

Outcome Goal 3.3 – Reduce Exploitation of Child Labor, Protect the Basic Rights of Workers, and Strengthen Labor Markets

Today’s global economy is having an undeniable impact on the 21st Century American workforce. The well-being of American workers is increasingly tied to international stability, which is in part a function of broad-based economic prosperity. Through its complementary missions of supporting the expansion of free and fair trade and providing technical assistance grants to eliminate exploitive child labor and promote basic rights of workers, the Department’s Bureau of International Labor Affairs (ILAB) strives to increase economic well-being around the world.

ILAB-supported international technical assistance programs are unique in that they focus on raising living standards through labor and workplace-related interventions. In FY 2005, these programs focused on supporting initiatives to combat the trafficking and commercial sexual exploitation of children; promote education in developing and tsunami-stricken countries; increase compliance with labor laws; reduce the impact of HIV/AIDS on workers; and fulfill the Department’s role in negotiating international trade agreements.

Goal (Agency) and Statement	Performance Summary	FY 2005 Costs (millions)
05-3.3A (ILAB) Contribute to the elimination of the worst forms of child labor internationally.	Goal substantially achieved. Four targets reached, one not reached.	\$74
05-3.3B (ILAB) Improve living standards and conditions of work internationally.	Goal achieved. All five targets reached.	43
Other (other ILAB programs)		7

Results Summary

FY 2005 was another successful year for ILAB, as all but one of ten performance indicator targets were reached. Accomplishments include:

- Removal or prevention, through education and training, of an estimated 150,708 children from exploitive work as a result of DOL-funded International Labor Organization projects
- Enrollment of 98,394 children in education programs supported by DOL's Child Labor Education Initiative
- Credit to DOL-funded projects for improving working conditions for 83 percent of targeted workers
- Improved economic situation for over half of individuals targeted by DOL for assistance

In each of these cases, performance was remarkably better than in FY 2004. For most other indicators, FY 2005 was the baseline year (first year of data). The indicator not reached was for children completing programs. DOL believes this is due to many enrollees not having an opportunity to finish multi-year programs. Another indicator, retention of children in these same programs, supports this analysis; the FY 2005 result was 80 percent vs. a target of 65 percent.

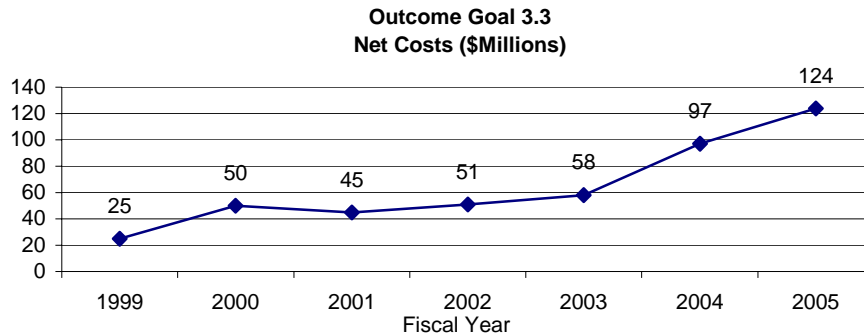
As part of the Department of Labor-funded project, Community-based Innovations to Reduce Child Labor through Education (CIRCLE) implemented by Winrock International, Dos Generaciones, a local Non-Governmental Organization, is helping children get out of hazardous work in the municipal garbage dump in Managua, Nicaragua and into classrooms. A project survey revealed that most of the children working in the garbage dumps are between the ages of seven and twelve; and three out of every five are girls. In order to keep children from working in the garbage dump, Dos Generaciones is collaborating with children, parents, teachers, and other community leaders to increase public awareness about the hazards of child labor and the importance of education.

Photo credit: Winrock International and Dos Generaciones



Net Cost of Programs

FY 2005 program costs of \$124 million supported ILAB’s efforts to reduce the worst forms of exploitive child labor internationally and to address core international labor standards issues. These program costs represent a \$27 million (28 percent) increase from FY 2004 costs of \$97 million. This year’s increase follows a large jump from FY 2003-2004. The recent growth in spending is attributable to the wave of increased budget authority and obligations from FY 2001-2003 that are just now being expended through ILAB’s grants to foreign entities. ILAB grants traditionally have their highest expenditures 2 to 3 years after grants are obligated.



Future Challenges

ILAB’s technical assistance programs were assessed as Adequate in the FY 2006 PART cycle. The principal finding of the PART was the need for more data to assess the impact of ILAB’s programs. ILAB has received funding from OASAM for an evaluation of the overall impact of ILAB’s programs. This evaluation will include an assessment of how ILAB programs complement or compare to other government-funded international assistance programs.

Reduce Child Labor in Developing Countries

Performance Goal 05-3.3A (ILAB) – FY 2005

Contribute to the elimination of the worst forms of child labor internationally

Indicators, Targets and Results	FY 2004 Result	FY 2005 Target	FY 2005 Result	Target Reached*
Number of children prevented or withdrawn from child labor and provided education or training opportunities as a result of DOL-funded International Labor Organization projects	90,200	116,000	150,708	Y
Number of countries with increased capacities to address child labor as a result of DOL-funded International Labor Organization projects	26	20	39	Y
Number of target children enrolled in education programs as a result of ILAB's Child Labor Education Initiative	N/A	50,000	98,394	Y
Percent of children retained in education programs as a result of ILAB's Child Labor Education Initiative	N/A	65%	80%¹	Y
Percent of children completing education programs as a result of ILAB's Child Labor Education Initiative	N/A	50%	38%²	N
FY 2005 Costs				\$74 Million
*Indicator target reached (Y), substantially reached (S) or not reached (N)			Goal Substantially Achieved	

Program Perspective

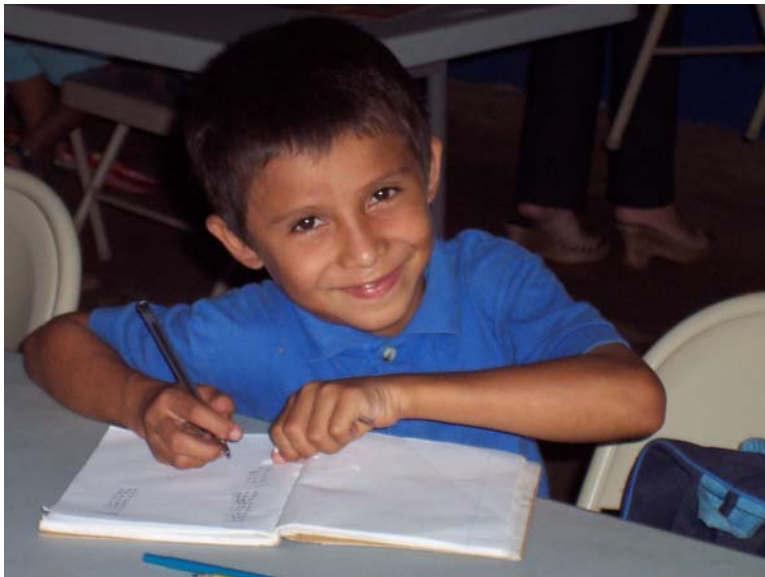
ILAB has worked to reduce exploitive child labor worldwide since 1993, funding and overseeing projects that combat exploitive child labor in more than 70 countries. ILAB's activities include research and reporting on various aspects of international child labor, increasing public awareness and understanding of the problem, and supporting international projects to eliminate exploitive child labor and increase access to quality basic education. ILAB's international child labor technical assistance programs are implemented through two major initiatives. First, ILAB provides support to the International Program on the Elimination of Child Labor (IPEC), a worldwide technical assistance program of the International Labor Organization (ILO), to progressively eliminate exploitive child labor. Second, ILAB's Child Labor Education Initiative (EI), originating in 2001, provides funds for international projects focusing specifically on access to and quality of basic education as a means of reducing exploitive child labor. A wide variety of organizations implement EI projects. In recent years, ILAB has increasingly focused its assistance on large-scale national programs to eliminate the worst forms of child labor within a specific timeframe. This approach integrates child labor issues into national poverty and education plans and policies.

ILAB measures the progress of its ILO-IPEC projects on two levels: community-based direct interventions benefiting individual children and families; and country-level activities to build institutional capacity and strength. EI indicators focus on the educational enrollment of children who have been withdrawn or prevented from exploitive child labor, and their retention and completion of ILAB-funded educational programs. ILAB establishes its annual targets for its indicators through close consultations with grantees and analysis of baseline information, individual project targets, past performance and external factors.

Various external factors influence ILAB's targeted outcomes, such as the implementing environment of developing countries. ILAB-funded projects work in countries with diverse political, social, and economic environments. Civil unrest, natural disasters, economic shocks, frequent changes in governments and poor infrastructure may also impact the progress of project implementation.

¹ Includes all children enrolled in Education Initiative projects in FY 2001 and FY 2002. Children who have completed the EI project are not included.

² Reflects children who were enrolled in FY 2001 Education Initiative projects prior to FY 2005.



Thanks to a U.S. Department of Labor grant to Creative Associates International, this boy is participating in a community education center, which provides tutoring, nutritional supplements, and recreation for children at risk of working in sugar cane and melon harvesting. The education center is run by Casa Esperanza, a Panamanian non-governmental organization.

Photo credit: Creative Associates International and Casa Esperanza

Analysis and Future Plans

The goal was substantially achieved; ILAB reached four of five indicator targets. In 2005, ILAB funded a total of 26 projects to combat child labor world wide and to increase access to basic education with a special focus on children exploited in the worst forms of child labor. These

projects support the Administration’s foreign policy objectives and fulfilled the U.S. Government’s responsibilities under international trade agreements.

In 2005, 150,708 children were removed or prevented from exploitive work through the provision of education or training opportunities in ongoing ILO-IPEC programs funded by DOL, exceeding the target of 116,000 children. An additional 98,394 children were withdrawn or prevented from entering the worst forms of child labor and enrolled in educational or training opportunities by ongoing Child Labor Education Initiative (EI) programs funded by DOL, exceeding the target of 50,000 children. Since 2001, USDOL-funded ILO-IPEC and Child Labor Education Initiative projects have removed or prevented approximately 600,000 children from exploitive work and given them meaningful alternatives to child labor.

Preventing and withdrawing children from the worst forms of child labor in the long-term depends on a country’s willingness and ability to address the issue and sustain the efforts even after projects end. In FY 2005, DOL-funded ILO-IPEC programs increased the capacity of 39 countries to address child labor, exceeding its target of 20. Increasing capacity to address child labor is defined by a country’s legal framework, public policy and monitoring of child labor. One example of a country that increased its capacity to address child labor is Morocco, where with assistance from ILO-IPEC, its government established and published new labor code bylaws that identify hazardous forms of work for children.



DOL, through a cooperative agreement with a Zambian non-governmental organization that assists Zambia’s most vulnerable children (including child laborers and children orphaned by AIDS), is implementing a project, “Combating Child Labor through Education,” to withdraw children from hazardous child labor, rehabilitate them in transitional school settings, and reintegrate the children into government education programs. The project also provides parents with literacy and income-generating skills to enable them to support their children’s educational needs, and prepares communities to take responsibility for the problem of child labor. In the photograph, students in a transitional classroom in Chiparamba acquire the basic skills they will need in order to be placed in a government school.

Photo credit: Rebecca Macina

In addition to measuring the number of children withdrawn or prevented from entering the worst forms of child labor and enrolled in educational or training opportunities, EI projects also measure the retention and completion rates of the children enrolled. In 2005, the retention of children enrolled in FY 2001 and FY 2002 EI projects was 80 percent, exceeding the target of 65 percent. In 2005, 38 percent of children enrolled in FY 2001 projects completed an EI project, below the target of 50 percent. Because this is the first time ILAB has reported on this indicator, no baseline data existed for establishing this target. In addition, since EI projects are typically four-year projects, many children enrolled have not yet completed their programs.

Management Issues

ILAB grantees are required to submit semiannual project-level progress reports including data for each ILAB indicator. ILAB also requires grantees to develop Performance Monitoring Plans specifying sources of data, method and frequency of data collection, responsible personnel, and costs for monitoring project indicators. ILAB corroborates grantee reporting through monitoring visits, project evaluations, and project audits.

During FY 2005, ILAB commissioned a study to synthesize evaluation findings and recommendations of projects supported by the Department's technical assistance program with ILO-IPEC. The study (Study 33 in Appendix) highlighted trends in evaluation observations, findings, and recommendations.

In Fiscal Years 2002 and 2003, the Office of Inspector General (OIG) identified the lack of project level coverage for DOL programs in Single Audits (OMB Circular A-133) as a major management challenge faced by DOL grantor agencies. In September 2004, ILAB began working, in consultation with the OIG, with an accounting firm to conduct independent reviews of its child labor technical assistance projects. These studies examined grantees' compliance with Federal and DOL grant rules and regulations, and verify the accuracy of project-level GPRA performance data. ILAB scheduled nine reviews in FY 2005, and will produce a report summarizing findings and lessons learned from each. An additional 20 reviews are scheduled for FY 2006.

ILAB's technical assistance programs (child labor and core labor standards) were assessed as adequate in the FY2006 PART cycle. The principal finding of the PART was the need for more data to assess the impact of ILAB's programs. ILAB has received funding from DOL to evaluate ILAB's programs, including an assessment of how ILAB programs complement or compare to other government-funded international assistance programs.

Improving Life for Workers Around the Globe

Performance Goal 05-3.3B (ILAB) – FY 2005

Improve living standards and conditions of work internationally.

Indicators, Targets and Results	FY 2004 Result	FY 2005 Target	FY 2005 Result	Target Reached*
Percent of beneficiaries who consider a USDOL-funded project to have improved their conditions of work	62%	83%	83%	Y
Compliance with national labor laws, measured through an increase in the number of workers benefiting from improved labor inspections	N/A	Baseline	3.78 million	Y
Percent of targeted individuals whose economic situation has benefited from USDOL project assistance	39%	43%	60%	Y
Increase in the number of targeted workers reporting a reduction in HIV/AIDS risk behaviors	N/A	Baseline	19,500	Y
Increase in the number of workplaces adopting policies and procedures to reduce the level of employment related discrimination against persons living with HIV/AIDS	N/A	Baseline	270	Y
FY 2005 Costs				\$ 43 Million
*Indicator target reached (Y), substantially reached (S) or not reached (N)				Goal Achieved

Program Perspective

The Department seeks to ensure that the greatest possible number of workers benefit from a more open world economy. Expanding trade and investment and improving working conditions are mutually reinforcing objectives. Increased trade helps foster economic growth and improves living standards while promoting employment in the U.S. DOL believes more open, stable economies that increase employment and standards of living for people will lead to increased political stability and security.

The indicators for this goal are divided into two categories. The first three indicators, which support the President's



International Trade Agenda, measure the extent of labor law compliance through increased labor inspections, improved economic conditions, and reported improvements to working conditions. The last two indicators gauge DOL's success in promoting HIV/AIDS workplace education. These five indicators represent the long term objectives of the Department's current portfolio of international technical assistance projects not focused on child labor issues.

The US Department of Labor is funding job skills and micro-enterprise development projects in Afghanistan, the Northwest Frontier Province of Pakistan, and the Mindanao region of the Philippines – three regions that continue to endure a great deal of political and military conflict. In all three areas, the Department offers a comprehensive training package that identifies and assesses local economic opportunities. It also provides post-training services, including micro-grants for capital start-up or access to micro-credit. A high percentage of graduates of the Department's projects are finding employment, or are self-employed (in Afghanistan 70 percent, Pakistan 89 percent, and in the Philippines 80 percent). Equally important, project beneficiaries are gaining self-esteem and respect for their communities. These projects are increasing the communities' hope for a more prosperous and peaceful future.

Analysis and Future Plans

In FY 2005, the Department focused its technical assistance program on providing monitoring and oversight of projects that include HIV/AIDS initiatives. DOL contributed \$1.25 million to the International Labor Organization to develop a toolkit for the start up of new projects based on the lessons learned from their previous HIV/AIDS education in the workplace projects funded by the Department and to complete and close out existing projects as necessary.

DOL reached all of the targets for this goal. Notably, more than half of targeted individuals feel their economic situation has benefited from DOL Office of Foreign Relations project assistance. In addition, over three quarters of targeted workers credit DOL programs with improving their conditions of work. DOL met its target to establish a baseline measure of compliance with national labor laws. Compliance is defined by an increase in the number of workers benefiting from improved labor inspections.

DOL demonstrated great cost efficiency in its technical assistance programs in FY2005. It cost the Department \$3.52 per worker to improve workplace HIV/AIDS policies and programs. On average, DOL placed workers in employment opportunities for \$66.92 per worker in project countries, including in the Republic of Iraq. These costs include DOL administrative as well as project expenditures.

At the May 2004 workshop for the US-China Labor Law Cooperation Project, Chinese and U.S. Department of Labor participants reviewed and proposed modifications to draft regulations for Labor and Social Security Inspections. Premier Wen Jiabao signed this legislation into law in November 2004. This marked the first time in Chinese history that a major regulation was assisted by a DOL-sponsored bilateral cooperation project during the commenting and deliberation stage, a process that is usually conducted internally and often in secrecy.



Management Issues

ILAB collects GPRA performance data directly from its contractors and grantees, the implementing partners, through project-specific quarterly progress reports. The Department requires its contractors and grantees to develop Performance Monitoring Plans, which specify sources of data, method and frequency of data collection, responsible personnel, and costs for monitoring project indicators. Program staff review progress reports and follow up with the implementing partners when data inconsistencies appear. When feasible, ILAB uses other methods to corroborate contractor and grantee reporting, such as monitoring visits, mid-term and final project evaluations, and project audits. ILAB used cost efficiency measurements for the first time this year to assess program performance. The Cost Analysis Manager, a tool designed by the Department's Office of the Chief Financial Officer, and implementers' financial status reports supply the financial information for the cost efficiency measurements.

During FY2005, the Office of Foreign Relations (OFR) conducted twelve final evaluations and ten mid-term evaluations. Each mid-term evaluation validated project objectives and provided recommendations to improve project performance and long-term sustainability. Each final evaluation examined good practices and lessons learned at the project level in OFR's three program areas.

ILAB's technical assistance programs (child labor and core labor standards) were assessed as Adequate in the FY 2006 PART cycle. The principal finding of the PART was the need for more data in order to assess the impact of ILAB's programs. In response, ILAB submitted a proposal and received funding from the Department for a program-wide evaluation of the overall impact of ILAB's programs. The evaluation, which is scheduled to begin by the end of fiscal year 2005, will include an assessment of how ILAB's activities complement or compare to other government-funded international assistance programs.