

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF LABOR AND EMPLOYMENT  
BUREAU OF LABOR RELATIONS  
MANILA

DEPARTMENT OF LABOR AND EMPLOYMENT  
Administrative Service Center, Records Section-800

DATE : 10 MAY 2011  
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Joan

DEPARTMENT ORDER 115-11  
Series of 2011

**Guidelines on the Implementation of the  
Incentivizing Compliance Program (ICP)**

Pursuant to the institutional reforms outlined in the Philippine Labor and Employment Plan, particularly, the convergence and integration of programs on labor law compliance towards incentivizing compliance with a tripartite seal of excellence on the establishment and its products under the Chapter on Sustaining Outcomes, the Department of Labor and Employment hereby issues the following guidelines on the implementation of the Tripartite Industrial Peace Council (TIPC) approved **Incentivizing Compliance Program**:

**SECTION 1. Guiding Principles.** – The regulatory track remains as the primary framework in ensuring compliance with labor laws. Promotion of voluntary compliance with the involvement of workers and employers is a complementary approach to: (a) imbed a culture of voluntary compliance with labor laws; (b) ensure fair, expeditious, and non-litigious settlement of disputes; (c) enhance workplace productivity; (d) promote decent work; and (e) increase the level of Philippine competitiveness.

**SECTION 2. The Incentivizing Compliance Program (ICP).** – The ICP promotes voluntary compliance by: (a) giving due recognition and incentives to a company's initiative to voluntarily comply with labor laws or having implemented a much higher standards with a Tripartite Seal of Excellence on their products and in the establishment; or (b) assisting a non-compliant company through training and technical assistance to enable it to comply with the requirements set by law, and upon compliance, the establishment and its products shall be given a corresponding tripartite certification and/or a Tripartite Seal of Excellence, as the case may be.

The **Incentivizing Compliance Program** is a tripartite and workplace-based diagnostic approach with two (2) stages. Stage 1 is a four-year implementation phase from 2011 to 2015 where the DOLE, together with the tripartite partners, proactively initiates the award or certification process. An impact evaluation shall be conducted in 2015 by the Program Managers prior to the implementation of Stage 2 of the Program, 2016 and onwards which is an establishment-initiated award and certification process.

**SECTION 3. Scope and Coverage.** – The **Incentivizing Compliance Program** shall be implemented nationwide and applicable to all geographical areas, zones, or establishments enrolled by the Regional Coordinating Council (RCC) and the Regional Tripartite Industrial Peace Council (RTIPC).

#### SECTION 4. Definition of Terms.

a. **“Certificate for Child-Labor Free Establishment”** refers to the certificate issued by the Bureau of Workers with Special Concerns (BWSC) to a company/establishment that are not employing child-labor and is not employing child labor and not using products or materials produced through the use of child labor.

b. **“Certificate for Operational GM for Industrial Peace”** refers to the certificate given by the National Conciliation and Mediation Board (NCMB) to an establishment with an operational and effective Grievance Machinery that contributes in attaining industrial peace.

c. **“Establishment/Company Compliance Team or Officer”** refers to the focal team, which is bi-partite, or person designated by the enrolled establishment or company for this Program, and has the obligation to ensure maintenance of compliant status and submission of Annual Self-Assessment Report for Compliant Establishment.

d. **“Gawad Kaligtasan at Kalusugan (GKK)”** refers to the national award given by the Department of Labor and Employment in recognition of the outstanding achievements of an establishment and/or individual in terms of responding to the safety and health needs of workers, workplaces, and communities.

e. **“Labor Laws Compliance”** means compliance with existing laws and regulations on labor standards, occupational health and safety standards, labor relations, and related social legislations on women and young workers.

f. **“National Productivity Olympics Award”** refers to the recognition given by the National Wages and Productivity Commission (NWPC) through a national competition for best productivity practices of micro, small and medium enterprises (MSMEs) in three categories – agribusiness, service, and industry.

g. **“Outstanding LMC Award for Industrial Peace”** refers to the award given by the National Conciliation and Mediation Board (NCMB), in cooperation with the Philippine League of Labor-Management Cooperation Practitioners, Inc., to an establishment with best LMC practices that contribute to global competitiveness, as well as practices in attaining industrial peace.

h. **“Remediation”** in this Guideline refers to the process of facilitative and collaborative correction of compliance gaps and improvement of working conditions in a specific establishment or company through implementation of appropriate Programs or Services in the DOLE Toolbox of Programs and Services for Labor Laws Compliance.

i. **“Toolbox of Programs and Services for Labor Laws Compliance”** is a collection of consolidated programs and interfaced delivery of services in one package designed to correspond to the identified training or technical assistance needs of the enrolled establishment or company under the Incentivizing Compliance Program.

j. **“Tripartite Certification Committee (TCC)”** refers to the certification committee constituted by the Tripartite Industrial Peace Council at the national, local, and industry levels that, together with the DOLE, shall ensure the integrity of the certification process and award system with specific functions as compliance auditor and monitor.

k. **“Tripartite Certificate of Compliance on Labor Standards”** refers to the DOLE Certificate issued to an establishment verified by the Tripartite Certification Committee to have been compliant with Labor Standards and Occupational Health and Safety Standards, with no pending case or complaint and with no fatal accidents, no lost time accidents (NLTA), and with no or minimal first-aid treatment cases for three (3) consecutive years.

l. **“Tripartite Seal of Excellence”** refers to the Seal administered by the DOLE to the establishment and to its products evidencing compliance with labor laws as awardee or certified Compliance with Labor Standards, Gawad Kaligtasan at Kalusugan (GKK), Child Labor-Free Establishment and an Outstanding LMC Awardee for Industrial Peace. The National Productivity Olympics Award, if an MSME, or an SA 8000 certificate, or its equivalent, if a large establishment is also a factor.

**SECTION 5. Pre-certification Preparation.**

a. **Building the Toolbox of Programs and Services for Labor Laws Compliance.** All bureaus and attached agencies shall consolidate all their programs and interface the delivery of their services in one package designed to correspond to the identified training or technical needs of the enrolled establishment under the Program.

The specific Programs/Services Package shall be administered by a team of DOLE regional programs and services implementers. In general, it shall consist of the following:

Toolbox of Programs and Services for Labor Law Compliance	Programs/Services Package 1	Programs/Services Package 2	Programs/Services Package 3
<i>Programs/Services</i>	Labor-Management Education on: <ul style="list-style-type: none"> <li>• General Labor Standards (RO, BWC)</li> <li>• Family Welfare (RO)</li> <li>• Child Labor Prohibition (RO, BWSC)</li> <li>• OSH (RO, OSHNet)</li> <li>• Productivity - WISE, ISTIV (RO, RTWPB)</li> <li>• LHP (RO, BLR)</li> <li>• Grievance Machinery and LMC (R-NCMB)</li> <li>• Special Topics (RO)</li> </ul>	<ul style="list-style-type: none"> <li>• Assistance on how to implement corrective or compliance measures</li> <li>• Assistance in setting up Occupational Health &amp; Safety Committee, Family Welfare Committee, GM &amp; LMC</li> <li>• Assistance on productivity-related concerns</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring correction or compliance</li> <li>• Promotion of conciliation-mediation and social dialogue</li> <li>• Ensuring the functionality and effectiveness of the dispute management mechanism at the workplace</li> </ul>

<b>Mode of Delivery</b>	Administered AVP/Inter-Active Media Presentation & Simplified Q&A (convergence focal: BLR & LCO)	Technical Consultation with the DOLE Regional Office, with assistance from NCMB, RTWPB, OSHC, BWC, BWSC	Technical Consultation with the DOLE Regional Office, with assistance from NCMB, RTWPB, OSHC, BWC, BWSC
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b. **Stakeholders' Engagement.** The Incentivizing Compliance Program shall be presented and discussed at the National Tripartite Industrial Peace Council and National Industry Tripartite Councils for adoption and endorsement. At the regional level, the Regional Director, as head of the RCC and Regional TIPC, including the regional Industrial Peace Councils (ITCs), shall present the Program for adoption through a resolution.

The various national and regional chambers of commerce and industry, labor organizations, LGUs, and partner government agencies, such as the Department of Trade and Industry (DTI), shall be tapped as partners in the implementation of the Program. A partnership agreement or memorandum of agreement on convergence of programs and assistance shall be the basis of the engagement.

c. **Program Managers.** The management team at the national level shall be a composite team from the National Wages and Productivity Commission, National Conciliation and Mediation Board, Occupational Safety and Health Center, Bureau of Working Conditions, Bureau of Workers with Special Concerns, Bureau of Labor Relations, and Labor Communication Office. The NWPC shall be the lead coordinative agency for this Program. It shall be assisted by the BLR.

The management team shall immediately be constituted upon the issuance of this Guidelines and shall work in close collaboration with the national, regional and industry-based Tripartite Certification Committees along with the Regional Coordinating Council (RCC) and RTIPC that will serve as the counterpart regional composite management team.

d. **Communication Plan.** The LCO, together with the management team at the national and local levels, shall design a communication plan and launch a massive information drive to build prestige in getting the Tripartite Certifications and Seal of Excellence. It shall also promote the awardees and certified compliance establishments and products.

e. **Building the Regional and the Tripartite Stakeholders' Capacity.** The DOLE and members of the national, local, and industry Tripartite Certification Committees shall be trained on evaluation, remediation, and assessment for the certifications and Seal of Excellence.

f. **Setting-up of Information Support Network.** A nationwide information support network shall be set-up by the Planning Service together with the Program Managers.

**g. Regional ICP Action Plan.** The DOLE Regional Director shall submit to the NWPC, as the lead coordinating agency, through the BLR, a Regional ICP Action Plan clearly indicating the number, name, address, and contact person/s of the target establishment. There should be targets for Levels 1, 2, and 3 profiles which shall indicate whether the region's enrolment is directed towards the creation or declaration of **Labor Laws Compliant Area/Zone** or a **Labor Standards Compliance Area/Zone** within a specified time frame, or a random selection of establishment/s to improve on the regional compliance or correction rate.

Regions can also choose to start, for Level 1 establishments, with the MSMEs connected to establishments covered under the BWC KAPATIRAN WISE-TAV Project (Big Brother-Small Brother Concept) or Enhanced TAV (eTAV).

SAMPLE:

**Region 19 ICP Action Plan 2011-2014**

Labor Laws Compliant Area/Zone: Yes							
Labor Standards Compliance Area/Zone:							
	Level 1	Level 2	Level 3	Name of Establishment Address/Contact Person	Timeframe		Enrolled in Certification/Award
					Certification Activities	DOLE Program/ Services to be Administered	
KAPATIRAN -TAV	✓			1. ABC, No.1, Manila Mr. J; 0971899900	Jan. 1-10, 2011 Remediation – OSH	Jan. 1-0, 2011 Training of OSH Committee members Creation of OSH Committee	CLS, GKK
	✓			2. XYZ Co., No. 8, Pasig Ms.D; 5272551	Feb. 2 On-site visit		
e-TAV		✓					
Random							
Others:							
SA 8000			✓	Big 1, Inc.			
ISO ---			✓	Not so Big Co.			

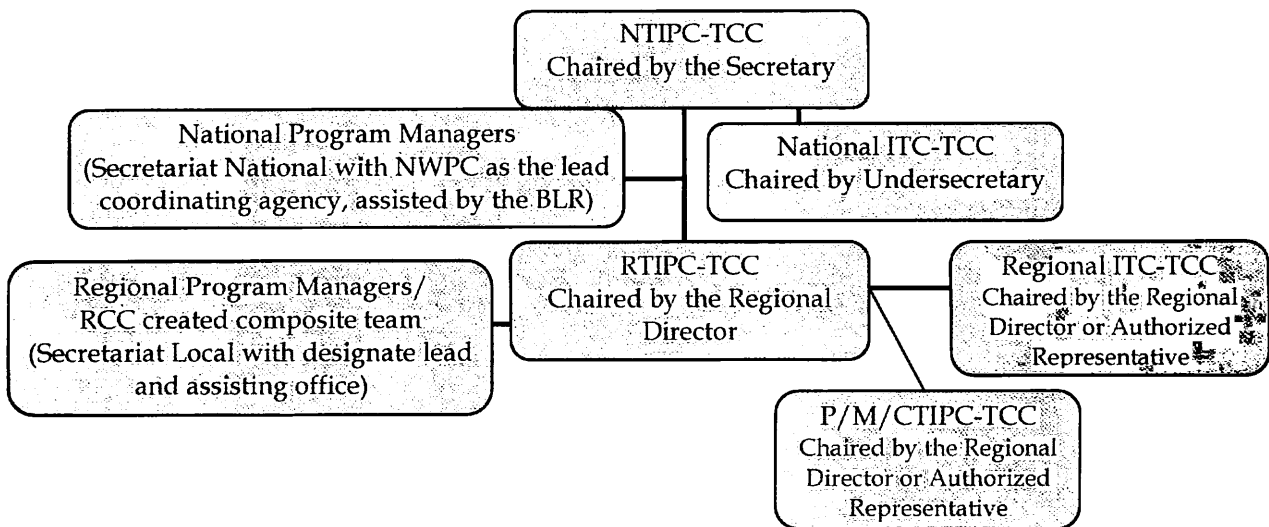
**SECTION 6. Tripartite Certification Committee (TCC); Composition; Term and Qualifications.** – At least a three-member Tripartite Certification Committee shall be constituted by the national or local Tripartite Industrial Peace Councils (TIPCs) or Industry Tripartite Councils (ITCs). The Secretary of Labor and Employment or a designated Undersecretary, representing the government sector, shall preside as chairman of the National Tripartite Certification Committee, while the Regional Director or a designated alternate, shall head the regional or local Tripartite Certification Committee. There shall be equal representation, with the representatives to be elected by the sector they are representing, for the employer and labor sectors in the Committees.

Where the region has established provincial, city, and municipal Tripartite Industrial Peace Councils, the Regional Director shall not be precluded from creating a Tripartite Certification Committee to be headed by his/her designated representative.

For Industry Tripartite Councils (ITCs) both at the national and local levels, the designated Undersecretary or the Regional Director shall head the Industry Tripartite Certification Committee, with elected employers' and workers' representatives from within the industry, as members.

In all cases, the sectoral representatives should have competence, independent judgment, and known probity and integrity. They shall be appointed by the Secretary of Labor and Employment for a term of three (3) years, subject to re-appointment or recall at any time upon recommendation by their sector.

**SECTION 7. Structure. –**



**SECTION 8. Tripartite Certification Committee Responsibilities and Functions. -**

The TCC at the national, regional, or industry level, together with the DOLE, shall ensure the integrity of the certification process and award system, and shall:

- a) serve as an impartial social auditor and monitoring committee with authority to verify the DOLE-evaluated self-assessment report, checklist and ratings, and documents;
- b) conduct on-site visit, interview, or focus group discussion at the applicant or enrolled establishment's workplace;
- c) determine, in consultation with the DOLE, gaps in compliance, as well as the appropriate programs or technical assistance to be rendered during the remediation period;
- d) conduct assessment after remediation and recommend appropriate action/s; and

- e) endorse to the National Tripartite or Industrial Certification Committee the certification of compliant establishment.

**SECTION 9. Establishment's Enrolment to the Program is by Application or Nomination.** – The certification or award incentive is generally initiated through an application filed by any interested establishment to be enrolled to the Program before the national or local Tripartite Industrial Peace Council or Industry Tripartite Council.

In the absence of any applicant establishment, the RCC shall determine and propose to the RTIPC or ITC the nomination of: (a) establishment/s in a given geographical area or zone with a view to work for a declaration of **Labor Laws Compliant Area/Zone** or a **Labor Standards Compliance Area/Zone** within a specified timeframe, or (b) any establishment/s it deems priority to improve on the regional compliance or correction rate.

The nominated establishment/s shall be informed of the objectives of the Program and the collaborative approach of the certification process. The option whether to go through one or all of the certification process shall remain with the establishment. Upon agreement by the nominated establishment/s, it shall be enrolled as the region's entry to the Program.

**SECTION 10. Profiling of the Enrolled Establishment.** - The RCC and RTIPC or ITC shall profile the establishment/s to be enrolled in the Program to ensure that the Programs/Services Package to be applied is appropriate or addresses the gaps, if there are any, or is useful in ensuring prevention or improvement of standards.

The Profiling shall be:

**Level 1** – Ensuring Essential Protection. For establishment/s with labor standards and OSH violations, and the profile should identify the noted violations that requires correction.

**Level 2** – Ensuring Essential Prevention. For already compliant establishment/s, the recognition is to ensure consistent application or observance of the standards.

**Level 3** - Improvement of Standards and Procedures. For consistently compliant establishment/s and working towards higher standards.

For levels 2 and 3 workplace or area, the corresponding Tripartite Certification could immediately be processed after tripartite verification/evaluation. The Tripartite Seal of Excellence could immediately be obtained after completion of the BWC, BWSC, OSHC, NWPC, and NCMB certifications/awards.

For large establishments, the National Productivity Olympics Award is not a requirement. An establishment code of good business practices or declaration of its

commitment to ensuring safety; labor standards compliance; child-labor free; that worker is treated with respect and dignity, and operational workplace dispute settlement mechanism in all its activities including contracts of service and in its supply chain, would suffice.

Those categorized as Level 1 establishments will have to go through the entire phases of each certification process.

**SECTION 11. Establishment's Compliance Team or Officer; Functions and Responsibilities.** - The nominated or enrolled establishment shall be requested to create a Compliance Team or appoint a Compliance Officer.

The Compliance Team or Officer shall be responsible for this Program and shall coordinate closely with the Regional or ITC Tripartite Certification Team during the entire certification process. After certification, the Team or Officer shall ensure that the establishment maintains its compliant status and ensure the submission of its Annual Self-Assessment Report for Compliant Establishment.

**SECTION 12. The Tripartite Seal of Excellence and Certification Process.** – The enrolled establishment Compliance Team or Officer and the TCC shall work on the award or certification process which starts with the Tripartite Certificate of Compliance with Labor Standards. The Tripartite Seal of Excellence is the highest stamp of establishment or brand compliance, and is awarded after undergoing the following phases:

(a) ***Tripartite Evaluation*** is a combination of self-assessment and on-site document review and interview by the Tripartite Certification Committee (TCC).

Self-Assessment: The applicant or enrolled establishment fills out the standardized Checklist with ratings, which is made part of this Guidelines, and submits the same to the Regional Office for evaluation prior to visit by the TCC.

On-site visit: Tripartite Certification Committee meets with managers and select staff/workers; reviews the Checklist and available documents; and conducts focus group discussion with managers and with staff/workers.

(b) ***Gaps Remediation*** is administered should TCC found gaps in the subject establishment's compliance. The gaps shall be discussed with the Compliance Team/Officer and remediation is handholding through delivery of appropriate DOLE Programs and Technical Assistance to the establishment. The period for remediation and the correction/s to be made shall be agreed upon, but should not be more than six (6) months. In the absence of compliance gaps, the establishment can immediately be endorsed for the Tripartite Seal of Excellence.

(c) ***Tripartite Assessment*** is conducted by the TCC at the end of the agreed gaps remediation period. The TCC shall assess the remediation progress/success and shall recommend whether to extend the period or classify the gaps as violation



requiring the exercise of DOLE regularity functions. If the establishment is already compliant, the TCC shall endorse the establishment for certification and issue a congratulatory letter to the establishment's employers and workers.

(d) **Tripartite Certification** shall be bestowed by the DOLE Secretary, after a documentary verification by:

1. Bureau of Working Conditions for the *Tripartite Certificate of Compliance on Labor Standards (CLS)*;
2. Occupational Safety & Health Center for the *Gawad Kaligtasan at Kalusugan (GKK)*;
3. Bureau of Workers with Special Concern for the *Certificate for Child-Labor Free Establishment*;
4. National Wages and Productivity Commission for the *National Productivity Olympics Award*; and
5. National Conciliation and Mediation Board for the *Outstanding LMC Awardee for Industrial Peace or Certificate for Operational GM for Industrial Peace*.

**SECTION 13. DOLE Certifications.** – The requisite certifications and awards shall be administered by the respective Program Managers, who shall ensure compliance with their respective Certification Guidelines, observing the following:

- a. *Tripartite Certificate of Compliance on Labor Standards (CLS)*. The Bureau of Working Conditions shall observe this Guidelines and the Checklist in the implementation of the certification for Labor Standards Compliance which in addition to the core Labor Standards and Occupational Safety and Health Standards, should meet the following minimum requirements:

For Levels 2 and 3 establishments:

1. Valid business name, permit or registration;
2. No violation of labor standards for three (3) consecutive years;
3. No pending complaint or case on labor standards or occupational health and safety violation; and
4. No fatal accidents, no lost time accidents and with no or minimal first-aid treatment cases only for three (3) consecutive years.

For Level 1 establishment:

1. Valid business name, permit or registration;
2. Completion or successful remediation of compliance gaps; and
3. Compliance or corrected labor standards or occupational health and safety violations.

- b. *Gawad Kaligtasan at Kalusugan (GKK)*. The Occupational Safety & Health Center shall observe the existing guidelines for the GKK, but should ensure equivalency to the provisions of this Guidelines.
- c. *Certificate for Child-Labor Free Establishment*. The Bureau of Workers with Special Concerns shall administer the Certification Checklist for this purpose.
- d. *National Productivity Olympics Award*. The guidelines and criteria of the National Wages and Productivity Commission shall govern the Productivity Olympics Award which covers the micro, small and medium enterprises.
- e. *Outstanding LMC Awardee for Industrial Peace or Certificate for Operational GM for Industrial Peace*. The National Conciliation and Mediation Board shall expand the award to encourage the creation or setting up of operational LMCs or Grievance Machineries in establishments awarded or certificated by the BWC, BWSC, OSHC, and NWPC.

**SECTION 14. Tripartite Consultation.** - The tripartite partners at the national and local levels shall be consulted regularly on the implementation of the Project and be briefed about its progress.

**SECTION 15. Regional Rating.** - A regional rating shall be developed and administered by the Human Resource Development Service (HRDS) for this Program. The criteria should include regional correction or compliance rate improvement and number of recognized or incentivize compliant establishments.

**SECTION 16. Pilot Testing.** - The Project shall be pilot tested beginning May 2011 and the awarding of those who will qualify, such as those under levels 2 and 3, for the Tripartite Seal of Excellence or any of the certificates shall be on 8 December 2011.

**SECTION 17. Complaint Inspection.** - The certificated/awarded establishment shall not be exempt from inspection should there be a complaint for violation of labor standards, occupational safety and health, or dispute settlement processes. However, findings of violation/s are subject to a remediation phase, and compliance or corrective actions should be processed through the Single Entry Approach's 30-day mandatory conciliation-mediation services.

**SECTION 18. Funding Source and Emoluments.** - Funding for the implementation of this Program shall be included in the 2012 DOLE Budget. For this year's pilot-testing activity, expenses shall be taken from the regular budget of the regional office allocated for enforcement activity. Advocacy expenses shall be charged to the respective Program Managers or Certification owners pending grant of the requested Technical Assistance for the implementation of this Program.

Honorarium shall be given to the TCC during working meetings and on-site evaluation based on allowable rate.

**SECTION 19. Decertification.** – The Tripartite Certification Committee may recommend for decertification an awardee or certificated establishment after remediation to address the gaps failed or when the awardee or certificated establishment, after observance of due process, is found to have deliberately abuse the award or certification.

**SECTION 20. Repealing Clause.** – All rules, regulations, issuances, circulars, and administrative orders inconsistent herewith are repealed or modified accordingly. If any part or provision of this Guidelines shall be held unconstitutional or invalid, other parts or provisions thereof which are not affected thereby shall continue to be in full force and effect.

**SECTION 21. Effectivity.** – This Guidelines shall take effect after fifteen (15) days from publication in a newspaper of general circulation.

Manila, Philippines. 06 May 2011.

  
ROSALINDA DIMAPILIS BALDOZ  
Secretary