 2017, the Ley de Inspección de Trabajo (LIT) came into effect, increasing fines for labor law noncompliance, improving workplace access for inspectors, and establishing the Auditoría Técnica de Inspección (ATI) as a new Dirección General de Inspeccion del Trabajo (DGIT) oversight and anti-corruption unit within the Secretaría de Trabajo y Seguridad Social (Secretariat of Labor and Social Security, STSS) (LIT, Art. 20).

Other International development projects in Honduras have attempted to address certain elements of these labor law enforcement concerns. Most relevant, USDOL-funded Futuros Brillantes (Bright Futures, FB), implemented by World Vision (WV), aims to reduce child labor and improve respect for workers' rights, including through training and capacity building for Honduran labor inspectors and inspectorate authorities and the development of a DGIT Electronic Case Management System (ECMS) to facilitate more effective and efficient labor law enforcement.

Despite documented progress, the MAP has been extended multiple times since 2018 to give the STSS time to complete outstanding elements, most recently in May 2020, when USDOL emphasized that it would continue to: 1) support efforts to conclude outstanding MAP commitments; 2) work with both WV and American Institutes for Research (AIR) to minimize the impact of the pandemic on project activities; and 3) work with the STSS and the Tripartite Commission to develop a Honduran-led structure and a roadmap for continued progress on labor issues once the MAP concludes.

The Honduran STSS faces significant resource constraints that impede labor law enforcement. The ATI is particularly under-resourced. The STSS DGIT, particularly in Honduran departments outside Tegucigalpa, has, among other limitations, insufficient labor inspectors and other inspectorate personnel, with certain departmental inspectors required to fulfill multiple DGIT

[1] Article 16.2.1(a) of CAFTA-DR, requires that each party not "fail to effectively enforce its labor laws, through a sustained or recurring course of action or inaction, in a manner affecting trade between the Parties."

roles; insufficient capital resources, such as transportation to worksites, computers, and other technology; a lack of a robust hiring process to ensure inspectors meet certain minimal qualifications; and inadequate inspector training.[2]

Additionally, even when labor inspectors, with their limited capacity and resources, identify violations and impose corresponding fines, challenges exist for effective fine collection. If an employer fails to pay a fine voluntarily within 15 working days, under the Ley de Inspección de Trabajo, the STSS must transfer the case to the Procuraduría General de la República (Attorney General of the Republic, PGR) to collect the fine (LIT, Art. 95). The PGR is required to inform the STSS monthly of the fines it has enforced that month. Nonetheless, the PGR has not collected a single labor fine under the LIT nor does it regularly produce the required reports.[3]

1.2. PROJECT DESCRIPTION

The SGLLE – Honduras project is implemented by the AIR – formerly IMPAQ International, LLC – with an overal budget of USD $2,428,944,[4] from January 2019 to December 2023.

The SGLLE project's goal in Honduras is to strengthen administrative labor law enforcement through improved compliance with the LIT. The SGLLE project's direct beneficiaries include STSS officials, including from the ATI, and PGR authorities and personnel specifically responsible for collecting labor fines. The overarching strategy for advancing this country-level objective is to identify and address gaps that impede effective labor law application, focusing specifically on the Honduran legal framework, labor inspection system, and the labor violation adjudication system. The project comprises the Long-Term Outcomes (LTO), Medium-Term and Short-Term Outcomes (MTO and STO) as shown in Table 2 below.

Table 2. SGLLE long-term, medium-term and short-term outcomes[5]

- **LTO 1:** The government adopts laws, regulations, and other legal instruments that are consistent with relevant labor standards
  - **STO 1:** Auditoria Técnica has new or upgraded legal instruments that meet their need for oversight of the inspectorate
-
  - **MTO 2:** DGIT improves their internal procedures to more consistently address corruption and other procedural shortcomings and irregularities identified by the ATI
  - **STO 2:** Improved ATI labor inspectorate oversight capacity, including identification of inspectorate corruption and other procedural shortcomings and irregularities
-
  - **MTO 3:** Improved timeliness and successful completion of PGR labor fine collection
  - **STO 3**: Increased PGR capacity to use technological tools for labor fine collection

[2] Source: Project Document (PRODOC)
[3] Source: ibid and key informant interviews
[4] Source: Project communication and Technical Progress Report 10/01/21 – 03/31/22. The total budget was raised from USD $2,000,000 to USD $2,428,944 with the project revision approved by USDOL in April 2022.
[5] Source: SGLLE Technical Progress October 1, 2021, to March 31, 2022 and project communications. The project results framework was approved by USDOL in April 2022 after the evaluation desk review and fieldwork concluded. The TPR was shared with the evaluation team during the draft evaluation report revision.

2. EVALUATION PURPOSE

2.2. EVALUATION PURPOSE

This interim performance evaluation assesses the performance and achievements of the SGLLE project in Honduras to date and includes:

- Assessing the relevance of the project in the cultural, economic, and political context of the country, including the validity of the project design and the extent to which it is suited to the priorities and policies of the host government and other national stakeholders;
- Determining whether the project is on track toward meeting its objectives and outcomes, identifying the challenges and opportunities encountered in doing so, and analyzing the driving factors for these challenges and opportunities;
- Assessing the effectiveness of the project's strategies and the project's strengths and weaknesses in project implementation and identifying areas in need of improvement;
- Providing conclusions, lessons learned, and recommendations; and
- Assessing the project's plans for sustainability at local and national levels and among implementing organizations, and identifying steps to enhance its sustainability.

2.3. INTENDED USERS

The primary audience of the evaluation includes Bureau for International Labor Affairs (ILAB), AIR and its implementing partners, and the tripartite stakeholders or constituents in Honduras, especially civil society. The evaluation results, conclusions, and recommendations will serve to inform future project design and inform stakeholders in the design and implementation of subsequent projects in the country and elsewhere as appropriate.[6]

3. EVALUATION RESULTS

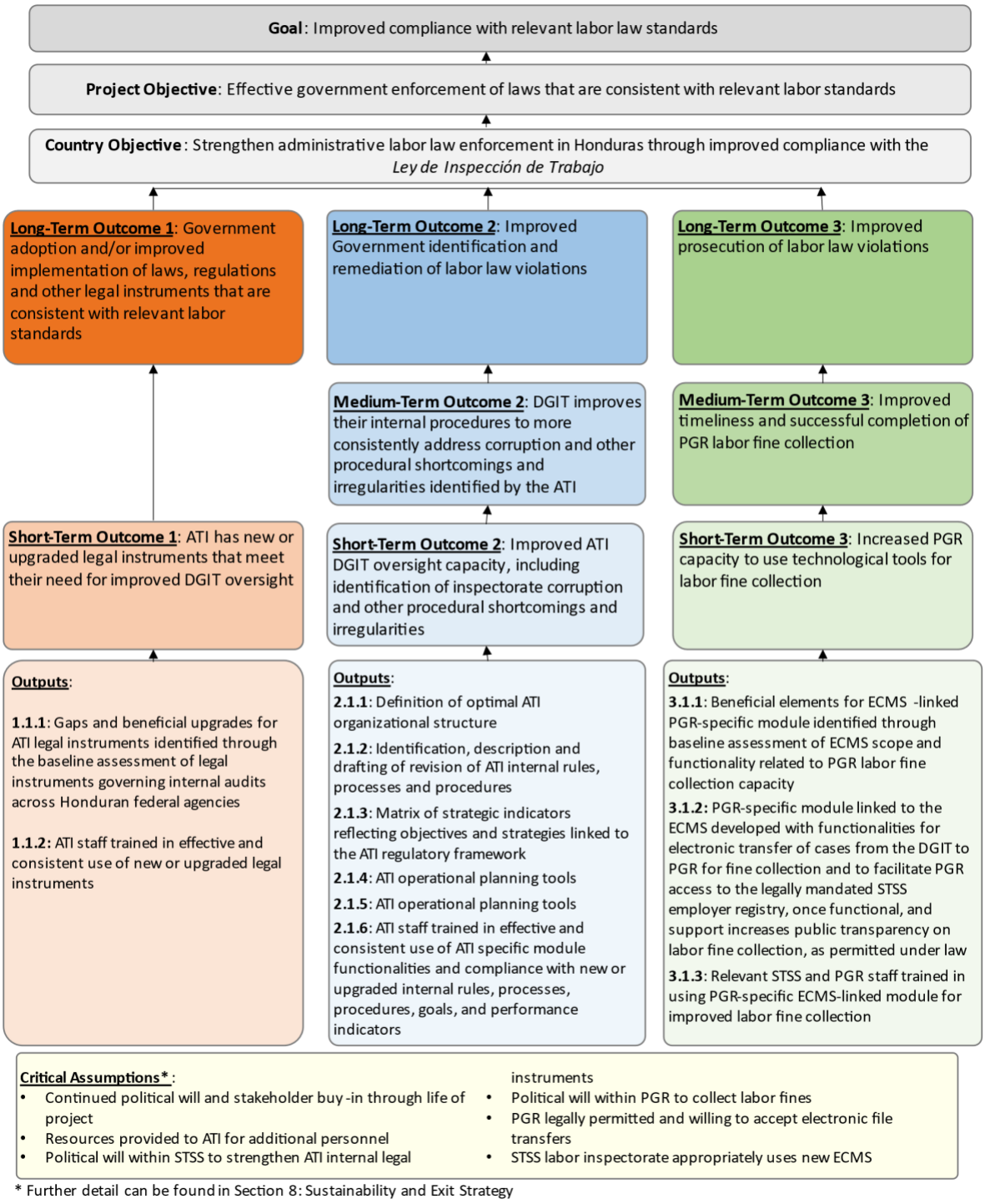
3.2. RELEVANCE

3.2.1.1. EQ1. ARE THE STRATEGY, OUTCOMES AND ASSUMPTIONS OF THE THEORY OF CHANGE (TOC) GENERALLY APPROPRIATE FOR ACHIEVING THE PLANNED RESULTS AND LONG-TERM OUTCOMES (LTO)? (A) WHAT WERE THE BENEFITS AND LIMITATIONS OF THE FOA-PRESCRIBED TOC AND LTO?

Overall, the results chain (see Figure 1) and the theory of change present adequate logical consistency between the high-level results. Combining a component to improve STSS capacities for the identification and remediation of labor law violations, with another component to improve PGR capacities for labor fine collection, adequately reflects the Honduran institutional architecture for labor law enforcement, where the PGR has the mandate to collect labor fines in court. Therefore, to improve STSS's sanctioning function it is necessary that the PGR carries out effective fine collection. At the same time, strengthening the ATI is a fundamental requirement for PGR success, because weaknesses in the quality of labor inspection reduce the ability of the PGR to win cases in court, making it easier for uncompliant employers to not pay fines.

[6] Please refer to Annex I. Evaluation Methodology and Limitations for a description of the evaluation methodology and limitations.

Figure 1 SGLLE Results Framework



* Further detail can be found in Section 8: Sustainability and Exit Strategy

Nevertheless, the theory of change presents some issues in its horizontal logic (between results of the same level). The outputs under STO 1 (new or improved ATI legal instruments), are

necessary means to develop the STO 2 outputs (ATI organizational structure, internal rules, processes, procedures, planning tools and the requirements for the ATI/ECMS module). At the STO level, the adoption of new or upgraded instruments (STO 1) is a means to improve ATI oversight capacity (STO2). Therefore, the results chain of LTO1 are logically part of the results chain of LTO2 and could therefore be integrated within it. For analytical purposes, the evaluation analysis has adopted this approach considering the two main project components: the strengthening of ATI oversight capacities (LTO1 AND LTO 2) and the improvement of PGR capacities for fine collection (LTO 3).

The result chain in LTO 3 presents a good logical sequence of outputs, capacities, action, and results. The outputs encompass a sufficient and necessary means to increase the PGR technological capacities for fine collection (STO3), which should lead to improved timelines and completion of PGR labor fine collection. Better effectiveness of the PGR on labor fine collection is likely to improve the prosecution of labor law violations (LTO 3).

Whereas the FOA allows to tailor the generic theory of change for each country (Honduras, Georgia and a third country), the resulting theory of change is not fully coherent for the case of Honduras, particularly with regard to LTO 1.

> "Applicants must tailor the Technical Proposal to the specific circumstances and implementing environment in each country."
>
> - USDOL/ILAB, Funding Opportunity Announcement FOA-ILAB-18-12

This LTO has been revised in agreement with USDOL to focus on strengthening labor law implementation, rather than in the improvement of labor laws, given that the improvement of the legal framework is not a relevant need for the country. The national legal framework was recently reformed with the LIT in 2017 and its corresponding regulation, as is indeed mentioned in the FOA, and from the perspective of the government, employers, workers and other stakeholders interviewed, there is not any significant outstanding gap or MAP target related to improving the country's legal framework.

However, the actual result that the project will deliver under this LTO - the legalized ATI's procedures- is a low-level internal administrative regulation which is not relevant enough to make a significant contribution to improve the implementation of the national legal framework as stated in LTO1.

3.2.1.2. VALIDITY OF THE PROJECT ASSUMPTIONS

The assumptions included in the project's theory of change are related to enabling factors at policy and institutional levels within STSS and PGR.

Political will is determined by the project's assumptions as being the successful provision by STSS of additional staff and resources to ATI, which is considered a critical assumption for the ATI's sustainability in the long run. The lack of sufficient staff and budget is, according to all stakeholders, a major gap for the ATI to ensure effective oversight of the DGIT. At the time of the evaluation, ATI only had five staff, of which only two were dedicated full-time to ATI-related

functions.[7] Furthermore, ATI was present in two (San Pedro Sula and La Ceiba) of the four DGIT regional offices (Tegucigalpa, San Pedro Sula, La Ceiba, and Choluteca).

The project expects that the political will required to strengthen ATI will be stimulated by a combination of better ATI effectiveness and a stronger stakeholders lobby in support of ATI. The project assumes that improvements in ATI effectiveness for DGIT's oversight functions, resulting from better capacities and more prepared staff, will contribute to increased buy-in of the STSS authorities to support ATI.

The project expects that keeping STSS, employers and workers organizations and USDOL informed on the progress of ATI capacity improvement will facilitate advocacy for increased support to the ATI. In that regard, the project is taking the role of provider of relevant information to decision makers, but without engaging in direct advocacy with the national stakeholders for ATI strengthening, a role that the project and USDOL consider should be led by USDOL in the context of the follow up to the MAP. However, the project participation in the MAP tripartite monitoring committee and the close follow-up with STSS and other stakeholders by the country director opens opportunities for the project to more actively advocate for increased support to the ATI.

In any case, some stakeholders consider that assuming that improved ATI effectiveness will mobilize the STSS to support ATI is an overly optimistic hypothesis. Evidence suggests that, despite advocacy efforts to strengthen the oversight of DGIT since the LIT's enactment, insufficient political support by STSS authorities since the creation of ATI have greatly influenced the current low effectiveness and lack of sufficient human and material resources of ATI.

The new STSS authorities that took office after the November 2021 elections have given positive signs of their commitment to implement the MAP, and to strengthen the ATI oversight capacities and reduce DGIT procedural shortcomings and irregularities, including corruption. Some initial steps such as assigning the staff transferred to the HR department back to ATI and the greater participation of ATI in internal meetings with STSS high officials, points to a favorable environment to advocate for the strengthening of ATI.

> "We now start to see that the new authorities are committed with the ATI operation."
>
> - STSS ATI Official

Nevertheless, it is still too early to confirm whether these expressions of commitment will be further materialized in concrete action. Stakeholders have highlighted that even if the STSS has the political will to strengthen the ATI, other factors such as budgetary constraints and other competing needs in the government agenda, may limit actual support to ATI. Some stakeholders have also highlighted the risk that internal opposition from DGIT may debilitate the political will within STSS to strengthen ATI, particularly if ATI continues to lack a high-level interlocutor with the ministry's cabinet.

The STTS inspectorate's use of the ECMS, under development by FB is a critical assumption that has been adequately identified by the project, given that, to a large extent, the improvement of

[7] After finalization of the fieldwork, USDOL informed that the STSS had communicated to them that the three ATI staff previously moved to the Human Resources department have been reassigned back to ATI.

ATI oversight is dependent on accessing, through the ECMS, complete and accurate labor inspection documentation. If the ECMS is not fully used by labor inspectors, the value of the ATI module as a tool to conduct quality and timely audits will be compromised, hindering the overall effectiveness of the ATI as a result. The project is relying on the work of FB to ensure uptake of the ECMS by labor inspectors, but if this assumption does not hold it may have serious implications for the project's sustainability (see section 6).

Regarding the PGR, the project includes the assumption of the PGR's support for the effective collection of labor fines. This is a critical assumption, especially when considering that since the enactment of the LIT, the PGR has not collected any labor fines, as former PGR authorities considered that a high number of fines issued by the LIT posed a threat to the private sector. As is the case of the STSS, the new PGR administration has made a U-turn on this position and is now expressing its commitment to carry out its duties to collect labor fines, signaling a favorable environment for the fulfilment of this assumption, but concrete results still need to be seen.

On the institutional side, the main project assumption is that PGR is legally permitted and willing to accept electronic file transfers. Evidence gathered from PGR and STSS informants suggest that this assumption is likely to hold.

3.2.1.3. EQ2. TO WHAT EXTENT DO THE PROJECT'S EXPECTED OUTCOMES AND INTERVENTIONS RESPOND TO THE NEEDS OF RELEVANT STAKEHOLDERS AND THE COUNTRY CONTEXT, SPECIFICALLY, OFFICIALS FROM THE ATI, THE PGR AND THE STSS/DGIT? (A) HAS THE GRANTEE CONSULTED AND INVOLVED RELEVANT STAKEHOLDER INSTITUTIONS TO ENSURE THEIR SUPPORT FOR THE PROJECT AND THAT THE INTERVENTIONS RESPOND TO THEIR NEEDS? (B) HAS THE GRANTEE CONSULTED AND INVOLVED OTHER RELEVANT STAKEHOLDERS?

ATI/STSS COMPONENT (LTO 1 AND LTO 2): There is full agreement that ATI is far from fulfilling expectations on improving labor inspection and combating corruption, and that the preventive and quality improvement aspects of the DGIT mandate, should be strengthened. In particular, stakeholders consider that the ATI is lagging behind on its role as a quality control body of the DGIT. Stakeholders point out that, although corrupt practices are still a problem, many of the flaws of the labor inspection are failures committed by labor inspectors, which include payment miscalculations, overlooking some applicable regulations or inconsistencies between violations reported and those notified to employers. The absence of a strong quality control function to ensure a flawless process makes labor inspection resolutions easily challenged in court, hindering also the value of labor inspections as an accurate picture of compliance.

There is ample agreement amongst all stakeholders that a major gap of ATI to carry out its mandate is the lack of legally binding, clear and detailed procedures to conduct audits. Although the LIT and its Regulation[8] establish a legal framework for the ATI, they lack detailed descriptions of how the ATI should perform its functions in aspects such as the process for conducting audits, the requirement for ATI staff to access labor inspection files, and DGIT's staff's rights and obligations during an audit, among others. On the other hand, the procedural manual developed by ATI (Manual de inducción), based on the case of a similar unit in the Honduras Supreme Court (Corte Suprema de Justicia), is not technically adequate to enable auditors to carry out their mandate effectively and, most importantly, lacks the legal standing required for its

[8] Reglamento de la Ley de Inspección del Trabajo, Acuerdo STSS 350-2019, Art 10, 11 and 12

implementation and enforcement within the STSS. The project support in this regard is therefore considered highly relevant.

"It is necessary to elaborate ATI procedures to clarify its operation, which is not currently defined in the LIT."

- CGT Representative

Stakeholders have also emphasized the importance of reinforcing the preventive and quality control functions of the ATI procedures, with the inclusion of specific procedures to carry out preventive audits. The project's approach to the development of the ATI procedures adequately addresses this need.

Improving the organizational structure is another key need for the ATI. Currently, ATI lacks an organigram, defining the roles and responsibilities of the staff. Without this, adequate staff supervision by the ATI director is challenging given its de-centralized structure across the STSS HQ and regional offices with the head of the department located in San Pedro Sula and three staff transferred to the human resources (HR) department in Tegucigalpa who combine their functions as auditors with HR tasks. Along with negatively affecting ATI performance, these issues are contributing to confusion related to the ATI's role, spreading the perception within the DGIT that ATI is mainly focused on sanctioning labor inspectors. This is undermining the credibility of the ATI as an independent body. Although improving the organizational structure is considered a relevant need by stakeholders consulted, for the ATI staff themselves, other pressing needs, such as more equipment and staff, are considered more urgent.

"Complaints is the last thing we want. Audits should help us to implement improvements."

- DGIT Official

"ATI is not a unit to file complaints but to audit the quality of inspections."

- Employers' Representative

There is widespread consensus, including by the STSS, that the selection of ATI personnel should be based on a profile of competencies and skills specific to the auditor's functions. At present, the auditor job profile, is too generic – background in law – and does not include fundamental aspects such as knowledge of national labor law, familiarity with the legal and operative framework of labor inspection, technical knowledge and experience in auditing, and quality standards, among others. It is considered very relevant to have these job profiles, not only for the recruitment of staff, but also for the design of auditor training programs.

However, there is also broad consensus that the definition of job profiles does not guarantee that the hiring process will be carried out following objective criteria, given the systemic problem in the STSS of political interference in staff recruitment that has also contributed to a strong perception of ATI bias by some stakeholders, such as the DGIT and workers organizations.

"It will be ideal that the project elaborates an objective, merit-based staff selection process."

- STSS Official

All of the process, operational and planning tools to be delivered by the project are considered relevant by the ATI staff and STSS representatives to improve the effectiveness and efficiency of ATI in planning and conducting the DGIT oversight function. The definition of tools to design their operational planning is considered by ATI as very valuable to optimize the use of their limited human and operational resources.

Moreover, the matrix of strategic indicators will improve ATI accountability on its compliance with the new internal rules, processes, and procedures, although this is not an explicit need mentioned by ATI staff or other STSS stakeholders.

The ATI/ECMS module granting full access to the inspection files is considered a high-value tool to ensure that ATI carries out audits with technical independence as mandated by the LIT [9]. Currently, the STSS lacks a central system that stores full labor inspection documentation, that can be directly and easily accessed by ATI auditors. Labor inspection dossiers are often incomplete or scattered through different departments. Collection of all the required documentation may be highly time consuming and compiling them is often dependent on the labor inspectors' collaboration. An ATI module directly connecting with the ECMS, allowing the ATI staff fast and direct access to all the labor inspection documentation, as well as to precise, detailed indicators, in real-time, on the performance of the labor inspectors, will enable the quick identification of specific issues and bottlenecks in the labor inspections so corrective and preventive action can be taken. Again, this is considered highly relevant for the ATI staff.

> "The ECMS is highly relevant to make labor inspection processes transparent to ATI… a tool that will increase the capacity of ATI's small team."
>
> - DGIT Official

All stakeholders, internal and external, to the STSS, including ATI staff themselves, recognize that the knowledge and skills of ATI staff needs to be significantly upgraded. Even though ATI staff have a professional background in law and have developed hands-on experience on DGIT audits, since the ATI's creation, they still have insufficient knowledge and skills to properly conduct labor inspection audits. This is a result of the STSS' lack of previous institutional background on the DGIT oversight function and a lack of similar structures in the Honduran public agencies. The ATI lack a proper training plan to keep staff upgraded, due to the lack of resources and a clear vision over staff qualifications and required skills. The evaluation found that there is a high demand within ATI for staff training and expert advice to develop and implement an auditing process better tailored to the specific corrective and preventive objectives of labor inspection audits. Additionally, Stakeholders highlighted the importance of ATI staff to build their soft skills capacities that are critical for target group collaboration and buy-in, such as how to address participants in the audit, how to conduct interviews and give feedback.

PGR COMPONENT (LTO 3): The improvement of the collection of labor fines is considered a high priority for the stakeholders, though there are still differences between tripartite stakeholders regarding the fine amounts stipulated in the LIT, which some sectors of employers consider excessive, creating inequalities that harm the formal sector.

[9] LIT, Art 8 states that ATI has technical independence, objectivity and impartiality.

There is ample agreement that the lack of timely and complete access to DGIT files is a significant obstacle to effective fine collection. Prosecutors report delays in the collection of all the documentation of cases referred for fine collection from STSS. They also report that they often encounter issues with incorrect or missing information on employers, causing significant delays in the fine collection process in court. Therefore, the development of the PGR module that will allow PGR prosecutors to electronically transfer the cases for fine collection and give them access to the STSS/DGIT database of employers (Sistema de Registro Nacional Simplificado de Patronos, SRNSP[10]) is considered highly relevant to solve these issues.

"We are now seeing a change in the PGR, which is expressing in meetings their commitment to collecting labor fines."

- CGT Representative

This module will also close a gap that was not considered in the electronic management system under development by the PGR, known as SIGMA (Sistema de Gestión Modular Administrativa, Modular Administrative Management System), which does not include a connection with the STSS to transfer documentation of labor inspection cases due for fine collection. For PGR prosecutors and the IT department, the technological solution offered by the project is a good option, from the user perspective.

CONSULTATIONS WITH STAKEHOLDERS: In February 2020, the project carried out consultations with stakeholders to identify their needs and priorities regarding labor law enforcement, strengthening of ATI oversight capacities and improvement of the PGR labor fine collection to refine the project design and strategy. Following recommendations by USDOL, AIR held consultations with representatives of the STSS (minister advisor, DGIT, HR), PGR, the private sector (Consejo Hondureño de la Empresa Privada (COHEP); Asociacion Hondureña de Maquiladores (AHM); Honduras Chamber of Commerce of San Pedro Sula; Cámara de Comercio e Industria de Cortés (Cortes Chamber of Commerce and Industries, CCIC); Fruit of the Loom, and Caracol Knits), the trade union Central General de Trabajadores (CGT), Solidarity Center and WV.[11] Stakeholders consider that these consultations gave them a good opportunity to provide their perspectives and express their needs, and that in general the project strategy adequately reflects them.

Compared to the consultations with employers, which involved national and sectorial organizations as well as individual companies, the project was more limited in consultations with workers representatives. Of the three main national trade union federations – CGT, Confederación Unitaria de Trabajadores de Honduras (CUTH); and Confederación de Trabajadores de Honduras (CTH) - only CGT was consulted, and no consultation was undertaken with trade unions in the garment or other sectors. Although consultations with Solidarity Center, a worker rights organization with ample experience in Honduras, provided SGLLE with in-depth knowledge of the situation of labor law enforcement from the perspective of workers, these do not necessarily constitute the perspective of the trade unions or workers' representatives.

[10] Created by the LIT, article 4

[11] AIR also reports meeting with the former Secretary General of the Federación de Sindicatos de Trabajadores de la Agroindustria (FESTAGRO), but the evaluation team has not obtained records of this meeting.

3.3. COHERENCE

3.3.1.1. EQ3. TO WHAT EXTENT HAS THE PROJECT COORDINATED EFFORTS WITH EXISTING POLICIES AND INTERVENTIONS IN THE COUNTRY ON LABOR LAW ENFORCEMENT BY THE GOVERNMENT OR INTERVENTIONS BY OTHER AGENCIES AND WITH USDOL PRIORITIES, IN ORDER TO AVOID DUPLICATION OF ACTIVITIES/INVESTMENTS? WERE THESE EFFORTS TOWARD COHERENCE EFFECTIVE IN AVOIDING DUPLICATION? (A) IF NOT, PLEASE DESCRIBE WHY AND INDICATE EXISTING AREAS OF DUPLICATION. (B) WHAT CHALLENGES HAS THE PROJECT ENCOUNTERED IN COLLABORATING AND COORDINATING WITH EXISTING INTERVENTIONS AND STAKEHOLDERS?

The only other current intervention working in providing support to the STSS on labor law enforcement is the FB project funded by USDOL under OCFT and implemented by WV. FB is developing the ECMS with which the ATI and PGR modules will be connected, and therefore its project design is closely connected to SGLLE.

The SGLLE project was conceived by USDOL/Office of Trade and Labor Affairs (OTLA) on the assumption that by the time SGLLE started implementation, the FB project would be finished and the STSS would be equipped with an operational ECMS. The intention was for SGLLE to take up the ECMS and develop and tailor the ATI/ECMS components according to the requirements of the necessary procedures and tools. Therefore, the FOA did not foresee a mechanism for coordination and collaboration between the two interventions.

However, the further extension of FB, and the decision agreed by USDOL, WV and AIR, for SGLLE to keep the development of the ATI and PGR modules (see section 3.4.), has created a scenario in which a crucial component of SGLLE is highly dependent on the work of FB, making effective collaboration between the two projects a critical factor for SGLLE's success.

In response to this situation, the project is focusing its strategy on minimizing the dependence on FB completion of the ECMS, while at the same time having a fluid communication on IT aspects to ensure adequate connection of the PGR and ATI modules, with the ECMS. The development of the ATI and PGR modules has adopted a technical solution that minimizes the dependence of its design on the ECMS while ensuring the necessary connectivity with the system. To this end, SGLLE and FB have agreed on the design requirements necessary for both modules to "talk" through a user-transparent process (using the same interface, without requiring additional logins, etc.) and using the same language and software to facilitate maintenance and updating. This allows both projects to move forward in the development of their respective components with autonomy but maintaining, at the same time, the objective of connectivity of the ATI and PGR modules with the ECMS. The IT managers of both projects consider that the joint coordination is working well and is sufficiently smooth to achieve operational connectivity.

However, reaching the current degree of collaboration has taken a long process for both AIR and WV and to build trust among the two organizations and foster a willingness to collaborate and to share information. This only came after a long period for the revision of the design of both projects.

The lack of transparent communication between WV and AIR during the revision of the respective project designs seems to have influenced the delays in the implementation of SGLLE and contributed to mutual mistrust and the perception that each party was inefficiently implementing and holding information for their own interest. In this regard, the difficulties experienced by WV in the development and rollout of the ECMS created delays in SGLLE implementation (WV took a

long time to share the ECMS code to AIR that was necessary to for the design of the ATI and PGR modules), which led to AIR questioning the ability of FB to deliver. On the other hand, long response times by USDOL during the revision of the project design and the lack of AIR in-country presence (mainly due to AIR's decision to wait until the project design was defined) built the perception within WV that SGLLE lacked the necessary capacities to implement. In any case, evidence suggests that better communication between the two projects could have been mutually beneficial. For instance, a more open discussion between WV and AIR on the ATI capacity issues encountered by FB in the development of the ATI/ECMS module (staff providing an inconsistent and/or inaccurate description of the audit process due to lack of standard and detailed auditing procedures, slow response time by ATI staff leading to incomplete requirements gathering, ATI staff transferred to HR department providing human resources processes not applicable to ATI) would have facilitated the refining of the SGLLE project strategy.

"For the STSS it would be important to have joint meetings with FB and SGLLE to avoid duplication unify criteria and facilitate STSS management of the technical assistance portfolio."

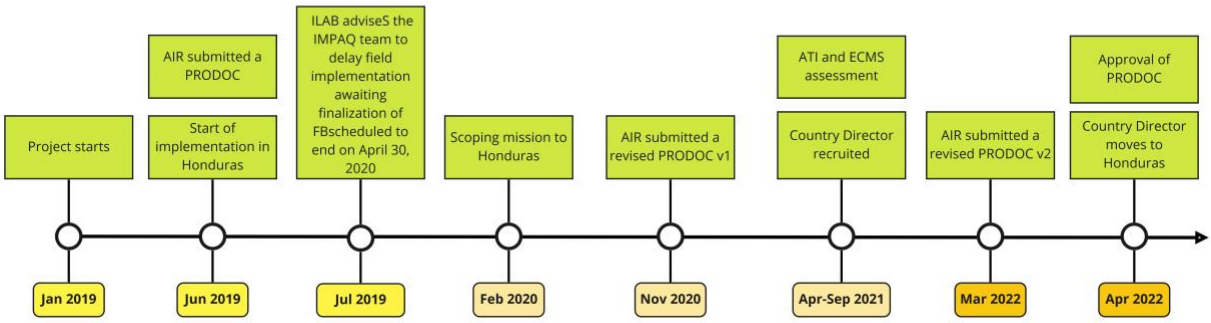
- STSS Official

3.4. EFFECTIVENESS

3.4.1.1. EQ4. TO WHAT EXTENT ARE THE EXPECTED OUTCOMES LIKELY TO BE ACHIEVED OR NOT ACHIEVED WITHIN THE LIFE OF THE PROJECT? (A) WHAT ARE THE MAIN SUCCESSES, CHALLENGES, AND LESSONS LEARNED ENCOUNTERED WITHIN EACH PROJECT OBJECTIVE?

At the time of the mid-term evaluation, the project has achieved a very low level of implementation progress and it is in the initial phase of work on the requirements gathering for the design of the different project outputs for the ATI capacity building component and the design process of ATI and PGR modules.

Figure 2. Timeline of SGLLE implementation to date. Main milestones[12]



[12] Source: own elaboration based on Technical Progress Reports and interviews with AIR and USDOL staff

"PERFECT STORM" OF DELAYS TO START IMPLEMENTATION": The low level of progress towards results is the consequence of a combination of various factors including the long time invested on the (re)design of the project as a result of the FB extension, some AIR management decisions regarding in-country presence, and the influence of external events, in particular the COVID 19 pandemic, and more recently the Honduran presidential elections of November 2021.

The extension of FB, among other reasons, led to the delays in finalizing the ECMS, which in turn changed the implementation scenario for SGLLE, unforeseen in the FOA. This situation led to a re-definition of the design of both projects, given that among other aspects, FB had in its strategy the development of an ATI/ECMS module. This process took nearly two years to complete from July 2019 when the USDOL informed SGLLE of the need to delay field implementation until the approval of the current PRODOC in March 2022[13]. Finally, USDOL decided that it was more effective to retain the finalization of the whole ECMS in FB and for SGLLE to focus on ATI and PGR and their specific modules.

The evaluation team has not been able to re-construct in detail the milestones of the revision process, but evidence from the three stakeholders suggest that the main reasons for the delays on refining the project design by SGLLE can be attributed to long response times by USDOL, aggravated by the fact that negotiations involved two different offices within USDOL (OCFT for FB and OTLA for SGLLE). An agile mechanism was therefore lacking to refine the project designs of the overlapping projects. In any case, with the second project revision recently finalized, the distinct and complementary scopes are now clarified, and with agreement on coordination with FB, the project seems to have ensured appropriate conditions for implementation.

"It is important to recognize that most of the delay should not be put on the implementer."

- USDOL Representative

On the other hand, FB encountered problems with the development and roll-out of the ECMS and particularly with the delivery of the DGIT/ECMS modules[14] connected to the SGLLE project design. WV took a long time to share the ECMS code with SGLLE, and WV's original ATI/ECMS module was rejected by ATI. This posed difficulties in clarifying the exact status of development of the ECMS and to delimit what components should be assigned to each project and the work needed to develop the outstanding modules. The lack of a fluid dialogue between AIR and WV further complicated this negotiation. Currently, evidence suggests that FB is in the process of addressing the technical issues and that the finalization of the remaining ECMS modules, particularly those necessary for the operation of the ATI and PGR modules, and is progressing well and likely to be operating by the time it is needed by SGLLE.

Along with the difficulties to clarify the project design of SGLLE, the COVID 19 pandemic and the subsequent lockdowns and mobility restrictions from early 2020 until very recently, implied a significant slowdown of the project activities between 2020-2021. The project shifted to virtual

[13] SGLLE project document submitted to USDOL on January 2022, approved by USDOL in March 2022

[14] Registro de Patronos y Empleadores (Manager and Employer Registration), Inspección: Registro y Seguimiento de Casos (Inspection Records and Case Management), Procuraduría: Registros de Procesos de Demanda Judicial (Attorney General's Office: Records of Lawsuit Proceedings), Auditoría Técnica de Inspección (Technical Inspection Audit)

work modalities, which proved highly challenging for the national stakeholders, particularly with the STSS, due to poor IT infrastructure (many STSS staff did not have teleconference equipment and high-speed internet connection), low levels of computer literacy, and a lack of teleworking culture. The decision of SGLLE to not move the country director to Honduras, although logical until the project design was clarified and a defined workplan could be defined, as well as for COVID 19 security reasons, further limited the possibilities of better interaction with WV and with the stakeholders in a country with weak teleworking culture and capacities. The enhanced joint work with STSS since the recent arrival of the country director exemplifies the importance of in-country presence.

3.4.1.2. ACHIEVEMENT OF OUTCOMES: ATI COMPONENT (LTO 1 AND LTO 2)

UPGRADED ATI INSTRUMENTS: The project is currently in a requirement gathering phase to define the outputs to upgrade the legal procedures, organizational structure, and working and planning tools for ATI (outputs 2.1.1 to 2.1.4). So far, the only product delivered regarding ATI procedures and instruments is the ATI assessment, which identifies and analyzes the key gaps in the legal instruments, governing the ATI, as a basis to support the drafting of new, or the strengthening of existing, legal instruments. ATI has updated this assessment with information on their procedures, using an Organizational Capacity Assessment Tool (OCAT) developed by AIR. This tool is considered valuable for the definition of the set of different products to be developed.

"The development of the PGR/ECMS module will allow for transparent connection with SIGMA."

- PGR Representative

"AIR adapted to the IT needs and to the best solution, to be developed in a shorter timeframe."

- PGR Representative

Stakeholders within the STSS, and particularly ATI officers, consider that the project strategy for the development of the ATI instruments is adequate to equip ATI with the necessary means to improve its oversight capacities of the labor inspection.

ATI highlighted the importance of bringing onboard, strong and specific expertise on auditing of labor inspection and quality control, that complement the legal expertise, for the development of the different outputs.

ATI/ECMS MODULE: The project produced an ECMS assessment which proposed recommendations that have shaped the strategy and IT features for the development of the ATI and PGR modules, such as waiting for ATI procedures to be developed before starting ATI module development and building the ATI and PGR modules independently of the ECMS. Based on this assessment the project is starting to define the necessary IT needs (architecture, software, and server platforms, etc.) for the ATI/ECMS module, in coordination with FB. Both parties are satisfied with the communication and consider that the IT solutions for the ATI module are feasible and efficient to ensure consistency and connectivity between the two systems.

For the development of the ATI module, SGLLE has decided to wait for the ATI procedures to be developed and legalized. This strategy seems to be logical, given the experience of FB with the

development of the previous ATI/ECMS module, where one of the factors for failure was the lack of clear ATI procedures upon which to develop the module, as well as insufficient consultations with ATI staff to clarify this.

Furthermore, delaying the development of the ATI module increases the likelihood that the ECMS will already be finalized and functioning when the ATI module is developed, which will likely facilitate design decisions and shorten development times.

FB expects to deliver the ECMS modules by the end of 2022 or early 2023, which gives adequate time for SGLLE to develop and transfer the module to ATI. However, the timely roll-out of ECMS by FB will be critical for the ATI module to be effective on facilitating ATI access to labor inspection documentation.

3.4.1.3. ACHIEVEMENT OF OUTCOMES: PGR COMPONENT (LTO 3)

The project's progress towards the achievement of improved prosecution of labor law violations (LTO 3) and timelines and successful collection of fines (MTO 3) is still too low to observe results due to the early stages of implementation.

The project is progressing on the gathering of requirements with the PGR, based on the mapping of the fine collection procedures already completed by the project. The requirements gathering will be used as a basis for the design of the PGR/ECMS module. As in the case of the ATI module, the coordination with FB to define the IT solutions is progressing satisfactorily for both organizations.

The SIGMA system to which the PGR module will be connected is still in development, but no significant delays are foreseen as the necessary SIGMA modules for the PGR operation are already developed and can be launched if needed.

3.4.1.4. EQ5. HOW DOES THE ORGANIZATIONAL CAPACITY OF PROJECT IMPLEMENTERS; TARGET INSTITUTIONS (IN PARTICULAR GOH ENTITIES SUCH AS THE ATI, PGR, AND STSS' DGIT); AND IMPLEMENTING PARTNERS (E.G., WV) LIMIT OR FACILITATE THE EFFECTIVENESS AND SUSTAINABILITY OF PROJECT INTERVENTIONS? (A) DOES THE PROJECT DESIGN ADEQUATELY ACCOUNT FOR CHALLENGES RELATED TO TARGET INSTITUTIONS' CACPACITY-RELATED CHALLENGES?

There are various organizational factors that have been or are likely to be relevant to facilitate the progress towards the outcomes.

ORGANIZATIONAL CAPACITY OF AIR: AIR is providing solid IT expertise for the development of ATI and PGR modules through its IT team in Mexico. AIR IT capacities are recognized as a key strength by STSS, PGR, and FB. AIR IT team is leading the discussion with FB on the technical aspects for ATI and PGR modules connectivity to ECMS, and FB trusts that SGLLE technical strengths on systems development would also be beneficial for the finalization of the ECMS.

Expertise on matters related to the Honduras labor law framework is provided by the AIR legal team as well as by the Country Director who has a professional background in labor law. Whereas stakeholders also recognized the added value of the legal expertise provided by AIR, they also point out that it will be convenient to complement this expertise with national experts in labor law in order to provide more continuous feedback to ATI, and ensure that key outputs such as the legalization of ATI procedures maximize their alignment and consistency with the national legal

framework, and to foster buy-in by the STSS and other stakeholders such as employers and workers organizations.

"We need an audit expert and training in audit techniques. We need someone with deep knowledge to guide us on the process of elaborating and legalizing the procedures."

- STSS Official

After an initial period of lack of coordination already discussed, the coordination between the two projects is entering a collaborative relationship in which the comparative advantages of the two projects have better prospects of being mutually beneficial. FB recognizes the added value of the IT team and both projects are collaborating in the technical component. On its side, FB is willing to contribute with its strength on labor law expertise, from which SGLLE could benefit.

ORGANIZATIONAL CAPACITY OF THE STSS:

The low teleworking culture of the STSS has created serious difficulties for the project to coordinate and implement activities until the arrival of the country director to Honduras. Currently, STSS is returning to on-site work, so the prospects for "back to normal" coordination are favorable, unless the situation with the COVID 19 pandemic worsens to a point that lockdowns or teleworking are reinstated. If this occurs, it may have an important impact on the program's ability to deliver outputs and achieve outcomes.

The low technical skills and competencies on IT and auditing of the ATI staff, coupled with slow response times due to charged workloads, may limit their ability to provide timely and effective follow up to the development of key outputs such as the legalized procedures, organizational structure and planning. Even with the high interest expressed by ATI in these products, it is likely that delivering them with appropriate ownership by ATI will require intense follow up by SGLLE, a support that the country director is conscious of and seems able to provide.

On the other hand, the lack of skills for online work may also influence the effectiveness of training modalities. As the experience of FB shows with the online training of labor inspectors, virtual training packages for ATI staff may have limited results, especially if delivered at the final phase of the project which provides limited time for the reinforcing of training.

The fragmentation of the ATI staff between the HR department and ATI[15], leads to a lack of a clear chain of command and staff in Tegucigalpa are not fully onboard or knowledgeable of their auditing roles. This is aggravated by low response times and heavy workloads, which may hinder the capacity of ATI to provide timely and consistent responses. Close and continuous contact with all the ATI staff by the SGLLE country director is likely to substantially mitigate this risk but may not eliminate it completely.

The legalization of the ATI procedures is a cornerstone in the project strategy. However, it entails a political process of buy-in and commitment by the STSS authorities to formally adopt the procedures. This process is likely to be more time consuming, particularly if it also involves tripartite validation, which will be instrumental to reinforce the profile and authority of ATI as an

[15] As mentioned in note 7, the STSS has informed to USDOL that ATI staff transferred to the HR department has been returned to ATI. The evaluation team has not been able to directly verify this information with STSS.

entity to oversee and improve labor inspection as part of the institutional architecture. If the legalization of the ATI procedures requires their publication in the Official Gazette, additional time will need to be considered.

ORGANIZATIONAL CAPACITY OF THE PGR: In the case of the PGR, the organizational capacities required for the delivery of the project's outputs are appropriate. The IT department has adequate capacities and experience for connecting the PGR management system with external institutions (for instance, connecting with the national banking system for the payment of fines) and does not foresee any major issue to manage and maintain the linkage between its management system SIGMA and the PGR/ECMS module.

3.4.1.5. EQ6. HOW HAVE EXTERNAL FACTORS, SUCH AS THE COVID-19 PANDEMIC AND THE NOVEMBER 2021 ELECTION IN HONDURAS, AFFECTED PROJECT IMPLEMENTATION TO DATE AND HOW EFFECTIVELY DID THE PROJECT ASSESS, ADAPT TO, AND MITIGATE THESE FACTORS? (A) HOW COULD THE PROJECT MORE EFFECTIVELY ADAPT TO THESE EXTERNAL FACTORS TO ACHIEVE PROJECT TARGETS?

EFFECT OF COVID 19 ON PROJECT IMPLEMENTATION:

Evidence suggests that COVID 19 has caused a major disruption for project implementation, although its effect is difficult to disentangle from the impact caused by the long process to revise the project design, discussed in the previous section. It seems likely that without the difficulties for in-country presence and for communicating with national stakeholders caused by COVID 19, the revision of the project design could have been faster.

However, the negative effects of COVID 19 seem to have been aggravated by the decision of SGLLE of holding back from September 2021 to March 2022 the transference of the country director from her home country (Nicaragua) to her duty station in Honduras. Although this was based on pandemic-related security concerns given that Honduras was hard hit by the pandemic, the experience of projects that kept in-country staff such as FB suggest that the project could have had much more progress during this period with a country director in-country.

IMPACT OF THE NOV 21 ELECTIONS ON PROJECT IMPLEMENTATION AND ADAPTATION MEASURES:

The November 2021 elections and the subsequent change in the national government is likely to produce a significant positive impact on project implementation. On one hand, the STSS has undergone a major shift of staff,[16] particularly -but not only- in the high and middle level officers, implying for SGLLE, time and effort necessary to brief new officers on the project and re-build relationships and ownership.

On the other hand, the new government, according to all stakeholders, and as expressed in public statements, is showing positive signs of commitments to strengthening labor law enforcement and promoting compliance with the LIT and more broadly with meeting the outstanding MAP targets. More specifically, the STSS and PGR have expressed in the MAP Tripartite Monitoring Committee their commitment to meeting the MAP targets, particularly regarding strengthening the

[16] To illustrate this, of the 24 STSS and PGR officers identified as informants for the Mid-Term Evaluation, 12 were no longer in the institutions or were reassigned to different functions.

ATI and achieving effective fine collection. This new administration's institutional commitment has brought about a promising environment for the achievement of SGLLE outcomes.

3.4.1.6. EQ7. DOES THE PROJECT HAVE AN EFFECTIVE PLANNING, MONITORING AND EVALUATION (M&E) FRAMEWORK OR SYSTEM IN PLACE THAT HAS BEEN USED TO MONITOR AND ADJUST PROJECT ACTIVITIES?

The project's M&E system follows the M&E requirements prescribed in the FOA and OTLA Management Procedures and Guidelines (MPG), including a Project Monitoring Plan (PMP) and performance indicators for MTO, STO and outputs.

At the time of the evaluation, the project indicators were under revision[17] with DOL M&E experts to map them to the standard outcome indicators that OTLA-funded worker rights projects are expected to achieve or substantially contribute to, as prescribed by the recently updated OTLA MPG[18].

Overall, the set of indicators adequately covers the results chain towards the outcomes on improved ATI oversight capacities and improved prosecution of labor law violations by the PGR.

The output-level indicators cover all project outputs focusing on the degree of progress the delivery of procedures, tools and training (i.e. ind. 1.1: # of needed ATI legal instruments, including internal rules, procedures, and protocols identified as weak or absent in the ATI baseline assessment, which are strengthened or adopted). The M&E framework also includes indicators on the relevance of these outputs to the needs (ind. 1.2: % of staff interviewed who report that ATI legal instruments developed or strengthened with SGLLE assistance respond to the needs identified in the ATI baseline assessment). Overall, these indicators provide the project managers with a good system of milestones to monitor and verify progress towards the delivery of outputs, their uptake by STSS and PGR and allow for adjustments in the implementation, as necessary.

However, the M&E framework is less exhaustive on capturing the contribution of ATI oversight to improving identification and remediation of labor law violations. Whereas the M&E framework includes an LTO-level indicator for the PGR "% of labor fines successfully collected after being transferred to the PGR for fine collection", it lacks a similar LTO "hard" indicator for the labor inspection. Instead, the project relies on a subjective indicators "% of Key DGIT authorities and ATI officials interviewed who report that they perceive lower instances of corruption and other procedural shortcomings and irregularities in DGIT inspections as a result of SGLLE project assistance" which may give biased results.

[17] The evaluation team based its analysis on the drafts of the revised SGLLE indicators provided by USDOL during the fieldwork. Further on, during the drafting of the report, USDOL and AIR informed the evaluation team on the approval of SGLLE updated approach to monitoring, evaluation, and learning. This that was not considered under this evaluation.

[18] Management Procedures & Guidelines Fiscal Year 2022 U.S. Department of Labor Bureau of International Labor Affairs Office of Trade and Labor Affairs February 15, 2022.

3.4.1.7. EQ8. WHAT ADJUSTMENTS OR COURSE CORRECTIONS, IF ANY, SHOULD BE MADE TO THE PROJECT'S PMP, STRATEGIES, OR ACTIVITIES TO INCREASE THE LIKELIHOOD OF ACHIEVING ALL PROJECT OUTCOMES?

Regarding the value of the M&E system to increase the likelihood of achieving project outcomes, the M&E system also includes indicators at capacity level (STOs), measuring whether outputs produced are being used to improve performance for ATI and PGR (ind 2.7 # of ATI staff who receive the training and report that the new or strengthened ATI legal instruments help them more effectively fulfill most of their job responsibilities; ind 2.6: # of ATI staff who receive the training and report that the enhanced ATI-specific ECMS module helps them more effectively fulfill most of their job responsibilities for which relevant functionalities are available). Together, these indicators provide good information to assess whether the use of outputs delivered are improving the capacities of AT and PGR and to take corrective action. However, given that all these indicators are based on self-reporting the evidence they provide on the actual improvement of capacities may not be accurate.

At mid-term and LTO level, the M&E system is more limited. It includes some indicators to measure the improvement of the timelines and completion of PGR labor fine collection (ind 3.2 % and # of labor law violation cases electronically transferred to the PGR for fine collection, through the ECMS when labor fines have been imposed but not paid within 15 working days from fine imposition; ind 3.1: # of labor fines successfully collected after being transferred to the PGR for fine collection.). There is a lack of indicators to measure how improved ATI oversight capacities contribute to STSS improvement in identification and remediation of labor law violations (LTO 2), for instance with indicators on the increase of preventive and corrective audits, or on measures adopted by the DGIT to improve the quality of labor inspections or remediate failures as a result of ATI oversight. Without such indicators, the project loses the ability to monitor and demonstrate with objective data, that the support provided to improve ATI oversight capacities, actually leads to better labor law compliance.

3.5. EFFICIENCY

3.5.1.1. EQ9. WITHIN THE CURRENT PROJECT TIMEFRAME AND BUDGET, AND WITH THE REMAINING TIME AND RESOURCES AVAILABLE, IS IT REALISTIC TO ACHIEVE THE PROJECT OUTCOMES? WHAT GENERALIZABLE LESSONS ON THE PROJECT EFFICIENCY CAN BE EXTRACTED?

Following the project revision, approved in March 2022, SGLLE has a two-year implementation period ending in December 2023, which provides the project sufficient time to implement the workplan as envisaged in the initial design.

The project is finalizing, together with stakeholders, the elaboration of the updated workplans for the components (ATI and PGR modules) on strengthening ATI and IT development. The work plans will provide the project with a tool to speed up implementation.

However, the timely implementation of the project may be impacted if any of the contextual factors mentioned in the previous section have an effect: institutional capacity limitations of STSS and ATI in particular, coordination with FB, the proper rollout of the ECMS, and maintaining political support by STSS and PGR authorities.

Regarding the adequacy of the budget to deliver all outputs and achieve the outcomes, the project has already spent around 29% of its total budget of USD $2,428,944[19], as shown in Table 3, whereas only two outputs have been delivered (the ATI baseline assessment and the ECMS assessment). That implies that the project will have to deliver all the substantive outputs, with around 71% of its planned budget. In the current favorable implementing scenario, it seems realistic to achieve all outcomes within the remaining available budget, although the budgetary margin to absorb implementation delays or cost increases is narrow and will require a very efficient use of funds.

Table 3 SGLLE Budget status in September 2021, in USD[20]

Budget Item	Total Expenditure (%)
personnel	39%
consultants	26%
fringe	25%
subcontractor	0%
travel	21%
odcs	4%
indirects	46%
allocation for project M&E	0%
Total	**29%**

3.6. IMPACT

3.6.1.1. EQ10. HOW CAN ILAB AND ITS GRANTEES BETTER (AND MORE TIMELY) CAPTURE, ANALYZE, AND ACT ON INFORMATION ABOUT IMPLEMENTATION CHALLENGES IN ORDER TO MITIGATE AND ADDRESS OBSTACLES LIMITING PROGRESS TOWARDS THE PROJECT'S OUTCOMES RELATED TO STRENGTHENING LABOR LAW ENFORCEMENT?

Given the early stage of project implementation, there are no visible impacts in terms of improved government adoption of regulations, improved identification and remediation of labor law violations or better prosecution of labor law violations. In this respect, the analysis in this mid-term evaluation has a more prospective focus.

In that regard, the evaluation has identified various elements that can bear a significant influence on the project's ability to progress towards the outcomes related to strengthening labor law enforcement.

Regarding the building of STSS capacities to identify and remediate labor law violations, the main factors relate to ATI acquiring formal and stable authority and capacities for DGIT oversight. In this regard, the legalization of ATI procedures is considered by all stakeholders as the fundamental cornerstone that underpins ATI's ability to conduct corrective and preventive audits and to improve the quality and effectiveness of labor inspection. Moreover, with the new administration, there are better prospects for providing ATI with the procedures necessary to fulfil its mandate. However,

[19] Source: Technical Progress Report October 1, 2021, to March 31, 2022 and project communication informing that the total budget was raised from USD $2,000,000 to USD $2,428,944 with the project revision approved by USDOL in April 2022.
[20] Source: Technical Progress Report October 1, 2021, to March 31, 2022.

this promising scenario needs to be confirmed with concrete steps taken by the STSS. The project shows a clear understanding of the key importance of this factor and is actively advocating for it through the country director's engagement with the STSS and ATI staff.

3.7. SUSTAINABILITY

3.7.1.1. EQ11 AND EQ12. TO WHAT EXTENT HAS THE PROJECT CREATED CONDITIONS FOR SUSTAINABILITY, INCLUDING BUILDING INSTITUATIONAL CAPACITY, FOSTERED MOTIVATION AND OWNERSHIP, AND STARTED TO LINK STAKEHOLDERS TO REPLACEMENT RESOURCES? WHAT ARE THE CURRENT PROSPECTS FOR SUSTAINING MAJOR OUTPUTS OR THE EXPECTED OUTCOMES AND WHAT ADJUSTMENTS ARE NEEDED TO INCREASE THE LIKELIHOOD OF SUSTAINABILITY?

The current early status of project implementation makes it still too preliminary to observe whether conditions for the sustainability of outcomes and outputs are being met. The analysis therefore focuses on the extent to which the project is adequately identifying the main sustainability factors and incorporating appropriate strategies to facilitate sustainability.

PROJECT STRATEGY FOR SUSTAINABILITY: The project strategy to maximize uptake and sustainability envisages two complementary levels. The first focus is on technical factors to ensure that the products and tools delivered are flexible enough to be updated as necessary, and that relevant personnel of STSS and PGR, particularly ATI officials and PGR officials acquire the necessary capacities and skills to uptake the project outputs.

Although the project does not have an explicit approach to ensure the sustainability of the tools and procedures, the country director has a clear understanding of the need for all tools and procedures for ATI to include clear guidance on how to update them as further changes are made in the law and regulations and avoid them becoming outdated and dropped. Regarding the sustainability of capacities, the tailored accompanying training that the project envisages seems appropriate and likely to be effective to achieve technical sustainability conditions. Although the current capacity and skills gaps of some of the stakeholders, particularly ATI officials, may demand intense and ongoing training throughout the project duration.

The second sustainability strategy is aimed at fostering willingness and commitment from STSS and PGR authorities to sustain the project outcomes through continuous follow up with high level authorities of these institutions, to promote ownership, combined with technical advocacy building within the USDOL's ongoing engagement with the Honduran government. These advocacy efforts are further aimed at taking advantage of opportunities for stronger engagement with stakeholders, that may arise as a result of the recent inclusion of the project on the MAP tripartite monitoring committee, for instance.

The expectation of the project is that in the context of a more favorable policy environment, the improvement in ATI effectiveness in improving the quality of the work of the DGIT and STSS as a whole will create internal buy-in and incentivize STSS authorities to assign resources to ATI. However, stakeholders have pointed out that for this strategy to be effective, it will be important that SGLLE creates a good compelling narrative for the STSS authorities and users on how better ATI oversight, based on solid data provided by the ECMS, improves the quality of labor inspections and allows STSS to do a better strategically and make the case for resources, and crucially, will provide workers, employers and other stakeholders a more accurate picture of labor law compliance. The approach to sustainability seems appropriate as evidence strongly suggests that

political commitment will be key for the sustainability of project outcomes in the long term, and to ensure the human and budgetary resources that ATI requires.

"The only way to have an impact is if there were sufficient resources for ATI, and political will within the STSS. USDOL made the commitment to advocate with STSS to ensure that this will happen. The design considers USDOL as a partner on the enabling environment."

- AIR Representative

Stakeholders observe good signs of commitment from the new administration, who have taken ownership of the MAP. This creates a favorable perspective on the enabling environment for the sustainability of project outcomes. Nevertheless, stakeholders do not expect immediate action by the government to allocate ATI the resources needed. In this regard, steps by government in meeting the MAP "hard" targets, such as dedicating resources to improve the capacity of DGIT and the quality of inspections, or making ECMS mandatory, will be a good proxy for the project to follow up and advocate for continued political commitment to support ATI and to tailor its sustainability strategy.

OTHER PROJECT CONDITIONS FOR SUSTAINABILITY: The evaluation has identified some additional factors that may influence sustainability

Stakeholders expressed important concerns about the capacities of the STSS IT department to keep operating and upgrading the ECMS as well as the ATI and PGR modules. This is the case, even if the technological solution designed by SGLLE is built to facilitate maintenance and upgrades. There are doubts that the STSS server infrastructure is adequate, and the IT department staff lack key skills and knowledge on software development required for the ECMS maintenance and upgrade. The ECMS assessment carried out by the project did not analyze the capacities of the STSS IT department for the maintenance and sustainability of modules. The project transference plan relies substantially on the handover process of the ECMS by FB as part of its project design. The lack of a transference component to the IT department, although responding to the division of work with FB, leaves limited scope to reinforce the transference period to STSS IT department in the likely case that it is needed.

"The STSS does not have the technological capacities needed. The IT department is weak… lacks developers, and programmers are outdated."

- WV Representative

"The IT department should be engaged in system development, but lack IT skills."

- IT Representative

Another key sustainability factor that has been identified is associated with the potential uptake of the ECMS by labor inspectors to ensure that the system contains full and complete documentation of each labor inspection conducted. The added value of the ATI module is based on this principle, and if ECMS does not provide complete documentation, the whole system will be compromised. Stakeholders in the STSS, and those knowledgeable of the labor inspection, expressed concerns about the labor inspector uptake of the ECMS, due to a lack of ownership

and to entrenched malpractices. The project is relying on the work of FB in this regard, but stakeholders also point out that achieving this condition may require joint advocacy by many parties to raise awareness among labor inspectors about the value of the ECMS as a tool to facilitate their work, to improve the effectiveness and quality of their labor inspections, and to demonstrate accountability and provide objective evidence of their work.

"Now, many labor inspectors do not keep records updated. The ECMS must make it mandatory for all files to be stored in the system."

- ATI Official

4. LESSONS LEARNED AND PROMISING PRACTICES

4.1. LESSONS LEARNED

1. For projects that are dependent on the outcomes of other ongoing programming, close communication and collaboration between concerned USDOL offices is required

The experience of the project demonstrates the risks associated with launching a FOA for an intervention that includes components that are dependent on the outcomes of other ongoing programming, particularly when managed by a different USDOL office. The SGLLE experience has shown the importance in these cases of setting up a joint coordination mechanism between the concerned offices to align the planning, delivery and monitoring of the interlinked components to anticipate and correct any obstacles, and to avoid implementation delays and inefficiencies in the use of project resources.

2. Lengthy project (re)design processes should incorporate an analysis of the budgetary impacts and include corrective measures.

When project implementation is on hold due to delays in approving or finalizing the project design, even if measures are taken during this period to minimize expenditure, such as delaying the hiring of the full team or reducing travel and indirect costs, it is very hard to totally put the project expenditure on stand-by. Extended periods for finalization of project design can lead to negative impacts on the efficiency of the project budget, that may recommend budget revisions to balance funds across budget lines or budget increases, whenever possible.

4.2. PROMISING PRACTICES

PROMISING PRACTICES

1. The project's approach to the legalization of labor law procedures provided a logical workflow for building institutional capacity.

The approach adopted by the project for ATI capacity building, starting with the elaboration, validation, and legalization of the ATI procedures, was followed by the development of the operational, organizational, and planning tools for conducting audits. Based on this, the development of a technological platform that provides ATI access to the labor inspection files is necessary to implement audits. The sequencing provides a logic and effective workflow for capacity building.

2. Developing flexible, tailored IT solutions maximizes uptake and sustainability.

The use of flexible designs, for the development of IT solutions, that adapt to the technological and institutional capacities of the recipient institutions is an effective approach to maximize uptake and sustainability. The project strategy to develop the ATI and PGR modules to operate in the specific IT environment of each institution (ECMS in the case of ATI and SIGMA in the case of the PGR) facilitates their integration into each institution's respective technological platform, fostering ownership and reducing maintenance and costs.

5. CONCLUSIONS

PROJECT LOGIC

By addressing both the improvement of the STTS for identification and remediation of labor law violations through better ATI oversight of the DGIT, combined with improving PGR capacities for the collection of fines, the theory of change sets an appropriate strategy to reach the objective of strengthening administrative labor law enforcement in Honduras, given the close interlinkages and interdependence between both institutions in their mandate regarding labor fine collections. However, elements of LTO1 and LTO2 related to the ATI component are somewhat overlapping and do not provide a clear narrative of how the outputs will lead to improved capacities and improved law enforcement. In part, these flaws are due to a rigid approach in the formulation of the ToC which mirrors the general ToC of the FOA whose component on government adoption of laws, regulations, and other legal instruments consistent with relevant labor standards is not fully relevant to Honduras.

The assumptions of the theory of change adequately capture the major external factors in the policy and institutional context that may influence the achievement of outcomes and incorporates measures to follow up and influence these factors.

The assumption that STSS will provide ATI with the staff and resources needed to operate is highly relevant given the serious capacity gaps of the unit. The combination of internal and external advocacy, engaging employers' and workers' organizations and the USDOL, through the MAP tripartite stakeholder committee is strategically sound. However, it may be too optimistic given STSS constraints and the uncertain political environment, despite the signs of increased commitment shown by the new authorities. The assumption of political will and institutional commitment on the part of PGR is also highly relevant and conditions for its fulfillment seems to be positive with the new administration, and the project strategy for follow up is appropriate. The project's incorporation of the assumption that labor inspectors fully uptake the ECMS reflect a good reading of the institutional conditions required for effective ATI oversight. This assumption is critical for ATI and PGR to obtain real-time, accurate and complete data from labor inspectors. However, the lack of a strategy to follow-up this assumption and to join forces with FB may pose a significant risk.

RELEVANCE TO THE NEEDS

The project addressees the main needs and major gaps of the ATI, to improve oversight of the labor inspection. It strategically places a significant focus on the development and legalization of the ATI procedures as the cornerstone underpinning the organizational and operational structure of the ATI. The emphasis on the legalization of the ATI procedures is particularly strategic and will provide an effective and sustainable procedural architecture, that is lacking in the LIT and its regulation. Improving the organizational structure and creating job profiles as a basis for a transparent selection process is also highly relevant to close the gaps that ATI faces in order to have efficient and qualified staff. However, the results of the project in this area may be hindered if political interference in human resources selection within the STSS is not eliminated. The training component of the project is also adequate to the needs and conditions of ATI and addressees the strong demand of the ATI staff on improving their hard and soft skills.

The ATI ECMS module is a highly relevant and powerful tool to support ATI to have timely and full access to the inspection files and precise, detailed indicators in real-time on the performance of

the labor inspectors. This is currently very challenging and a major obstacle for effective oversight of the labor inspection.

Turning to the PGR component, the project contributes to address a significant gap in the labor fine collection process. PGR frequently faces obstacles in collecting fines due to poor and incomplete documentation in the labor inspection dossiers. The PGR module connected with the ECMS is an effective technological solution to address this issue that fits well with the IT system and capacities of the PGR.

Consultations with stakeholders regarding the project design adequately allowed the main stakeholders from government and social partners to express their perspectives, priorities and concerns. The project design reflects the stakeholders' inputs coherently with the project objective of effective government law enforcement consistent with relevant labor standards. Whereas all stakeholders recommended by USDOL were consulted, the project gave less voice to the workers' organizations in the consultations, leaving out two of the three national trade union confederations and missing the opportunity for better engagement with the workers' organizations to fully ensure that their needs were considered in the project design.

COHERENCE

The project is closely linked to another USDOL-funded project, FB, that must deliver the ECMS to which the ATI and PGR modules will be linked, making the feasibility and added value of a key project component highly dependent on the ability of a third party to deliver. The project strategy to address this situation, unforeseen in the initial project design due to FB' extension, is efficient but does not fully eliminate risk. The development of the ATI and PGR modules that are technically independent of the ECMS but use the same architecture and systems, will allow the project to develop the ATI and PGR modules independently of FB. Coordination between the two projects on the IT solutions is fluid, with the project IT staff taking the lead. Nevertheless, effective coordination may be affected by the long process of project revision resulting from the FB extension, which was colored by a lack of trust in the communications between the two projects.

EFFECTIVENESS

To date, the project's progress towards the outcomes is still very limited, despite starting operations in June 2019. The main cause for this delay can be attributed to the inefficient process to revise the SGLLE project design to fit with that of FB. The extension of the latter project resulted in an overlapping between the two projects on the components related to the ATI and PGR modules.

USDOL had difficulties in providing timely and efficient guidance to AIR and WV on how to delimit the overlapping elements of their respective project designs. This was in part due to the coordination between the two USDOL offices involved (OCFT for FB and OTLA for SGLLE) which added additional layers of communication. This was further aggravated by a slow response from FB to share the EMCS code and clarify the status of progress in the rollout of the ECMS. FB was having delays and acceptance issues with STSS in particular with the DGIT modules.

Moreover, the impact of COVID-19 in early 2020 further complicated implementation. The decision of AIR to rely on virtual work with the STSS and PGR until the recent arrival of the project country director to Honduras, although was reasonable for the efficient use of resources, proved poorly effective to engage with stakeholders, given the serious lack of IT infrastructure, low

computer literacy and poor teleworking culture of the STSS. The lack of in-country presence also limited the dialogue between AIR and FB and further complicated the project (re)design process.

In terms of progress in the ATI component, the project is in the requirement gathering phase to define the outputs to upgrade the legal procedures, organizational structure, working and planning tools for ATI. The ongoing process, based on the ATI assessment carried out by the project in 2021 and consultations with ATI staff using tailored self-assessment tools, seems adequate to provide ATI with the improved tools needed.

On the ATI/ECMS module, the work is still in its early stages of design and the project is progressing in good coordination with FB to define the technical features. The approach adopted by the project to wait for the development of the ATI/ECMS module until ATI procedures are legalized, incorporates the lessons learned from FB. Although, the planned rollout dates may compromise the transferal to STSS and full uptake by ATI.

The PGR component is currently working on the requirements gathering phase and it is too early to observe results. The coordination with FB on the IT side is sustained and PGR is rolling out its SIGMA system as planned. There is no major obstacle foreseen to achieve the outcome of increased technological capacities for PGR to collect fines.

The effectiveness of the project is highly influenced by the organizational strengths and challenges of AIR, STSS, and PGR. AIR is bringing to the project solid and highly valued IT expertise from its Mexico team, that is also benefiting Futures Brillantes. AIR is also providing good added value on labor law expertise, although bringing onboard national experts on labor law will reinforce the consistency of the outputs with the national legal framework and facilitate engagement and ownership of the STSS.

Regarding the STSS, the experience of the project has shown that the slow response of ATI, due to technical, knowledge and skills gaps and heavy workloads, may compromise the progress towards the delivery of outputs. The lack of IT capacities of staff may also reduce the effectiveness of the online training modalities that the project intends to use in combination with face-to-face training. Additionally, the fragmentation of the ATI structure across various STSS offices without a clear chain of command and communication may complicate consistent and timely responses.

The project country director seems to be aware of these challenges as well as on the need for efficient coordination with the STSS authorities for the prompt legalization of the ATI procedures once developed and validated and is actively engaging with the ATI officers. In the case of the PGR, capacities for the uptake and maintenance of the PGR module are adequate and no significant capacity issue has been identified.

The change of government following the November ‘21 election has created a much more positive environment for the project, despite the negative short-term effect of having to rebuild ties and foster ownership with the new STSS and PGR officials. This institutional commitment at a high-level creates a promising environment for achieving the SGLLE outcomes, although concrete actions still need to materialize.

On the effectiveness of the M&E framework to monitor and adjust project activities, it is still not producing information to orient project implementation, given current project status. The revision of the M&E framework that the project is undertaking jointly with the USDOL is mapping indicators to the standard outcome indicators for OTLA-funded worker rights projects. This will facilitate the

M&E system to capture substantive changes in capacities of ATI and PGR. However, some gaps have been identified in measuring whether improved oversight capacity leads to better identification and remediation of labor law violations.

EFFICIENCY

The recently approved project extension grants the project a roughly two-year implementation timeline. This timeline is deemed sufficient to deliver all the project outputs and achieve the outcomes, if the current in-country capacities are maintained and if the favorable implementing environment is maintained: commitment of government authorities, in- country presence and fluid communication with FB. However, the monitoring of key capacity factors regarding ATI's response and STSS' buy-in will be critical. The remaining budget (73% of the total) is overall sufficient to carry out the remaining activities, although redistribution of funds across some budget lines may be necessary.

IMPACT

Although it is still early to identify project impacts, it is possible to observe various factors that may influence project outcomes and lead to effective, long-standing strengthening of labor law enforcement. The first is related to the commitment of the STSS authorities to give legal status to the improve ATI procedures. The active advocacy that the country director plans to undertake in the context of a positive commitment of the new administration brings promising perspectives but close monitoring and anticipation of possible obstacles, such as internal opposition within the STSS, will be key.

SUSTAINABILITY

The project's strategy on sustainability, combining outputs designed with built-in procedures for updating them as necessary, with building capacity and skills of ATI, DGIT and PGR staff and to uptake and upgrade the outputs as necessary, is deemed effective to ensure long-term sustainability of the project at a technical level. However, ensuring the targeted officers, particularly in ATI, acquire sufficient level of knowledge and skills, will require intense support and follow-up and may require a reinforcement of the training component.

At a policy level, the project is also strategically working to mobilize the STSS and PGR through follow up with high level authorities of these institutions to promote ownership. At the same time, the project is starting to advocate for its engagement through the MAP tripartite monitoring committee which allows the project to draw the support of employers and workers organizations. All these efforts are likely to foster STSS and PGR commitment for sustainability of the project outcomes, particularly if the favorable policy environment for labor law compliance continues. Although, it may not translate into an increase of resources for ATI in the short-term. The project strategy is adequately factoring in this aspect and outputs to be delivered to ATI are realistic and in line with ATI capacities.

However, there are some STSS institutional factors that may influence sustainability which have not been fully accounted for in the project strategy. The first is the capacity of the STSS IT department to maintain and upgrade the ECMS and the ATI and PGR modules. The project transference strategy relies on the work of FB to build the necessary capacities of the STSS IT department. However, this reliance on FB's work, given the significant IT department capacity gaps, seems overly optimistic, and gives with little scope for the project to reinforce the training

component for the IT department, should it be necessary. Another key factor will be the effective uptake of the ECMS by the labor inspectors. This fundamental condition for the effectiveness and the sustainability of the ATI and PGR modules is considered as an assumption of the project, but it lacks a specific strategy to ensure that it is successfully accomplished.

6. RECOMMENDATIONS

RECOMMENDATION 1 (USDOL): INCLUDE IN THE FUNDING OF PROJECTS A COORDINATION MECHANISM WITH THE OFFICES MANAGING OTHER ONGOING PROGRAMMING CONNECTED TO THE PROJECT

When launching FOAs of projects linked to other ongoing projects, USDOL should provide for an agile communication and coordination mechanism between the concerned USDOL offices and implementers to facilitate the project design and further implementation. The coordination mechanism should integrate focal points from USDOL offices supporting related programming and implementers and should focus on identifying linkages between projects at outcome, output and planning levels, sharing information on the implementation status and on lessons learned of the ongoing project, among others.

USDOL should also Include in the FOA an accelerated timeline for the project design and approval process (ideally no more than 6 months), along with a calendar of the outputs to be delivered, including: the status of other relevant programs that may be already underway by other actors, and a proposal for coordination between multiple funders or implementers, if applicable.

RECOMMENDATION 2 (AIR AND GOVERNMENT OF HONDURAS): REINFORCE PROCEDURES WITHIN ATI REGARDING ITS PREVENTIVE AND QUALITY CONTROL ROLE

In the development of the ATI procedures, SGLLE should put a particular emphasis on providing detailed, step-by-step guidance on how to conduct preventive and quality control audits. The procedures should also detail the processes to disseminate the results of the audits to DGIT and other relevant departments and include actionable recommendations for improvement. They should also include provisions for including preventive and quality control audits in ATI annual workplans, as well as follow up to the implementation of the recommendations. The procedures should also provide guidance on how results in improvement of labor inspections, as a result of preventive and quality control audits, should be measured by strategic indicators and reported to the STSS authorities.

RECOMMENDATION 3 (AIR AND GOVERNMENT OF HONDURAS): EXPAND THE ATI STAFF TRAINING PACKAGE

To the extent that training budget allows and/or can be increased, SGLLE should equip the ATI, based on the set of trainings to be delivered, with a complete stand-alone training package that can be used to provide new staff with the specific knowledge and skills to conduct effective audits and to regularly keep existing staff updated. This training package should be in a self-training format or any other modality that minimizes dependence on external trainers. It should also include training on soft skills.

SGLLE should also expand as much as possible the training and transference phase to ATI, with priority given to face-to-face activities and leaving sufficient time for follow-up and reinforcement as needed.

RECOMMENDATION 4 (AIR AND GOVERNMENT OF HONDURAS): DISSEMINATION OF ATI FUNCTIONS

SGLLE should include a strategy to support ATI to implement information campaigns on their role targeting DGIT and other departments that are connected to the labor inspection process (i.e. conciliation department). In the information campaigns, SGLLE should give emphasis to the value of ATI to improve the quality and effectiveness of the labor inspection.

RECOMMENDATION 5 (AIR): COLLABORATE WITH LOCAL LEGAL EXPERTISE FOR THE DEVELOPMENT OF THE ATI PROCEDURES

SGLLE should bring onboard local legal experts for the development and legalization of ATI procedures, complementing the inputs of the country director and the expertise provided by the SGLLE legal experts. SGLLE should explore with FB ways to benefit from the accumulated legal expertise of this latter project.

RECOMMENDATION 6 (AIR AND GOVERNMENT OF HONDURAS): FORMALIZE COORDINATION WITH FUTUROS BRILLANTES UNDER THE LEADERSHIP OF THE STSS

SGLLE should reinforce the ongoing communication with FB with regular coordination meetings, together with the STSS to follow-up on the ECMS, ATI and PGR module development, to identify issues and take appropriate measures as necessary, and to keep the STSS informed and engaged. These regular meetings should include ATI, DGIT and other departments as deemed necessary. SGLLE should also have coordination meeting with the STSS IT department and FB on the development of the ATI and PGR modules, as well as to address any IT issue on the development and rollout of the ECMS that may have implications for the ATI and PGR modules.

RECOMMENDATION 7 (AIR AND GOVERNMENT OF HONDURAS): IMPROVE OUTCOME MEASUREMENT IN THE M&E FRAMEWORK

SGLLE should include in the M&E framework quantitative indicators to measure the contribution of ATI oversight to better compliance of the labor inspection with inspection procedures and the labor law. These indicators should be developed jointly with ATI and may include indicators on reduction in complaints by labor inspection users, reduction in irregularities detected by ATI, and others as relevant.

SGLLE should analyze the results of an end line study measuring the improvement on ATI effectiveness including aspects such as ATI use of the ECMS-linked module, value of the ATI module for the auditing process, improvement on the quality of audits, increase in ATI staff performance, adherence of audits to the procedures, protocols and planning tools, with the purpose of assessing end line results and to support ATI to better identify the areas for improvement and plan its priorities after the project's finalization.

RECOMMENDATION 8 (AIR AND GOVERNMENT OF HONDURAS): IMPROVE STSS IT DEPARTMENT CAPACITIES FOR SUSTAINABILITY

SGLL should expand, in coordination with WV, the training and transference activities for the STSS IT department and to develop an IT capacity package focusing on software development and maintenance, based on a detailed IT department capacity gaps assessment and the requirements for maintenance and upgrades of ECMS, ATI and, as relevant, the PGR module.

RECOMMENDATION 9 (USDOL, AIR AND GOVERNMENT OF HONDURAS): STRENGTHEN THE STRATEGIC ADVOCACY WITH NATIONAL STAKEHOLDERS

SGLLE should make strategic use of its participation in the MAP tripartite monitoring committee to advocate for the STSS' commitment to support the improvement of ATI capacities, including legalization of the ATI procedures, assigning sufficient staff and operational resources to ATI and increasing its authority within STSS.

SGLLE should use the tripartite committee to make presentations on the progress and challenges, to keep stakeholders engaged, validate major products, such as the ATI auditing and operational procedures and present a solid narrative on how improvement on ATI oversight based on quality data provided by the ECMS improves labor law compliance.

SGLLE should also expand their engagement with workers organizations to include the three main national trade unions (CGT, CUTH and CTH) both at the MAP tripartite monitoring committee and through direct contact and follow-up. In key relevant project activities where participation of workers organizations is expected (i.e., dissemination events), SGLLE should invite representatives of the three national trade unions.

USDOL should continue mobilizing STSS and PGR to generate ownership of the project and to foster the participation of SGLLE in the MAP tripartite monitoring committee.

Table 4. Recommendations and Supporting Evidence

Recommendation	Evidence	Page Numbers
1 (USDOL): INCLUDE IN THE FUNDING OF PROJECTS A COORDINATION MECHANISM WITH THE OFFICES MANAGING OTHER ONGOING PROGRAMMING CONNECTED TO THE PROJECT	- The SGLLE project was conceived by USDOL/OTLA under the assumption that by the time SGLLE started, the FB project would be finished and the STSS would be equipped with an operational ECMS. Therefore, the FOA did not foresee a mechanism for coordination and collaboration between the two interventions.	24
	- Revision of scope of work by USDOL led to further delays due to the fact that negotiations involved two different offices within USDOL (OCFT for FB and OTLA for SGLLE) that lacked an agile mechanism to adjust the scope of work for overlapping projects.	26

Recommendation	Evidence	Page Numbers
2: (AIR AND GOVERNMENT OF HONDURAS): REINFORCE PROCEDURES WITHIN ATI REGARDING ITS PREVENTIVE AND QUALITY CONTROL ROLE	- A major gap for ATI to carry out its mandate is the lack of legally binding, clear and detailed procedures to carry out audits. - The current ATI procedural manual is not technically adequate. - Stakeholders emphasized the importance of reinforcing in the ATI procedures its preventive and quality control role.	21 21 21
3: (AIR AND GOVERNMENT OF HONDURAS) EXPAND THE ATI STAFF TRAINING PACKAGE	- All stakeholders, including ATI staff themselves, recognize that the knowledge and skills of ATI staff needs to be significantly upgraded. - The current auditor job profile does not include fundamental aspects such as knowledge of national labor law, familiarity with the legal and operative framework of the labor inspectorate, technical knowledge and experience in auditing. - Stakeholders also highlighted the importance of building capacities in soft skills among ATI staff.	22 21 22
4: (AIR AND GOVERNMENT OF HONDURAS) INCLUDE A STRATEGY TO DISSEMINATE ATI ROLE AND FUNCTIONS	- There is a risk that internal opposition from DGIT may debilitate the political will within STSS to strengthen ATI, particularly if ATI continues to lack a high-level interlocutor with the ministry cabinet. - Issues of ATI overlapping with HR, and a lack of clear legalized procedures are contributing to confusion about ATI's role, undermining the credibility of the ATI as an independent body.	20 21

Recommendation	Evidence	Page Numbers
5: (AIR) COLLABORATE WITH LOCAL LEGAL EXPERTISE FOR THE DEVELOPMENT OF THE ATI PROCEDURES	- ATI staff highlighted the importance of bringing on board local legal experts for the development of the different outputs, and particularly for the elaboration and legalization of the ATI procedures. –Local experts are considered highly relevant to better engage ATI, DGIT and other departments in the process, and to facilitate dialogue with the STSS authorities for the legalization of the ATI procedures.	29
6 (AIR AND GOVERNMENT OF HONDURAS): FORMALIZE COORDINATION WITH FUTUROS BRILLANTES UNDER THE LEADERSHIP OF THE STSS	- The lack of transparent communication between WV and AIR during the project revision and (re)design seems to have influenced the delays in the SGLLE implementation. Evidence suggests that better communication between the two projects could have been mutually beneficial.	24 & 25
7: (AIR AND GOVERNMENT OF HONDURAS) IMPROVE OUTCOME MEASUREMENT IN THE M&E FRAMEWORK	- At mid-term and long-term objective level, the M&E system is more limited. It lacks indicators to measure how improved ATI oversight capacities contribute to STSS improvement in identification and remediation of labor law violations.	32
8: (AIR AND GOVERNMENT OF HONDURAS) IMPROVE STSS IT DEPARTMENT CAPACITIES FOR SUSTAINABILITY	- The STSS IT department lacks critical capacities to keep operating and upgrading the ECMS as well as the ATI and PGR modules, even if the technological solution designed by SGLLE facilitates maintenance and upgrade. - SGLLE transference plan relies substantially on the transference process of the ECMS by Futuros Brillantes, and overestimates the capacities of the IT staff to absorb the training.	36

Recommendation	Evidence	Page Numbers
9: (USDOL, AIR AND GOVERNMENT OF HONDURAS) STRENGTHEN THE STRATEGIC ADVOCACY WITH NATIONAL STAKEHOLDERS	- Political will is needed for STSS to provide ATI additional staff and resources, which is critical for sustainability in the long run. - The hypothesis of a "virtuous circle" of improvement of ATI capacities leading to political support to strengthen ATI is too optimistic. Insufficient political support by STSS authorities has greatly influenced the situation of ATI. Positive signs of new STSS authorities have yet to materialize into action.	20 20

ANNEX A. LIST OF DOCUMENTS REVIEWED

American Institutes for Research (AIR, formerly IMPAQ International). Draft Project Document. Strengthening Government Labor Law Enforcement: Honduras. Office of Trade and Labor Affairs (OTLA), United States Department of Labor (USDOL). June 2020. Versions reviewed November 2020 and January 2022

IMPAQ International. SGLLE Honduras, Scoping Mission Minutes: AHM, CCIC, COHEP, Fruit of the Loom, SC, STSS WV, World Vision. February 2020

IMPAQ International. SGLLE Technical Progress Reports: January 1 to March 31, 2019; April 1 to June 30, 2019; April 1 to September 30, 2019; October 1 to December 31, 2019; October 1, 2019 to March 31, 2020; April 1 to June 30, 2020; April 1 to September 30, 2020; October 1, 2020 to March 31, 2021; April 1 to September 30, 2021; October 1, 2021, to March 31, 2022.

AIR. Strengthening Government Labor Law Enforcement (SGLLE) Project – Honduras. ATI Baseline Assessment Summary Report. OTLA, USDOL. February 2022

AIR/SGLLE. Marco legal de funcionamiento de la Auditoría Técnica de Inspección del Trabajo, Honduras. Informe 1. April 2021

AIR/SGLLE. Análisis de instrumentos legales que rigen a otras entidades gubernamentales que tienen funciones relacionadas o superpuestas con la Auditoría Técnica de Inspección del Trabajo, Honduras. Informe 2. May 2021

AIR/SGLLE. Lista y resúmenes de las superposiciones, redundancias o sinergias entre los instrumentos legales que rigen a otras entidades gubernamentales con funciones similares a la Auditoría Técnica de Inspección (ATI) y aquellos instrumentos que rigen la ATI. Informe 3. June 2021

AIR/SGLLE. Lista y resúmenes de las lagunas en las leyes, reglamentos y otros instrumentos legales existentes que rigen la ATI, incluidos los objetivos e indicadores de desempeño. Informe 4. June 2021

AIR/SGLLE. Presentación de la revisión comparativa de los instrumentos legales que rigen la ATI con los de agencias de auditoría en Costa Rica, EUA y México. Informe 5. September 2021

AIR/SGLLE. Recomendaciones de los instrumentos legales y enmiendas a los instrumentos legales, metas e indicadores existentes, requeridos para que la ATI cumpla con sus roles y responsabilidades. Informe 6. September 2021

AIR/SGLLE. ECMS Assessment Summary Report March 2022

Government of Honduras. Ley de Inspección de Trabajo. La Gaceta. Diario Oficial de la República de Honduras. Num. 34.290. March 15th 2017

Government of Honduras. Reglamento de la Ley de Inspección de Trabajo. La Gaceta. Diario Oficial de la República de Honduras. Num. 35.183. February 24th 2020.

Government of the United States and Government of Honduras, Labor Rights Monitoring and Action Plan, December 2015

Procuraduría General de la República de Honduras. Plan Operativo Anual 2019

OECD/DAC Network on Development Evaluation. Better Criteria for Better Evaluation. Revised Evaluation Criteria. Definition and Principles for Use.

OTLA, USDOL. Standard Indicator Mapping Form. Excel file. January 2022

OTLA, USDOL. Public Report of Review of US Submission 2021-01 (Honduras). DR-CAFTA. February 2015

OTLA, USDOL. Management Procedures & Guidelines for Cooperative Agreements. Fiscal Year 2022. February 2022

Sistemas, Familia y Sociedad, Consultores Asociados. Thematic Performance Evaluation. USDOL ILAB-supported Labor Administration Electronic Case Management Systems in Colombia, Honduras, Paraguay, Peru, Philippines, Sri Lanka and Vietnam

Sistemas, Familia y Sociedad, Consultores Asociados. Honduras: ECMS Fact Sheet I. System Overview

Sistemas, Familia y Sociedad, Consultores Asociados. Thematic Performance Evaluation – Stakeholder Debrief. Labor Administration Electronic Case Management Systems in Colombia, Honduras, Paraguay, Peru, Philippines, Sri Lanka and Vietnam. July 2021

USDOL. Statement on the Status of the Implementation of the US-Honduras Labor Rights Monitoring and Action Plan. October 2018

USDOL. Bureau of International Labor Affairs. Notice of Availability of Funds and Funding Opportunity Announcement for Strengthening Government Labor Law Enforcement.

ANNEX B. EVALUATION ITINERARY

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ANNEX C. STAKEHOLDER WORKSHOP AGENDA

Virtual workshop on 3/5/2022

Agenda

- Presentation of findings and preliminary recommendations by evaluation team (1 h)
- Discussion in plenary (1h)

ANNEX D. TERMS OF REFERENCE

TERMS OF REFERENCE

Final Version | April 5, 2022

INTERIM EVALUATION

STRENGTHENING GOVERNMENT LABOR LAW ENFORCEMENT (SGLLE) IN HONDURAS

SUBMITTED TO

United States Department of Labor
Bureau of International Labor Affairs
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Washington, DC 20210
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PREPARED BY

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1. BACKGROUND AND JUSTIFICATION

The United States Department of Labor (USDOL), through its Bureau for International Labor Affairs (ILAB), has contracted with Sistemas, Familia y Sociedad (SFS) under order number 1605C2-21-F-00051 to conduct this performance evaluation of the Strengthening Government Labor Law Enforcement (SGLLE) project in Honduras, which is implemented by the American Institutes for Research (AIR) – previously IMPAQ International, LLC.

This document serves as the framework and guidelines for the evaluation. It is organized into the following sections:

1. Background
2. Purpose, Scope, and Audience
3. Evaluation Questions
4. Evaluation Design and Methodology
5. Evaluation Team, Management, and Support
6. Roles and Responsibilities
7. Evaluation Milestones and Timeline
8. Deliverables and Deliverable Schedule
9. Evaluation Report

- ### PROJECT CONTEXT[21]

The Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), signed in 2004 and entered into force in Honduras in 2006, helped liberalize trade among the parties and committed them to specific labor obligations. The one labor obligation enforceable through CAFTA-DR's dispute settlement process, Article 16.2.1(a), requires that each party not "fail to effectively enforce its labor laws, through a sustained or recurring course of action or inaction, in a manner affecting trade between the Parties."

Despite CAFTA-DR ratification, Honduras has continued to face significant economic, governance, and labor rights challenges. In 2012, the AFL-CIO and 26 Honduran unions and civil society organizations filed a submission with USDOL alleging that Honduras had violated certain labor commitments under CAFTA-DR, including those under Article 16.2.1(a), with respect to seven apparel and auto parts factories, nine plantations or farms, and enterprises at the Port of Cortés. The 2015 USDOL Public Report of Review of U.S. Submission 012-01 (Honduras), responding to the submission, noted evidence of labor law violations in most of the cited cases and expressed "serious concerns regarding the Government of Honduras's enforcement of its labor laws in response to evidence of such violations."

In December 2015, the U.S. and Honduran governments agreed to the Labor Rights Monitoring and Action Plan (MAP) for 2015 to 2018, with concrete timelines and indicators, to resolve the submission report's core recommendations. In March 2016, USDOL found that the Secretaría de Trabajo y Seguridad Social (Secretariat of Labor and Social Security, STSS) had "made significant progress toward meeting the MAP benchmarks, in most cases within the timeframes specified in

[21] Adapted from the Honduras SGLLE Project Document: "SGGLE Honduras Project Document Revised March 2022"

the MAP." Building on this progress, in March 2017, the LIT went into effect, increasing fines for labor law noncompliance, improving workplace access for inspectors, and establishing the ATI as a new DGIT oversight and anti-corruption unit within the STSS. Despite documented progress, however, the MAP has been extended multiple times since 2018 to give the STSS time to complete outstanding elements, most recently in June 2020, when USDOL emphasized that it would continue to: 1) support efforts to conclude outstanding MAP commitments; 2) work with both World Vision and AIR to minimize the impact of the pandemic on project activities; and 3) work with the STSS and the Tripartite Commission to develop a Honduran-led structure and a roadmap for continued progress on labor issues once the MAP concludes.

The Honduran STSS faces significant resource constraints that impede labor law enforcement. The STSS Dirección General de Inspección del Trabajo (General Directorate of Labor Inspection) (DGIT), in particular in Honduran departments outside Tegucigalpa, has, among other limitations, insufficient labor inspectors and other inspectorate personnel, with certain departmental inspectors required to fulfill multiple DGIT roles; insufficient capital resources, such as transportation to worksites, computers, and other technology; a lack of a robust hiring process to ensure inspectors meet certain minimal qualifications; and inadequate inspector training. Additionally, even when labor inspectors, with their limited capacity and resources, identify violations and impose corresponding fines, challenges exist to effective fine collection.

The ATI, created by the 2017 LIT to oversee and "verify the quality of the work of the labor inspectors" (Art. 20), is particularly under-resourced, with five staff countrywide, only three of whom, in practice, perform ATI-related functions. Additionally, even when labor inspectors, with their limited capacity and resources, identify violations and impose corresponding fines, challenges exist to effective fine collection. If an employer fails to pay a fine voluntarily within 15 working days, under the Ley de Inspección de Trabajo, the STSS must transfer the case to the Procuraduría General de la República (Attorney General of the Republic) (PGR) to collect the fine (Art. 95). The PGR is required to inform the STSS monthly of the fines it has enforced that month. Nonetheless, the PGR regularly fails to collect labor fines or provide any related reporting.

International assistance projects in Honduras have attempted to address certain elements of these labor law enforcement concerns. Most relevant, USDOL-funded Futuros Brillantes (Bright Futures), implemented by World Vision, aims to reduce child labor and improve respect for workers' rights, including through training and capacity building for Honduran labor inspectors and inspectorate authorities and the development of a DGIT ECMS to facilitate more effective and efficient labor law enforcement.

- PROJECT SPECIFIC INFORMATION

USDOL ILAB selected the American Institutes for Research (AIR) – formerly IMPAQ International, LLC – to implement the Strengthening Government Labor Law Enforcement (SGLLE) project. The AIR team provides technical assistance in Honduras and Mexico to identify and address gaps that prevent these countries' respective governments from realizing a comprehensive labor law enforcement system, focusing specifically on each country's legal framework, labor inspection system, and labor violation adjudication system.

The SGLLE project goal in Honduras is to strengthen administrative labor law enforcement through improved compliance with the Ley de Inspección de Trabajo. To achieve this goal, the project's development hypothesis is as follows: IF we upgrade the ATI-specific ECMS module with a focus on greater transparency and accountability for the labor inspection process AND strengthen the capacity of the ATI to fulfill its DGIT oversight functions AND help ensure consistent and timely labor fine collection, THEN more effective labor law enforcement in Honduras will be achieved, through more efficient, effective, transparent, and accountable inspections and real penalties for non-compliance, leading to improved working conditions and greater respect for workers' rights in Honduras.

The project-level objective is effective government enforcement of laws that are consistent with relevant labor standards. The country-level objective is to strengthen administrative labor law enforcement in Honduras through improved compliance with the Ley de Inspección de Trabajo. The overarching strategy for advancing this country-level objective is to identify and address gaps that impede effective labor law application, focusing specifically on Honduras's legal framework, labor inspection system, and labor violation adjudication system. In support of this objective, the AIR team will focus on achieving three LTO, with corresponding MTO and STO.

- **LTO 1:** Government adoption and/or improved implementation of laws, regulations, and other legal instruments consistent with relevant labor standards
    - **MTO 1:** ATI staff are motivated to implement new or upgraded legal instruments to improve DGIT oversight
    - **STO 1:** ATI has new or upgraded legal instruments that meet their need for improved DGIT oversight
- **LTO 2:** Improved government identification and remediation of labor law violations
    - **MTO 2:** ATI staff are motivated to use new or upgraded internal rules, processes, procedures, goals, and performance indicators to improve ATI DGIT oversight capacity
    - **STO 2:** Improved ATI DGIT oversight capacity, including identification of inspectorate corruption and other procedural shortcomings and irregularities
- **LTO 3:** Improved prosecution of labor law violations.
    - **MTO 3:** Improved timeliness and successful completion of PGR labor fine collection
    - **STO 3:** Increased PGR capacity to use technological tools for labor fine collection

The achievement of these project outcomes would lead to sustainable change through: 1) enhancing and developing ATI- and PGR-specific modules within and linked to the ECMS, respectively; 2) upgraded ATI internal regulations and other legal, operational, and procedural instruments; goals, performance indicators, and other personnel professionalization standards; an optimal organizational structure, including well-defined job profiles, responsibilities, requirements, and merit-based hiring criteria; and tools to identify and indicators to track

compliance with institutional objectives and strategies; and 3) narrowly-tailored training for relevant personnel from the STSS, in particular DGIT and ATI officials, and the PGR.

The SGLLE project's direct beneficiaries include STSS officials, including from the ATI, and PGR authorities and personnel specifically responsible for collecting labor fines. Strengthening the capacity of the ATI to fulfill its DGIT oversight functions, with a focus on greater transparency and accountability for the labor inspection process and improving PGR capacity for labor fine collection would lead to more efficient, effective, transparent, and accountable inspections and real penalties for non-compliance. Workers and employers in Honduras would benefit from greater transparency, accountability, and consistency in the labor inspection process and as such, are indirect beneficiaries of the project.

The AIR team anticipates Honduran government agencies, including the STSS, in particular the ATI, as primary partners and the PGR as a secondary partner. The AIR team also anticipates additional stakeholders as partners, including the Solidarity Center, the Central General de Trabajadores (General Workers Confederation) (CGT), and World Vision, among others.

2. PURPOSE AND SCOPE OF EVALUATION

- ### EVALUATION PURPOSE

This interim performance evaluation will assess the performance and achievements of the SGLLE project in Honduras to date. The evaluation team will glean information from a diverse range of project stakeholders and institutions who participated in and were intended to benefit from interventions in Honduras. Because the AIR SGLLE projects in Honduras and Mexico were designed together and share the same project objective and LTOs, the results and conclusions of this evaluation will also consider any information and analysis from the other evaluations, as available at the time of fieldwork.

The purpose of interim performance evaluations covered under this contract includes, but may not be limited to, the following:

- Assessing the relevance of the project in the cultural, economic, and political context in the country, as well as the validity of the project design and the extent to which it is suited to the priorities and policies of the host government and other national stakeholders;

- Determining whether the project is on track toward meeting its objectives and outcomes, identifying the challenges and opportunities encountered in doing so, and analyzing the driving factors for these challenges and opportunities;

- Assessing the effectiveness of the project's strategies and the project's strengths and weaknesses in project implementation and identifying areas in need of improvement;

- Providing conclusions, lessons learned, and recommendations; and

- Assessing the project's plans for sustainability at local and national levels and among implementing organizations, and identifying steps to enhance its sustainability.

- **INTENDED USERS**

The primary audience of the evaluation includes ILAB, AIR and its implementing partners, and the tripartite stakeholders or constituents in Honduras, especially civil society. The evaluation results, conclusions, and recommendations will serve to inform future project design and inform stakeholders in the design and implementation of subsequent projects in the country and elsewhere as appropriate.

3. EVALUATION QUESTIONS

Following discussions with ILAB and AIR, the following key questions for this evaluation have been developed in accordance with the Organization for Economic Co-operation and Development Assistance Committee criteria: Relevance/Validity, Coherence, Effectiveness, Efficiency, Impact, and Sustainability.[22]

- **RELEVANCE/VALIDITY OF PROJECT DESIGN**

1. Are the strategy, outcomes, and assumptions of the theory of change (ToC) generally appropriate for achieving the planned results and long-term outcomes (LTOs)?
    a. What were the benefits and limitations of the FOA-prescribed ToC and LTOs?
2. To what extent do the project's expected outcomes and interventions respond to the needs of relevant stakeholders and the country context, specifically, officials from the Auditoría Técnica de Inspección (Technical Inspection Audit Unit, ATI); the Procuraduría General de la República (Attorney General of the Republic, PGR); and the Secretaría de Trabajo y Seguridad Social (Secretariat of Labor and Social Security, STSS) Dirección General de Inspección del Trabajo (General Directorate of Labor Inspection, DGIT)?
    a. Has the grantee consulted and involved relevant stakeholder institutions to ensure their support for the project and that the intervention respond to their needs?
    b. Has the grantee consulted and involved other relevant labor stakeholders?

- **COHERENCE**

3. To what extent has the project coordinated efforts with existing policies and interventions in the country on labor law enforcement by the government or interventions by other agencies and with USDOL priorities, in order to avoid duplication of activities/investments? Were these efforts towards coherence effective in avoiding duplication?
    a. If not, please describe why and indicate existing areas of duplication.

[22] Note that the OECD/DAC criteria have been revised as of January 2020: https://www.oecd.org/dac/evaluation/revised-evaluation-criteria-dec-2019.pdf.

b. What challenges has the project encountered in collaborating and coordinating with existing interventions and stakeholders?

- EFFECTIVENESS

4. What are the main successes, challenges, and lessons learned encountered within each project LTO?
    a. To what extent are the expected outcomes likely to be achieved or not achieved within the life of the project?
5. How does the organizational capacity of project implementers; target institutions, in particular GOH entities such as the ATI, PGR, and STSS's DGIT; and implementing partners (e.g., WV) limit or facilitate the effectiveness and sustainability of project interventions?
    a. Does the project design adequately account for challenges related to target institutions' capacity-related challenges?
6. How have external factors, such as the COVID-19 pandemic and the November 2021 election in Honduras, affected project implementation to date and how effectively did the project assess, adapt to, and mitigate these factors?
    a. How could the project more effectively adapt to these external factors to achieve project targets?
7. Does the project have an effective planning, monitoring and evaluation (M&E) framework or system in place that has been used to monitor and adjust project activities?
8. What adjustments or course corrections, if any, should be made to the project's PMP, strategies, or activities to increase the likelihood of achieving all project outcomes?

- EFFICIENCY

9. Within the current project timeframe and budget and with the time and resources remaining available, is it realistic to achieve the project outcomes? What generalizable lessons on the project efficiency can be extracted?

- IMPACT

10. How can ILAB and its grantees better (and more timely) capture, analyze, and act on information about implementation challenges in order to mitigate and address obstacles limiting progress towards the project's outcomes related to strengthening labor law enforcement?

- SUSTAINABILITY

11. To what extent has the project created conditions for sustainability, including building institutional capacity, fostered motivation and ownership, and started to link stakeholders to replacement resources?

12. What are the current prospects for sustaining major outputs or the expected outcomes and what adjustments are needed to increase the likelihood of sustainability?

These evaluation questions will provide the structure for the evaluation and be tailored to the specific objectives, expected results, activities, and stakeholders of the project. The evaluation team identifies the data sources it intends to use to answer these questions in Appendix A.

4. EVALUATION DESIGN AND METHODOLOGY

An evaluation team composed by a Lead Evaluator (LE) and a National Consultant/Monitoring and Evaluation Expert will be responsible for this evaluation. The evaluation team will address the evaluation questions using multiple sources of evidence, combining primary qualitative data with secondary quantitative data. It will obtain data for this evaluation by conducting:

- A document review,
- Remote and in person fieldwork including key informant interviews (KIIs) and focus group discussions (FGDs), which will be conducted remotely during the COVID-19 pandemic, and
- Quantitative analysis of secondary data, as available.

The evaluation team will use the sources described below to evaluate the project.

A. DOCUMENT REVIEW

The evaluation team will review the following documents, if available, before conducting field visits. The team will use the documents to assess the six evaluation criteria.

- Project documents, including Results Framework and Performance Monitoring Plan (PMP)
- Technical Progress Reports (TPRs), including performance Data Tracking Tables
- Reports on needs assessments, stakeholder analysis, and specific project activities
- Sustainability Plans and Risk Management Plans
- Work plans and activity logical sequencing
- Federal Financial Reports (FFR), Budgets and Records of Expenditures
- Any other relevant documents or deliverables

B. FIELDWORK

Prior to beginning fieldwork, the evaluation team will host a logistics call with the project's staff to plan the data collection. AIR will assist the evaluation team in scheduling KIIs and FGDs. The evaluation team reserves the right to add to or modify this list in the process of fieldwork or desk review, as appropriate.

The fieldwork itinerary will be determined based on scheduling and the availability of KII and FGD participants, and will include a mix of both remote and in-person meetings. Meetings will be scheduled in advance of the field visit and coordinated by AIR project staff, in accordance with the evaluation team's requests. The evaluation team will conduct KIIs and FGDs with stakeholders without the participation of any project staff. Whenever possible and with the permission of the informants, audio recordings will be made for the purpose of the study only; the recordings will be destroyed once the analysis is completed. These recordings will be for the evaluation team only and will not be shared with ILAB, AIR, or anyone else.

- ### 1. KEY INFORMANT INTERVIEWS

The evaluation team will conduct approximately 33 interviews over 10 days with project stakeholders in Honduras remotely by internet conference calls or phone calls, as appropriate.

Exhibit 1: KII Data Collection Strategy

Stakeholder Type	Method	Potential Respondents
USDOL staff and USG stakeholders	FGD	Project managers, International relations officers, M&E Division, Sr International Labor Advisor for Trade Policy, State Dept Labor officer (current and former)
Grantee Personnel (HQ, Mexico and Honduras)	KII, FGD	Technical Specialists (IT, workforce development), Grantee Project/Country Managers
Government Counterpart Personnel	KII	Ministry of Labor (STSS) decisionmakers (past and present, if possible), Labor Inspectorate senior managers (past and present, if possible), Technical Inspection Audit Unit senior management (past and present, if possible), Attorney General's Office
Other Projects Implementing Related Interventions	KII, FGD	Futuros Brillantes senior and technical personnel
Employers and Workers Organizations	KII, FGD	Chamber of Commerce (Cortes), COHEP, AHM, General Confederation of Workers
Private Enterprises	KII	Fruit of the Loom, Caracol Knits

- ### 2. ETHICAL CONSIDERATIONS

The evaluation team will observe utmost confidentiality related to sensitive information and feedback elicited during the KIIs and, if applicable, FGDs. To mitigate bias during the data collection process and give informants maximum freedom of expression, only the lead evaluator and the local consultant will be present during KIIs. However, when necessary, AIR staff may initially join the call to make introductions and help respondents feel comfortable.

The evaluation team will respect the rights and safety of participants in this evaluation. During this study, the evaluation team will take several precautions to ensure the protection of respondents' rights:

- No interview will begin without receipt of informed consent from each respondent.
- The evaluation team will conduct KIIs and FGDs in a confidential setting, so no one else can hear the respondent's answers.
- The evaluation team will be in control of its written notes at all times.
- The evaluation team will transmit data electronically using secure measures.
- The evaluation team will talk with respondents to assess their ability to make autonomous decisions and their understanding of informed consent. Participants will understand that they have the right to skip any question with which they are not comfortable or to stop at any time.

3. INTERACTIVE VALIDATION SESSION AND POST-TRIP DEBRIEFING

After the end of fieldwork, the lead evaluator will conduct a virtual, interactive and participatory validation session with stakeholders, including AIR staff, to review initial results, collect any clarifying information to improve evaluation accuracy, and obtain input on recommendations of the evaluation. The date and format of the meeting will be determined in consultation with ILAB and AIR.

When fieldwork is complete, the evaluation team will provide a post-trip debriefing by video call to relevant ILAB staff to share initial results and PowerPoint slides from the stakeholder validation session, and to seek any clarifying guidance needed to prepare the report.

4. OUTCOME ACHIEVEMENT AND SUSTAINABILITY RATINGS

The evaluation team should objectively rate the level of achievement and potential for sustainability of each of the project's outcomes on a four-point scale (low, moderate, above-moderate, and high).

ACHIEVEMENT

"**Achievement**" measures the extent to which a development intervention or project attains its objectives/outcomes, as described in its PMP.

For assessing the achievement of program or project outcomes, the evaluation team should consider the extent to which the objectives/outcomes were achieved and identify the major factors influencing the achievement or non-achievement of the objectives/outcomes. The evaluation team should also consider the likelihood of the objectives/outcomes being achieved by the end of the project if the critical assumptions hold, as well as the extent the project requires course corrections to bring it back on track.

Project achievement ratings should be determined through triangulation of qualitative and quantitative data. The evaluation team should collect qualitative data from key informant interviews and focus group discussions through a structured data collection process, such as a structured interview, FGD guidelines and rapid scorecards. Interviews and focus groups can also provide context for the results reflected in the Data Reporting Form submitted with the Technical Progress Report (TPR). The evaluation team should also analyze quantitative data collected by the project on key performance indicators defined in the PMP and reported on in the TPR Data

Reporting Form. The evaluation team should consider the reliability and validity of the performance indicators and the completeness and accuracy of the data collected. The assessment of quantitative data should consider the extent to which the project achieved its targets and whether these targets were sufficiently ambitious and achievable within the period evaluated. The evaluation team should assess each of the project's objective(s) and outcome(s) according to the following scale:

- **High:** met or exceeded most targets for the period evaluated, with mostly positive feedback from key stakeholders and participants.
- **Above-moderate:** met or exceeded most targets for the period evaluated, **but** with mostly neutral or negative feedback from key stakeholders and participants.
- **Moderate:** missed most targets for the period evaluated, **but** with mostly positive feedback from key stakeholders and participants.
- **Low:** missed most targets for the period evaluated, with mostly neutral or negative feedback from key stakeholders and participants.

SUSTAINABILITY

"**Sustainability**" is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn. When evaluating the sustainability of a project, it is useful to consider the likelihood that the benefits or effects of a particular output or outcome will continue after donor funding ends. It also important to consider the extent to which the project considers the actors, factors, and institutions that are likely to have the strongest influence over, capacity, and willingness to sustain the desired outcomes and impacts. Indicators of sustainability could include agreements/linkages with local partners, stakeholder engagement in project sustainability planning, and successful handover of project activities or key outputs to local partners before project end, among others.

The project's Sustainability Plan (including the associated indicators) and TPRs (including the attachments) are key (but not the only) sources for determining its rating. The evaluation team should assess each of the project's objective(s) and outcome(s) according to the following scale:

- **High:** strong likelihood that the benefits of project activities will continue after donor funding is withdrawn and the necessary resources[23] are in place to ensure sustainability;
- **Above-moderate:** above average likelihood that the benefits of project activities will continue after donor funding is withdrawn and the necessary resources are identified but not yet committed;
- **Moderate:** some likelihood that the benefits of project activities will continue after donor funding is withdrawn and some of the necessary resources are identified;
- **Low:** weak likelihood that that the benefits of project activities will continue after donor funding is withdrawn and the necessary resources are not identified.

[23] Resources can include financial resources (i.e. non-donor replacement resources), as well as organization capacity, institutional linkages, motivation and ownership, and political will, among others.

In determining the rating above, the evaluation team should also consider the extent to which sustainability risks were adequately identified and mitigated through the project's risk management and stakeholder engagement activities.

• C. QUANTITATIVE ANALYSIS OF SECONDARY DATA

Secondary data will consist of available monitoring data. The evaluation team will work with ILAB to secure prompt access to secondary data from AIR, relevant government bodies, and external sources. After gaining access to the data, the evaluation team will immediately assess their quality and relevance in answering the research questions and develop a list of relevant indicators. The evaluation team's analysis of these data will inform the correlation and validation of results from the qualitative data collection.

The evaluation team will analyze project monitoring data to assess the performance of activities relative to expected results. The evaluation team's analysis, which will rely on descriptive statistics such as counts, tabulated proportions, and means, will identify common trends, patterns, and any changes in stakeholders' motivation, behavior, capacity, practices, policies, programs, relationships, or resource allocation as a result of project activities.

The evaluation team will also use project monitoring data and quantitative data collected during evaluation fieldwork (please see Appendix D for rapid scorecard template), triangulated with relevant qualitative data collected during interviews and FGDs, to develop summary achievement and sustainability ratings for the project on a four-point scale: low, moderate, above-moderate, and high.

Achievement ratings on outcomes will be based on the most recent information on project's effectiveness, comparing actual information to the project's expected performance according to the PMP and workplan. Ratings on likelihood of sustainability of project's components and practices will be based on the triangulation of qualitative information obtained from interviews and focus groups.

• D. LIMITATIONS

The evaluation team will base its conclusions on information collected from background documents, KIIs, FGDs, and secondary quantitative data. The evaluation team will assess the integrity of this information to determine the accuracy of the evaluation results. The application of ratings may in no way be considered as a non-formal impact assessment. Primary data may reflect the opinions of the most dominant groups without capturing the perceptions of less vocal groups. The evaluation team will consider this possibility and make sure that all parties can freely express their views. The evaluation team will mitigate this potential limitation by conducting FGDs and KIIs in a place where informants can speak freely and where no one but the evaluation team can hear the respondents' answers.

Some stakeholders may lack access to, or capability of, the technology necessary for conducting virtual interviews. Additionally, some respondents may lack the ability to connect remotely from a location that allows for privacy and confidentiality. Wherever possible, the evaluation team will work with the project to provide a computer connection and private room for stakeholders who do not have a reliable and/or confidential place to be interviewed.

This evaluation will rely on secondary performance information in quarterly and annual reports and in available monitoring databases. The quality of the data will affect the accuracy of the statistical analysis. The evaluation team will not be able to check the validity and reliability of performance data given the limited time and resources.

5. EVALUATION TEAM, MANAGEMENT AND SUPPORT

Javier Varela will serve as the Lead Evaluator, with the support of Alejandro Fernandez, the National M&E Expert. The evaluation team will promote transparency and dialogue with a clear dissemination strategy. This process includes:

- Developing and sharing with ILAB and AIR an explicit plan that details how the data collected will be used.
- Providing a draft report in a timely fashion that gives ILAB and AIR enough time for a thorough review.
- Producing a professional, complete report, along with a utilization-focused executive summary that support dissemination and publication.

SFS' monitoring and evaluation experts and management personnel will provide logistical, administrative, and technical support to the evaluation team, and all materials needed to provide the deliverables specified in the TOR. SFS staff will also be responsible for providing technical oversight necessary to ensure consistency of methods and technical standards. During fieldwork, the lead evaluator will be supported by the local consultant, who will provide support with scheduling, information on the country context, and, as appropriate, data analysis.

6. ROLES AND RESPONSIBILITIES

The Contractor and Evaluation Team are responsible for accomplishing the following items:

- Receiving and responding to or incorporating input from AIR and ILAB on the TOR draft
- Finalizing and submitting the TOR and sharing concurrently with AIR and ILAB
- Reviewing project background documents
- Reviewing the evaluation questions and refining them as necessary
- Developing and implementing an evaluation methodology, including document review, remote and face-to-face KIIs and FGDs, and secondary data analysis, to answer the evaluation questions
- Conducting planning meetings or calls, as necessary, with ILAB and AIR
- Deciding the composition of field visit KII and FGD participants to ensure the objectivity of the evaluation

- Capturing photographs of and anecdotes or quotes from stakeholders interviewed during fieldwork to incorporate in the stakeholder validation session presentation, final report and infographics
- Ensuring that appropriate health and safety, informed consent, ethics and do no harm protocols are understood and followed throughout the evaluation process
- Presenting preliminary results verbally to project field staff and other stakeholders as determined in consultation with ILAB and AIR
- Preparing an initial draft of the evaluation report for 48-hour and a second draft for two-week review and sharing it with ILAB and AIR
- Preparing and submitting the final report, infographics as well as three communication products identifying relevant messages and audiences, according to a dissemination plan to be agreed by SFS with USDOL.
- Organizing a virtual learning presentation (for ILAB, AIR and other stakeholders as requested) using communication products, which summarizes and synthesizes the results from the AIR evaluations in Honduras and Mexico, once all evaluations have been completed.

ILAB is responsible for the following items:

- Reviewing the TOR, providing input to SFS as necessary, and agreeing on final draft
- Providing project background documents to SFS, in collaboration with AIR
- Reviewing and providing comments on the draft evaluation report and infographics
- Approving the final draft of the evaluation report and infographics
- Participating in the pre- and post-trip debriefing and interviews
- Including the ILAB evaluation contracting officer's representative (COR) on all communication with SFS.

The grantee is responsible for the following items:

- Reviewing the TOR, providing input to SFS as necessary, and agreeing on the final draft
- Providing project background materials to SFS, in collaboration with ILAB
- Preparing a list of recommended interviewees with feedback on the draft TOR
- Scheduling meetings and coordinating all logistical arrangements
- Reviewing and providing comments on the draft evaluation reports
- Organizing, financing, and participating in the interactive stakeholder validation meeting

- Including the ILAB program office on all written communication with SFS.

7. EVALUATION MILESTONES AND TIMELINE

The tentative timetable is as follows. Actual dates may be adjusted as needs arise.

Activity	Date (2022)
Evaluation launch call	Tues, Feb 8
SFS to send suggested evaluation questions	Fri, Feb 11
Logistics call with ILAB and AIR	Wed, Mar 2
ILAB and AIR send suggested stakeholder list	Wed, Mar 4
ILAB and AIR to send comments/edits to evaluation question list	Wed, Mar 4
SFS to submit full Draft TOR to ILAB and AIR	Fri, Mar 25
ILAB and AIR provide feedback on draft TOR due to SFS	Fri, Apr 1
Final TOR, Field itinerary and list of stakeholders submitted to ILAB and AIR	Wed, Apr 6
Submission of evaluation question matrix and data collection instruments to ILAB	Wed, Apr 13
Remote Fieldwork in Honduras	**April 18-29**
Interactive stakeholder validation session (remote)	Mon, May 2
Post-evaluation debriefing with ILAB	Mon, May 9
Initial draft report for 48-hour review submitted to ILAB and AIR	Mon, May 23
48-hour review comments due to SFS	Wed, May 25
Disseminate draft report and executive summary to ILAB, AIR, and other key stakeholders for 2-week review	Mon, May 30
2-week review comments due to SFS	Mon, Jun 13
Revised report and draft 1-page infographic summary submitted to ILAB and AIR	Mon, Jun 20
ILAB approval to finalize and format report	Mon, Jun 27
Final 508-compliant report and 1-page infographic summary submitted to ILAB and AIR	Mon, Jul 18
SFS submits draft communication products, synthesizing the results of the evaluations in Mexico and Honduras	TBD
Communication products finalized	TBD
Virtual learning event	TBD

8. DELIVERABLES AND DELIVERABLE SCHEDULE

1. Draft TOR: March 25
2. Final TOR, field itinerary, and draft list of stakeholders: April 6
3. Logistics call: March 2
4. Draft data collection instruments: April 13

5. Remote interactive stakeholder validation session: May 2
6. Initial draft report for 48-hour review: May 23
7. Draft report for 2-week review: May 30
8. Revised report and draft 1-page infographic summary: June 20
9. Final 508-compliant report and final 1-page infographic summary: July 18
10. Virtual learning event: To be determined

9. EVALUATION REPORT

Within 3 weeks after the stakeholder meeting, the lead evaluator will complete a draft report of the evaluation following the outline below and SFS will share it with the ILAB COR, ILAB Project Managers, and AIR for an initial 48-hour review. Once the lead evaluator receives comments, they will make the necessary changes and submit a revised report. ILAB, AIR and other stakeholders will then have 2 weeks (10 business days) to provide comments on the revised draft report. The lead evaluator will respond to comments from stakeholders, where appropriate, and SFS will provide a final version within 3 weeks of ILAB acceptance of the revised draft evaluation report. The evaluation team will also produce a one-page summary using data visualization techniques and infographics to facilitate dissemination of major results.

A quality report is an "action-oriented evaluation report" meaning that its content is focused, concise, and geared toward a particular audience, calling their attention to important results. It highlights desired changes in practice, behavior or attitudes (both at the individual and organizational level) and outlines possible next steps through the use of a variety of media, including data visualization. The final version of the report will follow the format below, be no more than 30 pages in length, excluding the annexes, and will be Section 508 compliant:

1. Table of Contents
2. List of Acronyms
3. Executive Summary (providing an overview of the evaluation, summary of main results/lessons learned/good practices and key recommendations, not to exceed five pages)
4. Evaluation Objectives and Methodology
5. Project Context and Description
6. Evaluation Results (answers to evaluation questions with supporting evidence)
7. Lessons Learned and Promising Practices
8. Conclusions (interpretation of facts including criteria for judgements)
9. Recommendations (specific actions the evaluation team proposes be taken by ILAB and/or AIR that are based on results and conclusions and critical for successfully

meeting project objectives; as well as judgements on what changes need to be made for future programs)

10. Annexes, including: TOR; List of documents reviewed; Stakeholder validation session agenda and participants; List of Meetings and Interviews; Any other relevant documents.

The electronic submission will include 2 versions: one version, complete with all appendices, including personally identifiable information (PII) and a second version that does not include PII such as names and/or titles of individuals interviewed.

ANNEX E: EVALUATION DESIGN MATRIX

Evaluation Questions	Main Data Sources
Relevance	
EQ1. Are the strategy, outcomes, and assumptions of the theory of change (ToC) generally appropriate for achieving the planned results and long-term outcomes (LTOs)? What were the benefits and limitations of the FOA-prescribed ToC and LTOs?	**Document review:** • Scoping mission documentation (meeting notes) • Project document (Original and revision March 2022) • Comprehensive Monitoring and Evaluation Plan, including Result framework and PMP • Technical Progress Reports (TPRs) • FOA-ILAB-18-12 document package • Any other relevant documents **Key informants** KII AIR staff (Country Director), STSS senior staff (Minister Advisor), STSS/ATI staff, STSS/DGIT, PGR, CGT and other relevant trade unions, FGD AIR staff, US embassy, DOL/ILAB, WV-Futuros Brillantes, COHEP, Chamber of Commerce Cortes, AHM, Garment factories, Solidarity Center

Evaluation Questions	Main Data Sources

2. To what extent do the project's expected outcomes and interventions respond to the needs of relevant stakeholders and the country context, specifically, officials from the ATI, the PGR and the STSS / DGIT?
 	
a) Has the grantee consulted and involved relevant stakeholder institutions to ensure their support for the project and that the intervention respond to their needs?
b) Has the grantee consulted and involved other relevant labor stakeholders?
	Document review
	• Scoping mission documentation (meeting notes)
	• Project document (Original and revision March 2022)
	• Comprehensive Monitoring and Evaluation Plan, including Results framework and PMP
	• Technical Progress Reports (TPRs)
	• Reports and related studies
	  ○ ATI assessment repot
	  ○ ECMS assessment report
	• Policy and regulation documents
	  ○ Labor Inspection Law
	  ○ ATI creation Decree
	• Communications with ATI and PGR on Requirements Gathering
	• Any other relevant documents
	
	Key informants
	KII
	AIR staff, STSS/ATI staff, STSS/DGIT staff, PGR, STSS/HR (only 2.a)
	FGD
	AIR staff, COHEP, Chamber of Commerce Cortes, AHM, Garment factories, Solidarity Center, CGT and other trade unions as relevant

Evaluation Questions	Main Data Sources
Coherence	

3. To what extent has the project coordinated efforts with existing policies and interventions in the country on labor law enforcement by the government or interventions by other agencies and with USDOL priorities, to avoid duplication of activities / investments?
Were these efforts towards coherence effective in avoiding duplication?
 	
a) If not, please describe why and indicate existing areas of duplication.
b) What challenges has the project encountered in collaborating and coordinating with existing interventions and stakeholders?
	Document review
	• Project document (Original and revision March 2022)
	• Comprehensive Monitoring and Evaluation Plan, including Result framework and PMP
	• Technical Progress Reports (TPRs)
	• Reports and related studies
	  ○ ECMS assessment report
	• Policy and program documents
	  ○ Honduras Monitoring and Action plan, and assessment of progress
	  ○ ECMS thematic evaluation
	  ○ WV- Futuros Brillantes documentation
	• Any other relevant documents
	
	Key informants
	KII
	AIR staff, STSS/ATI staff, STSS/DGIT staff, PGR, CGT and other trade unions
	FGD
	AIR staff, US embassy, DOL/ILAB, WV-Futuros Brillantes, COHEP, AHM, Solidarity Center,

Effectiveness	

4. What are the main successes, challenges, and lessons learned encountered within each project objective? To what extent are the expected outcomes likely to be achieved or not achieved within the life of the project?	**Document review**
	• Project document
	• Comprehensive Monitoring and Evaluation Plan, including Result framework and PMP
	• Technical Progress Reports (TPRs)
	• Reports and related studies
	  ○ ATI assessment repot
	  ○ ECMS assessment report
	• Communications on ATI/ECMS module
	• Any other relevant documents and reports on project activities
	
	Key informants
	KII
	AIR staff, STSS/ATI staff, STSS/DGIT staff, PGR
	FGD
	AIR staff, DOL/ILAB

Evaluation Questions	Main Data Sources

5. How does the organizational capacity of project implementers; target institutions, in particular GOH entities such as the ATI, PGR, and STSS's DGIT; and implementing partners (e.g., WV) limit or facilitate the effectiveness and sustainability of project interventions?
a) Does the project design adequately account for challenges related to target institutions' capacity-related challenges?
	Document review
	• Project document
	• Technical Progress Reports (TPRs)
	• Reports and related studies
	  ○ ATI assessment repot
	  ○ ECMS assessment report
	• ATI and PGR Requirements Gathering communications
	• Any other relevant documents and reports on project activities
	
	Key informants
	KII
	AIR staff, STSS/ATI staff, STSS/DGIT staff, PGR, STSS/HR, WV-Futuros Brillantes
	FGD
	AIR staff, DOL/ILAB

6. How have external factors, such as the COVID-19 pandemic and the November 2021 election in Honduras, affected project implementation to date and how effectively did the project assess, adapt to, and mitigate these factors? a) How could the project more effectively adapt to these external factors to achieve project targets?	**Document review** • Project document (Risk assessment) • Technical Progress Reports (TPRs) • ATI and PGR Requirements Gathering communications • Any other relevant documents and reports on project activities **Key informants** KII AIR staff, STSS/ATI staff, STSS/DGIT staff, PGR, DOL/ILAB FGD AIR staff, DOL/ILAB
7. Does the project have an effective planning, monitoring and evaluation (M&E) framework or system in place that has been used to monitor and adjust project activities?	**Document review** • Project document (Original and revision March 2022) • Comprehensive Monitoring and Evaluation Plan, including Result framework and PMP • Technical Progress Reports (TPRs) **Key informants** KII AIR staff, STSS/ATI staff, STSS/DGIT staff, PGR, DOL/ILAB FGD AIR staff, DOL/ILAB

Evaluation Questions	Main Data Sources

8. What adjustments or course corrections, if any, should be made to the project's PMP, strategies, or activities to increase the likelihood of achieving all project outcomes?	**Document review**
	• Project document (Original and revision March 2022)
	• Comprehensive Monitoring and Evaluation Plan, including Result framework and PMP
	• Technical Progress Reports (TPRs)
	• Reports and related studies
	  ○ ATI assessment repot
	  ○ ECMS assessment report
	
	Key informants
	KII
	AIR staff, STSS/ATI staff, STSS/DGIT staff, PGR, DOL/ILAB
	FGD
	AIR staff, DOL/ILAB

EFFICIENCY	
9. Within the current project timeframe and budget and with the time and resources remaining available, is it realistic to achieve the project outcomes? What generalizable lessons on the project efficiency can be extracted?	**Document review** • Project document (Original and revision March 2022) • Comprehensive Monitoring and Evaluation Plan, including Result framework and PMP • Technical Progress Reports (TPRs) • Project financial information **Key informants** KII AIR staff, STSS/ATI staff, STSS/DGIT staff, PGR, DOL/ILAB FGD AIR staff, DOL/ILAB

Evaluation Questions	Main Data Sources
IMPACT	
10. How can ILAB and its grantees better (and more timely) capture, analyze, and act on information about implementation challenges in order to mitigate and address obstacles limiting progress towards the project's outcomes related to strengthening labor law enforcement?	**Document review** • Project document (Original and revision March 2022) • Comprehensive Monitoring and Evaluation Plan, including Result framework and PMP • Technical Progress Reports (TPRs) **Key informants** KII AIR staff, STSS/ATI staff, STSS/DGIT staff, PGR, DOL/ILAB, WV-Futuros brillantes FGD AIR staff, DOL/ILAB, COHEP, Chamber of commerce-Cortes, AHM, Garment industries, CGT and other workers' organizations.
SUSTAINABILITY	
11. To what extent has the project created conditions for sustainability, including building institutional capacity, fostered motivation and ownership, and started to link stakeholders to replacement resources?	**Document review** • Sustainability plan and exit strategy (project documents, TPRs). • Risk register • Technical Progress Reports (TPRs) **Key informants** KII AIR staff, STSS/ATI staff, STSS/DGIT staff, STSS/HR staff, PGR, DOL/ILAB, WV-Futuros brillantes FGD AIR staff, DOL/ILAB, COHEP, Chamber of commerce-Cortes, AHM, Garment industries, CGT and other workers' organizations.

Evaluation Questions	Main Data Sources
12.What are the current prospects for sustaining major outputs or the expected outcomes and what adjustments are needed to increase the likelihood of sustainability?	**Document review** • Sustainability plan and exit strategy (project documents, TPRs). • Risk register • Technical Progress Reports (TPRs) **Key informants** KII AIR staff, STSS/ATI staff, STSS/DGIT staff, STSS/HR PGR, DOL/ILAB, WV-Futuros brillantes FGD AIR staff, DOL/ILAB, COHEP, Chamber of commerce-Cortes, AHM, Garment industries, CGT and other workers' organizations.

ANNEX F: INFORMED CONSENT AGREEMENT – KII/FGD

Evaluators must review this form in detail with all informants before the interview and be sure that they understand it clearly before obtaining their signature. If the informant is illiterate or expresses discomfort signing the form but verbally consents to proceeding with the interview, the evaluator may sign the form to indicate that they received verbal consent.

Purpose: Thank you for taking the time to meet with us today. My name is (NAME). I am an evaluator from an organization called SFS, a company that provides monitoring and evaluation services. I am conducting an evaluation about the work of AIR. You have been asked to participate today so that we can learn more about the support you (or your organization) may have received from AIR. We would like your honest impressions, opinions and thoughts about various issues related to (the implementation of activities of) this program. I am independent consultant and have no affiliation with those who provided you with assistance. In addition, I do not represent the government, employers, employers' organizations, or workers' organizations.

Procedures: If you agree to participate, we ask you to discuss your experience and opinion of the activities and services implemented under this program. The interview will take about (xx minutes, hour) of your time. Although we will publish our results in a public report, all of your answers will be kept confidential. Nothing you tell us will be attributed to any individual person. Rather the report will include only a composite of all of the answers received by all of the individuals we interview. Although we may use quotes, none of the individuals interviewed will be named in the report.

Risks/Benefits: There is no risk or personal gain involved in your participation in this interview. You will not receive any direct benefit or compensation for participating in this evaluation. Although this study will not benefit you personally, we hope that our results will help improve support provided to enterprises and workers in Honduras.

Voluntary Participation: Participation in this interview/FGD is completely voluntary. You do not have to agree to be in this study. You are free to end the interview/leave the FGD at any time or to decline to answer any question which you do not wish to answer. If you decline to participate in the interview, no one will be informed about this.

Do you have any questions at this time? (Interviewer should answer any questions)

Do I have your permission to proceed?

ANNEX G: RIGHT TO USE

United States Department of Labor

Right to Use

I, _____, grant to the United States Department of Labor (including any of its officers, employees, and contractors), the right to use and publish photographic likenesses or pictures of me (or my child), as well as any attached document and any information contained within the document. I (or my child) may be included in the photographic likenesses or pictures in whole or in part, in conjunction with my own name (or my child's name), or reproductions thereof, made through any medium, including Internet, for the purpose of use, dissemination of, and related to USDOL publications.

I waive any right that I may have to inspect or approve the finished product or the advertising or other copy, or the above-referenced use of the portraits or photographic likenesses of pictures of me (or my child) and attached document and any information contained within the document.

Dated_____, 20___

_____

Signature or

Parent/guardian if under 18

_____

Name Printed

_____

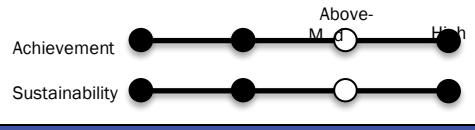
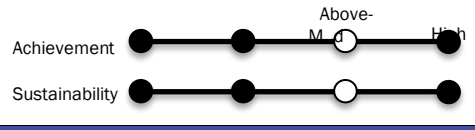
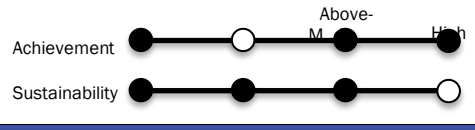
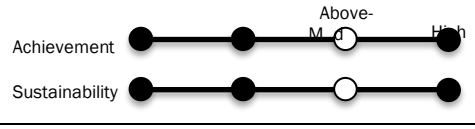
_____

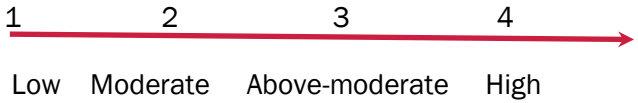
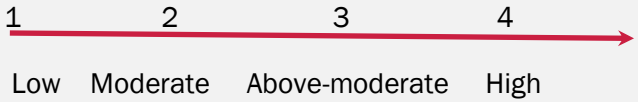
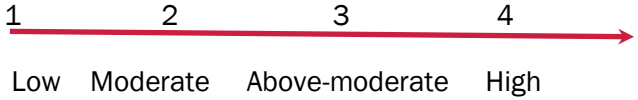
_____

Address and phone number

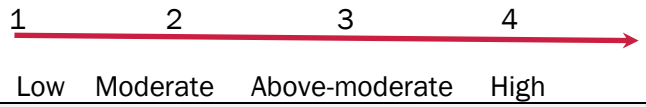
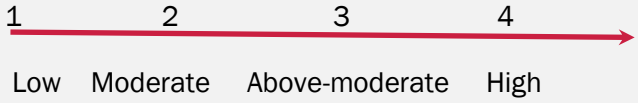
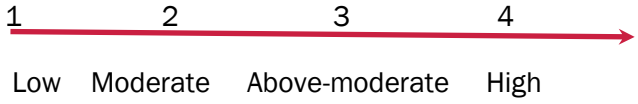
Identifier (color of shirt, etc.):_____

ANNEX H: PERFORMANCE SUMMARY AND RAPID SCORECARD TEMPLATES

Performance Summary	Rating
LTO 1 (insert LTO wording)	
• Summary of overall assessment given	
LTO 2 (insert LTO wording)	
• Summary of overall assessment given	
LTO 3 (insert LTO wording)	
• Summary of overall assessment given	
LTO 4 (insert LTO wording)	
• Summary of overall assessment given	

From your perspective[24], rate how effectively (e.g., moving project toward its intended results) the project has been regarding each of its specific outcomes:	
Project Outcome (Circle one rating 1-5 for each element)	**Comments**
Outcome 1:  	
Outcome 2:  	
Outcome 3:  	

[24] Based on the triangulation of information from the project database and other sources and the data collected through interviews and FGD during the evaluation process.

What outcomes, components or/and practices implemented by the project do you consider as being those more critical for the project to become sustainable in the long term? Currently, what is the likelihood that those outcomes/ components/ practices remain sustainable?	
Outcome/ Component/ Practice	**Likelihood that it becomes sustainable**
1.	1. 
2.	2. 
3.	3. 

ANNEX I. EVALUATION METHODOLOGY AND LIMITATIONS

An evaluation team composed by a Lead Evaluator (LE) and a National Consultant/Monitoring and Evaluation Expert will be responsible for this evaluation. The evaluation team will address the evaluation questions using multiple sources of evidence, combining primary qualitative data with secondary quantitative data. It will obtain data for this evaluation by conducting:

- A document review,
- Remote and in person fieldwork including key informant interviews (KIIs) and focus group discussions (FGDs), which will be conducted remotely during the COVID-19 pandemic, and
- Quantitative analysis of secondary data, as available.

The evaluation team will use the sources described below to evaluate the project.

A. DOCUMENT REVIEW

The evaluation team will review the following documents, if available, before conducting field visits. The team will use the documents to assess the six evaluation criteria.

- Project documents, including Results Framework and Performance Monitoring Plan (PMP)
- Technical Progress Reports (TPRs), including performance Data Tracking Tables
- Reports on needs assessments, stakeholder analysis, and specific project activities
- Sustainability Plans and Risk Management Plans
- Work plans and activity logical sequencing
- Federal Financial Reports (FFR), Budgets and Records of Expenditures
- Any other relevant documents or deliverables

B. FIELDWORK

Prior to beginning fieldwork, the evaluation team will host a logistics call with the project's staff to plan the data collection. AIR will assist the evaluation team in scheduling KIIs and FGDs. The evaluation team reserves the right to add to or modify this list in the process of fieldwork or desk review, as appropriate.

The fieldwork itinerary will be determined based on scheduling and the availability of KII and FGD participants, and will include a mix of both remote and in-person meetings. Meetings will be scheduled in advance of the field visit and coordinated by AIR project staff, in accordance with the evaluation team's requests. The evaluation team will conduct KIIs and FGDs with stakeholders without the participation of any project staff. Whenever possible and with the permission of the informants, audio recordings will be made for the purpose of the study only; the recordings will be destroyed once the analysis is completed. These recordings will be for the evaluation team only and will not be shared with ILAB, AIR, or anyone else.

1. KEY INFORMANT INTERVIEWS

The evaluation team will conduct approximately 33 interviews over 10 days with project stakeholders in Honduras remotely by internet conference calls or phone calls, as appropriate.

Exhibit 1: KII Data Collection Strategy

Stakeholder Type	Method	Potential Respondents
USDOL staff and USG stakeholders	FGD	Project managers, International relations officers, M&E Division, Sr International Labor Advisor for Trade Policy, State Dept Labor officer (current and former)
Grantee Personnel (HQ, Mexico and Honduras)	KII, FGD	Technical Specialists (IT, workforce development), Grantee Project/Country Managers
Government Counterpart Personnel	KII	Ministry of Labor (STSS) decisionmakers (past and present, if possible), Labor Inspectorate senior managers (past and present, if possible), Technical Inspection Audit Unit senior management (past and present, if possible), Attorney General's Office
Other Projects Implementing Related Interventions	KII, FGD	Futuros Brillantes senior and technical personnel
Employers and Workers Organizations	KII, FGD	Chamber of Commerce (Cortes), COHEP, AHM, General Confederation of Workers
Private Enterprises	KII	Fruit of the Loom, Caracol Knits

2. ETHICAL CONSIDERATIONS

The evaluation team will observe utmost confidentiality related to sensitive information and feedback elicited during the KIIs and, if applicable, FGDs. To mitigate bias during the data collection process and give informants maximum freedom of expression, only the lead evaluator and the local consultant will be present during KIIs. However, when necessary, AIR staff may initially join the call to make introductions and help respondents feel comfortable.

The evaluation team will respect the rights and safety of participants in this evaluation. During this study, the evaluation team will take several precautions to ensure the protection of respondents' rights:

- No interview will begin without receipt of informed consent from each respondent.
- The evaluation team will conduct KIIs and FGDs in a confidential setting, so no one else can hear the respondent's answers.
- The evaluation team will be in control of its written notes at all times.
- The evaluation team will transmit data electronically using secure measures.
- The evaluation team will talk with respondents to assess their ability to make autonomous decisions and their understanding of informed consent. Participants will understand that they have the right to skip any question with which they are not comfortable or to stop at any time.

B. LIMITATIONS

The main limitations of the evaluation were the following:

1. The evaluation was carried out in the immediate period after the new government took office in March 2021. Almost 50% of the informants in STSS and PGR were no longer working in the institutions or were transferred to different positions making difficult to reach them. Newly appointed officers were not fully aware of the project and lacked the background of the implementation. The evaluation approach in these cases was to interview, if possible to locate and willing to participate, both former and new officers. This allowed to reach all informants planned

2. Travel restrictions and limitations for face-to-face meetings to COVID 19 were addressed by combining in the evaluation team a local consultant, who conducted face-to-face interviews with those informants that agreed, with virtual interviews conducted by the Team Leader.