

Final Report

Mid-term Evaluation Better Work Lesotho

Volume 1, Main Report

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08 November 2012

Disclaimer

This report was compiled by an independent external expert. It is solely a reflection of her findings and assessments in course of the evaluation. It does not necessarily represent the views, or policy, or intentions of Better Work.

List of abbreviations

ACT/EMP	ILO Employers' Activities
ACTRAV	ILO Workers' Activities
BW	Better Work
BWG	Better Work Global
BWL	Better Work Lesotho
CAT	Compliance Assessment Tool
CTA	Chief Technical Advisor
DIALOGUE	ILO Industrial and Employment Relations Department
EA	Enterprise Advisers
FIF	Financial Intermediary Fund
FOA	Freedom of Association
GTSF	Global Trade Supplier Finance
HRD	ILO Human Resources Department
IBRD	International Bank of Reconstruction and Development
IFC	International Finance Corporation
ILO	International Labour Organization
IMS	Information Management System
IndustrALL	Successor of ITGLWF
IRIS	Integrated Resource Information System
ITGLWF	International Textile, Garment and Leather Workers' Federation
ITUC	International Trade Union Confederation
LAB/ADMIN	ILO's Labour Administration and Labour Inspection Programme

M&E	Monitoring and Evaluation
MDTF	Multi-Donor Trust Fund
MG	Management Group
MOU	Memorandum of Understanding
MoLE	Ministry of Labour and Employment
MTI	Ministry of Trade and Industry
NGO	Non-Governmental Agency
OBW	Outcome Based Workplan
O&M	Operations and Maintenance
OMT	Operations Management Team
OSH	Occupational Safety and Health
PAC	Project Advisory Committee
PICC	Performance Improvement Consultative Committee
RSA	Republic of South Africa
SECTOR	ILO Sectoral Activities
SPF	Strategic Policy Framework
STAR	Supply-chain Tracking of Assessments and Remediation
TOR	Terms of Reference
TRAVAIL	ILO Conditions of Work and Employment Branch
TU	Trade Union
USAID	United States Agency for International Development
USDOL	United States Department of Labor
WB	The World Bank

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Acknowledgements

This mid-term evaluation has been performed by an independent expert, Dr Monika Zabel (Monika@crossxculture.de).

Herewith I would like to thank all partners and institutions who supported this evaluation - prior to the field phase in Switzerland, and in course of the field mission to Lesotho and South Africa. With their time, trust, views and opinions, they have contributed substantially to this evaluation report.

Special thanks to the CTA of Better Work Lesotho, Kristina Kurths, and her team in Lesotho, who have contributed facts and figures; also for her time and interest in an open dialogue on preliminary findings and recommendations.

Many thanks also to Arianna Rossi, who was backstopping the evaluation for the Better Work team in Geneva, and to Daniel Cork, BW programme officer, for his responsiveness to all questions addressed.

Monika Zabel
Hamburg, October 2012

0 Executive Summary

Background

Better Work Lesotho is a partnership programme of the International Labour Organization (ILO) and the International Finance Corporation (IFC). It aims to strengthen the country's export position in global markets after the phasing out of the Multi-Fibre Arrangement in 2005, and aims to accomplish this objective by improving compliance with ILO core labour standards and the Lesotho national labour law, and by promoting competitiveness in global supply chains. IFC strongly laid out the case for an industry wide participation, when Better Work Lesotho was launched in 2010. It is financed in its first and second phase by the US Department of Labor (USDOL); the latter has started in May 2012 and will end in December 2013.

As of 1 August 2012, 16 factories out of a total of 38 garment and one out of three shoe and leatherwork producing factories had enrolled in Better Work. With the exception of two factories that are South African owned, they are all Chinese or Taiwanese owned and export to the US market. The third country provision under AGOA has been prolonged on 3 August 2012 until 2015, providing a relief, though a short-term perspective for the industry only. At the time of the last redaction of the evaluation in November 2012 there was still no clear position and timeline of the Government towards an industry-wide approach, mandatory or gazetted.

Purpose and Approach

The purpose of this evaluation is to review to progress made towards the achievement of the immediate objectives of the project and identify lessons learned from the key services implemented to date and approaches taken toward stakeholder capacity building and industry-wide implementation. BWL was designed as one of three pilot projects of Better Work. Better Work was launched as a partnership of the ILO and IFC in 2007, building on the success of the Better Factories Cambodia (BFC) project.

The scope of the mid-term evaluation includes all elements of the original project log frame that were due to be implemented in Phase I (first 24 months) of the project timeframe, through May 2012, two years after the Chief Technical Adviser (CTA) was appointed to the position. The primary audience of the evaluation report is Better Work; both, the Better Work country project and Better Work Global (BWG), as well as the US Department of Labour (US DOL). The secondary audience includes the ILO Pretoria Office and national stakeholders.

The evaluation implementation is based on a three - phase approach. This evaluation was be based on a mixed method approach. The starting point was the desk phase with an analysis of the literature readily made available. This was followed by an in-depth briefing of the consultant in Geneva. The methodology applied for the field phase is a mix of direct observation at the implementation sites and local stakeholder consultation, through individual interviews, group interviews, and focus group discussions. Time requirement is nine days in the field, of which seven days will be performed in Lesotho and two in Pretoria. The field phase was concluded by a debriefing of the main stakeholders (the Project Advisory Committee, or PAC) presenting first preliminary findings, conclusions and recommendations. The

debriefing was also used to clarify with the respective stakeholders at country level remaining questions and queries.

ILO project evaluations usually focus on the following criteria: (1) relevance of the project to beneficiary needs, (2) validity of the project design, (3), (4), (5) project's efficiency and effectiveness, (6) the impact of the results and the potential for sustainability. It slightly reorganises the evaluation questions listed in the ToR and assigns questions only to the first four criteria. The criterion 5, effectiveness of management arrangements, is reported against in chapter 3.3 project progress and effectiveness, in its subchapter 3.3.4. There is a distinct chapter 3.5 dedicated to the sixth criterion, Impact orientation and sustainability of the project; which was not foreseen in the ToR.

Conclusions

BWL is currently at a crossroads. Without the written evidence for GoL's support to an industry-wide approach either mandated or gazetted, BWL will likely not achieve this goal with a voluntary approach alone. The continued postponement of the introduction of an industry-wide approach until midterm has critically influenced the implementation of BW in Lesotho and has deviated valuable human resources, time, and financial resources.

BWL has the potential to improve competitiveness of those textile and footwear companies that are working with buyers that value compliance to national and international standards and/or make them a prerequisite, i.e. where compliance becomes a positive sales argument. Strong buyer relations and commitment is thus crucial.

If GoL would like to achieve a positioning of Lesotho as an ethical sourcing location for textiles, mandatory membership in BWL is key. Human and financial resources of the MoLE do at present not allow guaranteeing an in-depth inspection of all textile sector companies with their own team of Labour Inspectors, hosted under the Department of Labour. Capacity building alone will not be enough to secure institutional sustainability. Restructuring of the MoLE has to be started at the same time. Cooperation in both, the restructuring and capacity building of the Labour Inspection Board would go beyond the means and resources of BWL and DWCP Lesotho.

The draft of a Cooperation Agreement is a step in the right direction that has to be further developed and a business plan with sourcing proposals developed. The restructuring should be starting prior to major investment in train-the-trainer activities. A spin-off from the Ministry like the model of LNDC might be considered as the current (modest) level of salary at the Ministry is unsustainable and leads potentially to frequent staff turnover.

Financial sustainability of BWL is not in reach. BWL currently has very low revenues and respective marginal recovery rate. BWL will likely not be financially sustainable without ongoing external donor support. The cluster of 38 textile factories is relatively small and Lesotho shares this disadvantage with other small BW countries like Haiti. The subscription fee has to be raised by 800%, i.e. to USD 16,000, to cover the cost of the programme. Trainings currently offered by BWL are either free for subscribers or sold far below market price.

Efficiency of delivery of services is improving but remains a challenge; in particular once the number of factories will increase significantly after becoming mandatory, from 16 to 38 factories. Speeding up the reporting cycle and QA process as well as increasing the number of deliverables are the challenges, in case BWL will be continued with the same amount and calibre of staff.

A sound statement on quality of training services provided across the various training designs is currently not possible. For all trainings performed so far but four there are either no evaluation forms available, or they have not been analysed as yet.

Better Work does not address environmental issues in the CAT yet; these are in particular important for buyers of denim products and related waste water recycling processes. This means the BWL assessment reports cannot fully replace buyers' compliance audit, but an environmental audit has to be performed or commissioned in addition at respective cost, reducing the advantage of BWL subscription for these buyers.

The implementation of BWL, as currently performed, is mainly activity oriented. Reporting is provided at several levels and can be streamlined. Narrative reporting should be combined with indicator monitoring where indicated. Project management needs to stronger direct towards achievement of results and achievement of objectives.

Ownership of the main stakeholder in government has been mainly passively assumed in the past. The commitment to sign a Memorandum of Understanding by end of 2011 was delayed and a MoU with the PAC was finally signed in August 2012 (after the evaluation mission had been finalized). There are no results of a recent effort to investigate again steps towards an industry-wide approach. Leadership in PAC is still assumed by the CTA.

BWL has a clear buy-in from Workers and Unions. Positive aspects are emphasised. This can be an entry point to institutional sustainability. The buy-in from Entrepreneurs and Exporters is less clear, it is a currently a two tier system, the SA producers without any buyer pressure feel currently no need to become members and opt against a mandated approach, and those SEA owned companies that are for a good part already BWL members due to buyers' pressure, and also opting against a mandatory membership.

The long awaited prolongation of AGOA until 2015 came in act early August 2012. It has to be seen more as a relief for existing producers and investors in Lesotho, but not necessarily as an incentive for new additional investments.

Different profiles are required for EAs and AS providers. As currently there is a low number of factories subscribed in BWL, the two functions are assumed by the same people. Once the workload gets higher, two distinct teams for Assessments and for Advisory, respectively, should be established, with different skill sets and interpersonal skills attached.

Whereas BWG is fully engrained in the delivery of BWL, the links and cooperation between BWL and ILO office in Pretoria is currently less pronounced. There are several promising entry points to capitalize on synergies in the future.

There is no modus operandi defined for the cooperation between BWL and ILO Pretoria office. There should be a strategic discussion about areas of complementarity, with a MoU to guide to collaboration. The Country Director of ILO office in Pretoria would be the suitable person to guide the process.

Recommendations and Lessons Learned

Effectiveness of core services – training, advisory and enterprise assessments

Recommendation 1
Perform an analysis of all trainings conducted and evaluations that have been performed with the participants. Retrieve information about content and trainer performance for an ongoing QA mechanism and feed information into the current process cycle for assessments and seminars. To endorse a tool for ex post evaluation of training courses and perform a first batch of ex post training evaluation. Use of training evaluation sheet for participants by BWL should be used for by all trainers (internal, external), without exception.
Issue/s to be addressed: Evaluation of the trainings performed so far is not available at BWL (just partly for one of the types of trainings performed) and has not yet been analyzed. There is no status report on relevance of the seminars for the participants and capability of the trainers available yet. Especially when using a pool of trainers, it is important to apply the same evaluation tool for all trainers/trainings. Ex post evaluation has not been introduced as a QA tool that can also serve as input for impact measurement.

Recommendation 2
Provide HR and SST training in Chinese language for managers and supervisors that are native Chinese speakers. Involve the trained Chinese managers (ToT in SST has been provided by Chinese trainer)
Issue/s to be addressed: Communication and (inter-)cultural different interpretations and standards have been identified as one of the root causes for in-compliant behavior, as disrespectful language, verbal and even physical threat. Assessment Reports revealed that Chinese/Taiwanese managers and supervisors often were reported to having insulted their Basotho workers. Both workers and managers appreciated the supervisory skill training in Chinese language, but indicated that more of this training is needed.

Recommendation 3
Extend the “on the job” training of Labour Inspectors foreseen under BWL to reciprocal visits, i.e. EAs accompanying Labour Inspectors to visits to non BWL member companies as peers, and discuss after the visits aspects of situation and aspects of non-compliance observed. This would also provide insights on the real compliance status of these factories. The Labour Inspectors could focus more on non BWL factories, as the BWL member factories are already subject to an in-depth assessment. To make sure that non BWL factories are visited to gain an impression of their compliance situation.
Issue/s to be addressed: In course of the capacity building programme currently under discussion with MoLE, on the job training for assessment and for advisory is foreseen. Labour Inspectors would shadow EAs in BW member factories. It would be of interest for the EAs and for BWL as well to do some reciprocal shadowing in non BWL factories, to get some insights on the status of compliance in non member factories.

Recommendation 4
Setting up a fully fledged training plan with a rolling scheme at least for one month and three months, and to integrate the plan with the forward planning of the team for assessment, advisory and other time bound activities in the office.
Issue/s to be addressed: Training plan as presented is more an overview for potentially interested

participants than a working tool for the team. No integrated forward planning tool shared by the rest of the team. In particular when number of member factories and thus workload will increase, effective and efficient delivery will be crucial.

Recommendation 5

Consider splitting the function of training officer into one trainer and one training manager, the latter assuming responsibility for training evaluation and analysis, forward planning, contacting external trainers, applying QA and planning tools.

Issue/s to be addressed: Assess the workload of the training officer. Should preparation and provision of trainings take a major part of the working time (or will, should more member companies require more training to be performed), consider splitting into two profiles. Strategic planning and feed in of training results into the planning and revision of seminar curricular is widely missing so far.

Recommendation 6

Intensify the exchange of structured information in course of debriefings of assessment, advisory and of training activities. Integrate issues addressed in trainings in the assessments (for example the question of fixed term contracts with approbation period) and vice versa.

Issue/s to be addressed: training and advisory debriefing, training evaluation debriefing for BWL internal and for external trainers. Important that external trainers deliver the evaluation sheets of the training and a short – at least - verbal debriefing to the team.

Effectiveness of Stakeholder Engagement – sector wide approach

Recommendation 7

In order to proceed effectively and to demonstrate clarity for the other stakeholders MoLE has to clearly state if they can and will introduce a mandatory industry-wide approach to enhance compliance with international norms and national laws in the textile sector.

Issue/s to be addressed: Lack of clarity among the stakeholders of the position of the GoL regarding an industry-wide approach, mandated or gazetted. A voluntary approach has after 2.5 years of implementation not led to the anticipated results and fostered a stop and go policy of entrepreneurs associations.

Recommendation 8

Develop a plan on how BWL and MoLE can embed the planned cooperation agreement on capacity building into a restructuring of the Labour Inspection Board in the Department of Labour; consider various options and support to develop a business plan. These project outlines can be discussed with potential donors.

Issue/s to be addressed: Capacity building without a plan for an institutional solution/restructuring for the MoLE appears not sustainable. Financial means of BWL and budgetary means of MoLE are not sufficient to finance a restructuring process without a third party financing; future BWL capacity building for

inspectors within BWL will include assessment and advisory training. All capacity building that goes beyond, incl. organizational issues, would have to be addressed by a new TC project.

Recommendation 9

Consider a new technical cooperation project for ex linked to ILO head office LAB/ADMIN department.

Issue/s to be addressed: Capacity building without a plan for an institutional solution/restructuring for the MoLE appears not sustainable. Financial means of BWL and budgetary means of MoLE are not sufficient to finance a restructuring process without a third party financing

Recommendation 10

Involve MoLE and other interested parties more actively in contents, preparation and moderation of PAC meetings. Otherwise the sustainability of the results achieved in the meetings will remain limited.

Issue/s to be addressed: GoL members in PAC are assuming currently a rather passive role, showing various levels of ownership, however no leadership yet.

Effectiveness of Management Arrangements

Recommendation 11

Revive the cooperation between BWL and ILO office in Pretoria , in particular related to

- (1) the Buyers' Forum in Lesotho and relationships with South African manufacturers for purposes of advancing the programme goals; involve textile consultant linked to ILO office in Pretoria in preparation by working with SA buyers,
- (2) the process of further supporting the cooperation between the five workers' unions (draft paper is available) and
- (3) providing peer feedback on ALAFA's strategy for the future: to clarify to which extent ALAFA factories are identical with BWL factories, and which consequences a potential shortening of ARV treatment could have on workers.

In general: Intensify the information exchange between the BWL CTA and the ILO Country Director South Africa, as part of the BWL implementation process and to foster a coherent approach of the two organizations in Lesotho.

Issue/s to be addressed: Cooperation and use of synergies between BWL and ILO office in Pretoria has been frequent at design stage but has been much less pronounced since then. It is not indicated in the BWL action plan. Concrete entry points are the preparation of the 2012 Buyers' Forum in Lesotho and buyers' relation in South Africa; supporting the ongoing project of cooperation of workers unions further; and BWL's future strategy regarding the HIV component led by ALAFA.

Recommendation 12

Work on a marketing and promotion strategy, based on the findings of the study of Godfrey and Shane and other recent study results. Brainstorm with ILO Pretoria office on how to promote BWL in RSA.

Embed and align all marketing activities of BWL in the marketing strategy.
Issue/s to be addressed: A marketing and promotion strategy is still lacking. Stand alone actions have been introduced in the past without being embedded in a strategic approach.

Recommendation 13
<p>Bring the situation of BW Lesotho with priority on the agenda of management group. Their next regular meeting is planned for March 2012 BWL should be also considered as theme for the extraordinary meeting of the MG related to the Bangladesh operations in January 2012. Circulate the evaluation report to the management group members as a base for discussion.</p> <p>Propose to the Management Group to react on T&T, on the base of the cost recovery rate and the number of registered factories. Measured at the original goal of 100% or 38 factories, end of year 2 the target would be $0.7 \times 38 = 27$ factories. This evaluation appears necessary in the light of the ending of secured funding by USDOL in December 2013 and the outstanding written commitment of MoL, to support a mandated industry-wide approach for BWL.</p>
Issue/s to be addressed: Future path of BWL

Recommendation 14
Streamline the reporting process and make it more efficient. Combine for monitoring purposes the Technical Progress Report (TPR) and the Country Programme M&E Indicator Matrix (44 Indicators). The narrative reporting as performed to date is too detailed, mainly activity oriented and not geared towards the planned results.
Issue/s to be addressed: There is a number of reporting and monitoring schemes that BWL has to follow: Quarterly Technical Progress Reporting, Quarterly updates on the work plan, biannual reporting against 44 indicators. This is not efficient for a quick overview of the status of BWL, and also is not easy reading. Lack of linkage and alignment between the different information sources provided.

Recommendation 15
Combine for monitoring purposes the narrative reporting in the Technical Progress Report (TPR) and the Country Programme M&E Indicators. The narrative reporting as performed to date is mainly activity oriented, while at midpoint of the anticipated implementation
Issue/s to be addressed: Lack of focus of the narrative report and of linkage of narrative to the indicators and targets set in the programme.

Efficiency of Resource Use

Recommendation 16
Consider price differentiation of seminar costs between BWL member and non member factories to

increase remuneration through trainings offered.
Issue/s to be addressed: Trainings are currently offered either for free or at a rate of 220 Rand or 24 USD per participant. The opportunity cost for an internal BWL trainer has to be calculated, and trainers flown in from BFC or BWG will have a higher internal cost. The market price for a trainer from SA is estimated R3,000 to R4,500 per day, and a meeting venue can cost with catering around R300 pd per participant.

Recommendation 17
Introduce a mechanism under which exchange of experience between staff of different factories will be facilitated.
Issue/s to be addressed: Valuable information can be exchanged between staff of different factories for example in course of BWL trainings. This information can be used for case studies and discussions in course of the trainings, but also as feedback on services provided by BWL. Trainers should be motivated to use this information exchange in some of the training sessions. This would at the same time be a contrast to the class room like, one way communication observed while attending seminars.

Recommendation 18
Calculate the full cost of an enterprise assessment in all its components (preparation, enterprise visit, discussion, reporting); thereafter to analyze where are possible efficiency gains; consider streamlining the enterprise assessment process in working with one instead of two EAs wherever possible without extending the total duration of an EA.
Issue/s to be addressed: The time allocation per enterprise assessment is currently about 5.5 days without reporting time calculated; buyers' inspectors are partly able to perform a similar assessment in less time and with integrating environmental compliance criteria.

Recommendation 19
Persons that should participate in specific trainings, as for example OSH, should get the invitation with training advertisement. It should be followed up prior to the training, that the targeted group has received the invitation and will participate. Otherwise the EA have to clarify with factory management.
Issue/s to be addressed: There have been cases reported where training advertisements sent by BWL have not reached the targeted person/s, but participation has been decided by the management of the factory, not necessarily considering the skill set necessary for participation in the training and the function of staff member within the factory.

Lessons Learned

It became clear already in course of the first phase of implementation that a number of assumptions made would not hold true. However, the project document for phase II remained unchanged compared to its predecessor. Developments between May 2010 and May 2012 that influenced the strategic fit have not been captured in amendments. Examples are the assumption of (1) cost recovery within five years and (2) the industry wide coverage within the first phase. The project document needs to be adapted to reality

after completion of the first phase and for the document of the second phase. Strategy needs also to be adapted, if required.

Introducing BW country programmes without a Textile and Apparel Sector Strategy and ideally also an Action Plan in place incorporates the risk of inefficiency and failure.

1 Background

Better Work Lesotho is a partnership programme of the International Labour Organization (ILO) and the International Finance Corporation (IFC). In order to strengthen the country's export position in global markets after the phasing out of the Multi-Fibre Arrangement in 2005, national stakeholders expressed their interest in a Better Work Lesotho (BWL) programme and agreed during the programme preparation phase to establish Lesotho as an ethical sourcing destination. It aims to accomplish this objective by improving compliance with ILO core labour standards and the Lesotho national labour law, and by promoting competitiveness in global supply chains. A final design mission took place in August 2008 in which IFC strongly laid out the case for an industry wide participation. Better Work Lesotho was launched in 2010. It is financed in its first and second phase by the US Department of Labor (USDOL). The current second phase of BWL has started in May 2012 and will end in December 2013¹.

In June 2012, a total of 38 factories employed approximately 33,186 workers in the clothing industry², which represents about 80% of all formal jobs in the manufacturing sector. Approximately 80-85% of jobs in the garment sector are held by women. It is estimated that the HIV infection rate in the garment sector exceeds 40%. According to latest available official data Lesotho is facing a high unemployment rate of 25.3%³.

Lesotho's garment industry benefitted significantly from the preferential trade agreements under the African Growth and Opportunity Act (AGOA) which grant duty and quota free export of apparel products from qualifying sub-Saharan African countries into the US. Under AGOA, Lesotho's garment exports to the US grew in both value and volume terms until 2004. Since then, export volumes fell by almost 50% (from 111,162 million m² equivalents in 2004⁴ to 57,912 million m² equivalents in the last quarter of 2011⁵) and also export values experienced a decline (from USD 455.4 million in 2004 to USD 314.6 million in 2011⁶). Over the same period, the workforce employed in the garment industry decreased by 17,847 - a decline of approximately 30% compared with the figure for 2011. In spite of this downward trend, Lesotho remains the leading sub-Saharan African garment exporter to the US under AGOA in value terms. The third country provision under AGOA has been prolonged on 3 August 2012 until 2015, providing a relief, though a short-term perspective for the industry. A medium term sector strategy for Lesotho is still missing.

Garment factories in Lesotho are owned and managed by international investors, predominantly by Taiwanese or South African companies. A high percentage of factory mid-level management and supervisors are foreign nationals, including Taiwanese, Chinese and South Africans, whereas floor-level workers are all Basotho nationals. Garment factories are located in the country's two major industrial areas: around the capital Maseru (mainly Taiwanese investors) and around Maputsoe (mainly South African investors), a district town situated in the Northern part of the country.

¹ The extension of the end date from April 2013 to December 2013 was confirmed by the BW's donor USDOL after the draft report had been submitted.

² Lesotho National Development Corporation (LNDC), July 2012.

³ Lesotho Integrated Labour Force Survey, 2008 (p.102).

⁴ Lesotho Textile Exporters Association (LTEA), 2011.

⁵ LNDC, 2012.

⁶ United States Census Bureau, Foreign Trade figures for 2004 and 2011 (www.census.gov/foreign-trade/statistics)

Better Work Lesotho started its activities amidst a period of economic challenges for Lesotho's garment industry, mainly caused by strong competition from Asian garment exporting nations and uncertainty around an extension of the AGOA third country fabric provision (a trade preference that allows apparel producers to use non-African fabric) beyond 30 September 2012 that has been only very recently prolonged. An unstable order situation that leads to factories sending workers home when there is no or not enough work, and temporary closure of factories, have become common characteristics of the industry which affect employers' responsiveness to Better Work Lesotho services. As of 1 August 2012, 16 factories out of a total of 38 garment and one out of three shoe and leatherwork producing factories had enrolled in the programme. With the exception of two factories that are South African owned, they are all Chinese or Taiwanese owned and export to the US market.

Of the 36,059 workers in the garment, footwear and leather industry registered in Lesotho at the end of June 2012, 23,620 (65.5 %) were working in factories exporting to the USA, whereas 12,439 (34.5%) were working for Republic of South Africa (RSA) exporters. Looking at the staff working in BWL member factories, the picture is as follows: The coverage within firms exporting to the USA is 70% (14 companies of 20); that represents a workforce of 19,067 people or 80%. For the RSA exporters the coverage is currently 9.5% (2 companies of 21) and a workforce of 4,633 people or 37%. The potential for further enlarging the reach to enterprises and of workforce would be consequently higher in RSA exporting factories.

Prior to the start of the project, in August 2007 national stakeholders committed themselves – through signature of a memorandum of understanding - to implement the programme industry-wide. The aim was to enhance its effectiveness and to build a credible reputation for socially responsible manufacturing throughout the garment industry. Given the slow pace of supplier subscriptions under a voluntary approach, which is delaying the industry-wide roll out of the programme, the Government has decided to mandate participation in Better Work Lesotho. At present the position of the Government of Lesotho is not perceived as unified; whereas the Ministry of Labour and the trade unions opt for a mandatory approach to reach industry wide compliance through membership in BWL, the Ministry of Industry, parts of the Lesotho National Development Cooperation (LNDC) and the exporters associations follow more a stop and go approach, preferring a voluntary approach.

In October 2011, in the course of the Buyers' Forum, the Government (PS Labour) informed buyers and BW representatives that the GoL Cabinet Attorney General approved that participation in BWL should become mandatory by law and that the respective law shall be passed by the end of 2011. Earlier in 2012 it was again announced that the legal provision for mandatory participation would come into effect in form of a gazette after national elections, scheduled for May 2012. The change of core personnel after the national elections in both the core Ministries has slowed this process down to almost a stand still. At the time of the field mission of the MTE to Lesotho in early August 2012 there was still no clear position and timeline of the Government towards an industry-wide approach, mandatory or gazetted. This position continued until the last redaction of the report end of October 2012.

2 Purpose and Approach of Evaluation

2.1 Purpose and Scope

The purpose of this evaluation is to review the progress made towards the achievement of the immediate objectives of the project and identify lessons learned from the key services implemented to date and approaches taken toward stakeholder capacity building and industry-wide implementation. BWL was designed as one of three pilot projects of Better Work. Better Work was launched as a partnership of the ILO and IFC in 2007, building on the success of the Better Factories Cambodia (BFC) project.

The scope of the mid-term evaluation includes all elements of the original project log frame that were due to be implemented in Phase I (first 24 months) of the project timeframe, through May 2012, two years after the Chief Technical Adviser (CTA) was appointed to the position.

The primary audience of the evaluation report is Better Work; both, the Better Work country project and Better Work Global (BWG), as well as the US Department of Labour (US DOL). The secondary audience includes the ILO Pretoria Office and national stakeholders.

These stakeholders include:

- The Government of Lesotho: in particular the Ministry of Labor and Employment and the Ministry of Trade, Industry and Cooperatives.
- National employers' organizations: the Association of Lesotho Employers and Business, and the Lesotho Textile Exporters Association.
- National and sectoral level workers' organizations: the Lesotho Congress of Democratic Unions, the Congress of Lesotho Trade Unions, the Lesotho Clothing Allied Workers Union, the Factory Workers' Union, the National Union of Textile, the United Textile Employees and the Voice of Workers.
- International buyers sourcing in Lesotho.

2.2 Structure of the evaluation and methodology applied

The evaluation implementation is based on a three - phase approach. This evaluation will be based on a mixed method approach. The starting point is the desk phase with an analysis of the literature readily made available. This is followed by an in-depth briefing of the consultant in Geneva.

The methodology applied for the field phase is a mix of direct observation at the implementation sites and local stakeholder consultation, through individual interviews, group interviews, and focus group discussions. Time requirement is nine days in the field, of which seven days will be performed in Lesotho and two in Pretoria. The field phase will be concluded by a debriefing of the main stakeholders (the Project Advisory Committee, or PAC) presenting first preliminary findings, conclusions and recommendations. The debriefing can be also used to clarify with the respective stakeholders at country level, if necessary, remaining questions and queries.

- 1 Desk Phase (home based and Geneva) -**
Review of documents, including the quarterly technical progress reports, the 44 M&E indicators collected by BW Global every 6 months and the baseline findings compiled by external consultants in the framework of BWL impact assessment;
Key informant interviews (remote – by phone or skype or in person):
Individual interviews with BW Global key staff.

- 2 Field Phase -**
Mission to Lesotho and mission to ILO Pretoria Office to carry out:
 - Key informant interviews with members of Project Advisory Committee, held individually.
 - Individual interviews with CTA in Lesotho, Kristina Kurths.
 - Individual and group interviews with BWL enterprise advisors, focused on tactics, strategies, lessons learned, and challenges
 - Site visits, to shadow Enterprise Advisors, to at least one assessment visit, and at least one advisory visit.
 - Observation of a factory training, delivered by the project's Training Officer
 - Interview with the Training Manager of ALAFA
 - Interviews with relevant ILO Pretoria Management and technical units in South Africa. The evaluation process will include a one-day debriefing workshop with BWL staff and key partners, including the donor, in order to present the preliminary conclusions and recommendations. This meeting should take place towards the end of the field work. The outcomes of this meeting should be taken into consideration for the preparation of the report.
 - Key informant interviews with selected international buyers actively sourcing from Lesotho, such as Levi Strauss, the Gap Inc., Wal-Mart, Jones New York, and The Children's Place.
 - Interviews with relevant international trade union stakeholders in Better Work, including ITUC, ITGLWF, ACTRAV.

- 3 Reporting Phase (home based) -**
The third and final phase of this evaluation will be the reporting phase. First, a draft final report will be submitted and time allocated for feedback. After analysing the feedback a final report will be submitted to the officer in charge of the evaluation at Better Work in Geneva.

A mixed methods approach has been applied, based on document review, review of operating and financial data, interviews with key informants in Geneva, Lesotho and Pretoria, and field visits to Lesotho and South Africa in which Better Work has established programmes or ILO operating a country office, respectively.

2.3 Evaluation criteria applied

ILO project evaluations usually focus on the following criteria: (1) relevance of the project to beneficiary needs, (2) validity of the project design, (3), (4), (5) project's efficiency and effectiveness, (6) the impact of the results and the potential for sustainability. The criteria as per ToR are explained in detail in Table 1.

Table 1. Definitions of key evaluation criteria

Evaluation criteria	Description
1 Relevance and strategic fit of the project	Relevance refers to the extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies. Strategic fit refers to the extent to which the approach is in line with the national development frameworks, UNDAF, PRSP, DWCP, SPF and P&B.
2 Validity of project design	The extent to which the project design is logical and coherent.
3 Project progress and effectiveness	The extent to which the project's immediate objectives were achieved, or are expected to be achieved, taking into account their relative importance.
4 Efficiency of resource use	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.
5 Effectiveness of management arrangements	The extent to which management capacities and arrangements put in place support the achievement of results.
6 Impact orientation and sustainability of the project	The strategic orientation of the project towards making a significant contribution to broader, long-term, sustainable development changes. The likelihood that the results of the project are durable and can be maintained or even scaled up and replicated by project partners after major assistance has been completed.

The report largely follows the structure of the above table. It slightly reorganises the evaluation questions listed in the ToR. It assigns questions only to the first four criteria. The fifth criterion, Criteria 5, effectiveness of management arrangements, is reported against in chapter 3.3 project progress and effectiveness, in its subchapter 3.3.4. There is a distinct chapter 3.5 dedicated to the sixth criterion, Impact orientation and sustainability of the project; which was not foreseen in the ToR.

3 Findings

3.1 Relevance and Strategic Fit

BWL has three immediate objectives set out in its project document, i.e. (1) Increased compliance with national labour law and with international labour standards in the Lesotho apparel sector, (2) Sustainable access to Better Work tools and approaches after 2014 and (3) Lessons learned and regulatory gaps identified through factory assessment are integrated into government policy discussions, international policy debates, and geographic as well as sector wide strategies. The objectives were relevant with the declared requirements at project start and continue to be relevant, though of different degree, depending on the beneficiary group.

BWL was originally scheduled to be launched in 2007, and was requested by the Intra-Ministerial Task Force on Trade (IMTT) following the expiration of the Multi-Fibre Arrangement (MFA). At the time, the Lesotho Textile Exporters Association (LTEA) strongly advocated for an industry-wide Better Work programme, mainly as a tool to reduce duplication of auditing and as to position Lesotho as a destination of ethical sourcing. Lesotho's tripartite constituents to the ILO identified employment in the garment and textile sector as a key focal point of its Decent Work Country Programme.⁷ The clothing, leather and footwear sector is the main production sector in Lesotho and accounts for about 80% of all private sector employment in country, with currently 36,059 workers of whom the vast majority are women.

During the design stage of BWL, in August 2007, main BWL stakeholders signed a memorandum of understanding. The undersigned state that they would “work together as tripartite social partners to develop an industry-wide approach to implementing the project.”⁸ Consequently, the industry wide approach was declared and anticipated as the implementation mode of BWL. The commitments of stakeholders⁹ to the industry-wide approach were reaffirmed in a final preparatory mission to Lesotho January 2010.

BWL finally started implementation in May 2010 with arrival of the CTA. Since the endorsement by stakeholders in 2007, the global and domestic macro economic situation had changed significantly.

- The employment status has changed. The original 40,000 workers in the clothing industry have decreased to 33,000 people in clothing, and combined with leather and footwear to 36,059 people.
- Minimum monthly wages, about 100 USD for unskilled and about 120 USD for skilled workers, are not adequate to cover the minimum living conditions and are under discussion. A wage increase to 243 USD (or 2020 Maloti, in local currency),¹⁰ as discussed earlier in 2012, would mean a real wage increase of about 150%. Discussions on wage increases in the sector are ongoing within the tripartite Wages Advisory Board. This will in any circumstance have a

⁷ Better Work Lesotho – Project Development and Strategic Outlook, no year (likely 2010)

⁸ Better Work Lesotho Stakeholders' Statement, signed 22 August 2007

⁹ Discussions were held by Better Work Global and ILO Pretoria in January 2010 with the LTEA, all five garment sector unions, the Association for Lesotho Employers, Ministries of Labour and Employment, Ministry of Trade and Industry, during which all partners reaffirmed their commitment to the industry-wide approach.

¹⁰ 1 South African rand = 0.1201 US dollars as of September 2012

significant impact on the rise of production costs and will further weaken Lesotho's position in a competition over price with goods purchased in lower production cost.

- Lesotho as production destination for clothing is increasingly under threat from lower cost production centers in China, Viet Nam and Bangladesh. Potential productivity gains achieved in the future through BWL might not outbalance these production cost differences.
- Over the past several years the composition of export countries for producers in Lesotho has changed; whereas in 2007 the main direction of export was US under AGOA (or its predecessor MFA), in 2012 exactly 50% of the companies (or 21 companies) operating in the sector are servicing the South African market with 35% of the workforce. 20 companies export to the US market under AGOA, and 65% of the workforce in the sector is serving in these companies; among these two groups companies there are a few that are diversifying and are exporting to both the US and South African markets.
- The RSA exporting companies do not have the buyer's pressure and do typically not see any advantage to join BWL on a voluntary basis; they are rather vocal against a mandatory membership requirement.¹¹

Several of the assumptions originally made for BWL (for ex. a potentially growing market with increasing investment) do not hold true any longer under these changed conditions. Another perceived trend is a decreasing investment from Asia (U.S. market) and an increasing investment from South Africa.

The mentioned changes have had an effect on the country's needs over time. This has not been translated in an update of the project document for second phase of BWL that has started recently (May 2012).

Five years later in 2012 - at midpoint of implementation - the various stakeholders assume a less unified position towards such an industry-wide approach. Although the GoL has reconfirmed its interest in an industry- wide approach at several occasions, there is still no concrete action or roadmap how to introduce it.

In the absence of a firm position of GoL on this matter, the garment manufacturers/exporters have apparently taken a more adverse position towards a mandatory approach. Whereas LTEA, mainly representing the Asian producers exporting to the USA, would like to see concrete examples how BWL can enhance productivity and competitiveness, the majority of exporters to South Africa demonstrates a rejectionist position. On the contrary, two "pioneer" companies have subscribed to BWL so far¹².

The National Strategic Development Plan (NSDP) identified four main economic sectors as the key drivers of economic growth in Lesotho, i.e. manufacturing, agriculture, tourism and services¹³. The outcome 3 of the Decent Work Country Programme, improved competitiveness and productivity in the textile and garment sector, seeks to contribute towards the formulation of a private sector development strategy, with particular focus on sustainability and improvement of the employment creation potential of the textile and garment sector, a subsector of the manufacturing sector. BWL is thematically aligned with the ILO DWCP phase II and the NSDP 2012/3 – 2016/7.

¹¹ To join and not to join, Shane Godfrey, June 2012

¹² See also "To join BWL or not to join BWL?", Shane Godfrey, June 2012

¹³ Lesotho Decent Work Country Programme, Phase II, 2012 to 2017, February 2012

The likeliness of a contribution of BWL to outcome 3 of the Decent Work Programme, i.e. improved competitiveness and productivity in the textile and garment sector, cannot be assessed yet. The two indicators of achievement related to outcome 3 have not been measured so far¹⁴. It will in any case depend on the demand side (strong compliance request from the buyers' side) to what extent BWL can enhance the competitiveness of the companies in the sector through increase compliance.¹⁵ It is not obvious in the intervention logic that BWL is able to reach higher levels of competitiveness and productivity through enhanced compliance. This connection has to be carefully analyzed – and also if and to what extent BWL can deliver on it. Currently it is used more as an argument by entrepreneurs and related exporters organizations against the obligatory membership in BWL i.e. factories state that they would subscribe once BWL has proven that BWL enhances productivity and profit.

¹⁴ Indicator 12 (static indicator) of the BWL M&E matrix could provide information on the number of enterprises that show progress in improving compliance. The other indicator of DWCP, number of issues raised by BWL that are integrated into official government policy discussions, either in Lesotho or in neighboring countries, is not included in the BWL M&E matrix.

¹⁵ So far BWL has publicly reported on one round of assessments and therefore it is not yet possible to calculate compliance effort.

3.2 Validity of Project Design

The BWL country programme's design is based on two pillars, (1) to intervene at enterprise level, i.e. to monitor compliance of textile factories and to help them to address the identified gaps, and (2) to support ILO's broader longer-term strategy of building capacity in labour administration and national employer and worker organizations (see figure 1 below).

Intervention at enterprise level consists of assessment, advisory and training. The monitoring framework for compliance assessment looks at eight "clusters" – four are based on international labour standards and four are based on national labor laws related to working condition – 38 compliance points (see table 2 below). These clusters are translated into series of questions in a Compliance Assessment Tool (CAT). The CAT was adapted to Lesotho and was endorsed by the MoLE.

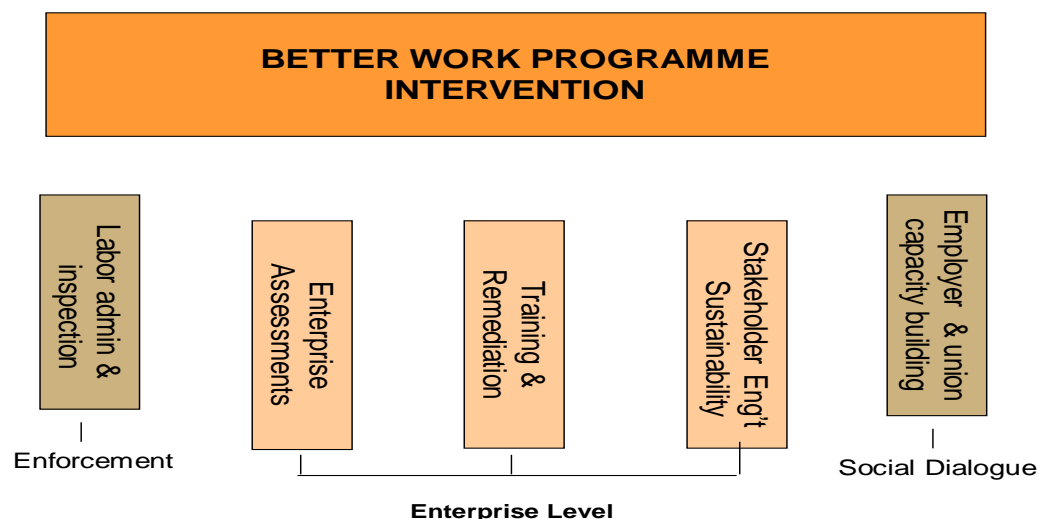
Table 2. Better Work Compliance Assessment Framework

	Compliance Clusters		Compliance Points
Core Labour Standards – International Labour Standards	1	Child Labour	1. Child Labourers 2. Unconditional Worst Forms 3. Hazardous Work 4. Documentation and Protection of Young Workers
	2	Discrimination	5. Race and Origin 6. Religion and Political Opinion 7. Gender 8. Other Grounds
	3	Forced Labour	9. Coercion 10. Bonded Labour 11. Forced Labour and Overtime 12. Prison labour
	4	Freedom of Association and Collective Bargaining	13. Union Operations 14. Interference and Discrimination 15. Collective Bargaining 16. Strikes
Working Conditions - National Labour Laws	5	Compensation	17. Minimum Wages 18. Overtime Wages 19. Premium Pay 20. Method of Payment 21. Wage Information, Use and Deduction 22. Paid Leave 23. Social Security and Other Benefits
	6	Contracts and Human Resources	24. Employment Contracts 25. Contracting Procedures 26. Termination 27. Discipline and Disputes
	7	Occupational Safety and Health	28. OSH Management Systems 29. Chemicals and Hazardous Substances 30. Worker Protection 31. Working Environment 32. Health Services and First Aid 33. Welfare Facilities 34. Worker Accommodation 35. Emergency Preparedness
	8	Work Time	36. Regular Hours 37. Overtime 38. Leave

Source: BWL: Garment Industry 1st Compliance Synthesis Report, May 2012

Through follow-up annual assessments, developments in compliance at factory level can be detected over time, and also the aggregated progress at sector level. BWL publishes these findings in Garment Sector Compliance Synthesis Reports. This is considered a suitable tool to monitor compliance. The first public synthesis report for Better Work Lesotho was published May 2012, based on the first 10 assessments carried out by the programme.¹⁶

Figure 1. Better Work Programme Intervention



Source: Better Work Lesotho Project Document Phase II

Component 1, Enterprise assessment and advisory services, aims to enhance level of compliance at factory level through application of a process of assessments and advisory services. Tailor made trainings for the constituents will help to fill the detected gaps.

The implementation logic of BWL is based on the assumption that a higher compliance to international core labour standards and national working conditions (see table 3) will enhance competitiveness. This would however only apply if the international buyers value this compliance and the related conditions and cost under which the product is produced.

Some of the assumptions made for BWL were not realistic from the outset. This applies in particular to Component 2, stakeholder engagement and sustainability, aiming at financial and institutional sustainability. The assumption to reaching financial sustainability within a five year period, for example, was a miscalculation from the outset, even with an industry wide approach. Lesotho is a small country and the total amount of factories in the sector is about 40, the number of buyers is also limited. In the meantime it has been appreciated that BWL will depend for a long period on external funding and will not be financially sustainable.

¹⁶ The first synthesis report has been issued only in May 2012, based on 10 Assessments.

Also the willingness and ability of firms to pay for trainings offered has been vastly overestimated in the original project interventional logic. There is indeed a demand for specialized trainings, however, the assumption that these trainings could remunerate anything close to market prices and could thus contribute to BWL income and financial viability did not hold true. In reality BWL currently remunerates about 24 USD per participant per training; in several cases the BWL internal trainings for PICC members are free of charge for BWL members anyway, being part of the subscription package. For non members the participation fee is approximately double.

Overall, some of the targets set were overambitious and not realistic, for example financial and organizational sustainability. The time horizon planned for implementation, and related risks identified were not always coherent. Example: Risk of non availability of the profile “Enterprise Advisor” in Lesotho was detected, and in-depth training as mitigation strategy indicated. However, the resources and time to provide this training and the effect on the timely provision of assessments and advisory services were not sufficiently appreciated.

The Monitoring and Evaluation (M&E) framework of BWL consists of several elements that are reported against on a quarterly and biannually basis, respectively:

- Better Work Lesotho Progress Indicators, a framework of 44 indicators (progress indicators and static indicators). These indicators are purely quantitative; actual results are updated on a biannual basis. Several targets for 2012 have been downgraded as the industry-wide approach mandated by MoLE did not materialize in 2011. These indicators are disseminated to the BW Management Group.
- A qualitative study to collect baseline data in and outside factories through interviews and focus group discussions with workers has been performed in mid 2012. The baseline study will be updated in 2013 to show progress within one year.
- A Target and Triggers scheme (T&T) that is also defining benchmarks for evaluating and closing a project under BW; this framework has not been shared beyond the BW Management Group.
- A quarterly narrative Technical Progress Report (TPR) composed by the CTA under responsibility of the Programme Officer for Lesotho at BW HQ.
- A logframe included the project document (First column, immediate objectives, only; no verifiable indicators, means of verification and assumptions column). Indicators of achievement, not quantified, available either at objective level or at output level available in a separate table called project impact and indicators of achievement.

First, there is no fully fledged logical framework attached to the project document. The elements of the M&E framework appear scattered and not fully engrained in its design.

The BWL M&E framework as attached to the project document phase II is lacking targets and the indicators are overall not SMART¹⁷. At Output level there are statements like “enterprise assessment reports are available”. There is no clear link established between the quality of the product and the compliance increase achieved. As shown in the Project impact and indicators of achievement there are no targets set. There is also not reporting against set targets but only actual achievements.

The logframe matrix being part of the design has no SMART indicators with targets, assumptions and means of verification attached. SMART indicators and means of verification to report against are not attached.

¹⁷ **S**pecific, **m**easurable, **a**vailable/achievable in a cost effective way, **r**elevant for the programme, and available in a **t**imely manner (SMART).

There are only a few links between the progress indicators of the 44 indicator matrix, the workplan, the narrative reporting, and the indicators of achievement as set out in the logframe.¹⁸ The indicators of achievement in the logframe are mostly of poor quality. Important indicators, for example of quality of training provided and trainings' relevance, are missing altogether.

Different stakeholders receive different information about the project. Whilst USDOL receives the quarterly narrative TPR, the BW management group (ILO and IFC) receive the update on the 44 indicator matrix as well as the targets and triggers scheme. The management group meets twice a year, typically in March and in September.

There is no clearly established link between the narrative reporting to donors, the M&E matrix for global, and the project logframe. There are two sets of accountabilities in the programme, i.e. the narrative reporting is a donor demand, the M&E matrix a BW Global demand¹⁹. Links between the two could be (need to be) strengthened as suggested in the recommendations.

Table 3. Project Objectives and Indicators of Achievement

Development Objective: To contribute to poverty reduction in Lesotho by expanding decent work opportunities in targeted export industries.		
IMMEDIATE OBJECTIVES	OUTPUTS	INDICATORS OF ACHIEVEMENT
Immediate Objective 1 Increased compliance with national labour law and with international labour standards (ILS) in the Lesotho apparel sector.	Output 1.1. Assessment tools adapted and tested.	Number of enterprises that show progress in improving their compliance with domestic labour law and ILS.
	Output 1.2. Enterprise Assessment reports are available.	
	Output 1.3. Training, resources, and tools to support remediation are available.	
	Output 1.4. Improvement process based on assessment reports in place and ongoing in participating factories.	
Immediate Objective 2 Sustainable access to Better Work tools and approaches after 2014.	Output 2.1. Establishment of policy framework for institutional cooperation with MOL.	MOU is finalized.
	Output 2.2. Governance and consultative structure for Better Work Lesotho are in place and functioning.	Frequency of Project Advisory Committee (PAC) Meetings and composition of participation in meetings.
	Output 2.3. Capacity of tripartite constituents to support the project is enhanced.	

¹⁸ The M&E indicators collected globally are determined by the T & T document. Some indicators of achievement from the logframe are indicators from the M&E: # of factories making improvements, # of PAC meetings, and # of subscriptions purchased.

¹⁹ The indicators of other BW programmes were not shared with the evaluator for purpose of comparison.

	Output 2.4. STAR is operational in Lesotho.	Number of factory reports purchased through STAR.
	Output 2.5. A communication and marketing strategy is designed.	Number of hits to Better Work Lesotho website, both locally and internationally.
	Output 2.6. Survey to explore extension of BW to neighbouring countries is available.	Strategic plan for sustainability of Lesotho and potential Southern Africa program is finalized and included in the proposal for Phase II funding in 2011.
Immediate Objective 3 Lessons learned and regulatory gaps identified through factory assessment are integrated into government policy discussions, international policy debates, and geographic as well as sector wide strategies.	Output 3.1. Assess the need of reviewing national labour legislation to address gaps identified through factory assessment.	Number of issues raised by Better Work program in Lesotho that are integrated into official government policy discussions, either in Lesotho or in neighboring countries.
	Output 3.2. M&E tools are adapted and tested.	

Source: Better Work Lesotho Programme Document Phase II, May 2012 to April 2013

3.3 Project Progress and Effectiveness

3.3.1 Project Progress

Project Progress of BWL can be measured against two main instruments: Firstly, the BWL work plan that was attached to the project document phase 2, in its status of May 2010. There are no targets or intermediate targets mentioned in the work plan. The status is described as: not started yet, in planning, in process, completed. Achievements are mentioned in narrative, in the comments column. Table 5 below shows the assessment of status.

The second tool against which progress of BWL can be contrasted against is a set of 44 country programme M&E indicators (see annex 5), of which 33 are “progress indicators” and 11 “static indicators”²⁰. This instrument is called the M&E framework. This table is filled in and updated by the CTA in Lesotho on a bi-annual basis and forwarded to BW Global to save and aggregate this data set for all BW countries. The annual targets can be changed (lowered) for the following year, should the project environment change.

A selection of indicators from the M&E framework will be used to also respond to the question to what extent is BWL on track to complete all project targets according to schedule. The numbers recovered are purely quantitative, and are enriched by information gathered in other documents, the work plan²¹ and interviews held in course of the field phase in Lesotho.

²⁰ Country programmes set annual targets for these progress indicators in the beginning of each year; static indicators are additional items which programmes track and no targets are set

²¹ Work plan BWL, revision of 9 April 2012

The progress indicators of the M&E framework are not directly related to the 3 immediate objectives of the BWL project, but to six categories of activities, i.e. factory registration, assessments, advisory services, training services, stakeholder engagement and financial viability. It is not evident if and how the two instruments can be combined.

An analysis of the 31 progress indicators has been performed by the sustainability study (2012) for the year 2011²². In 10 categories the result was 100% or more of the target, in one category the achievement was in the range of 80% to 100% and for the remaining 19 categories it was 79% or less achievement of the anticipated target.²³

The lack of an industry-wide mandatory approach led to the low score in number of registered factories (indicator 2): 16 registered factories against a target of 38, or 37%. In reality, of the additional 13 factories needed to subscribe to BWL for 2012 to meet the set target (already lowered); only 2 had materialized by August 2012. On the positive side it can be noted that 63% of all garment sector workers are occupied in these factories. The two indicators under the category “factory registration” are presented in the table below. Indicators in the categories assessments, advisory services and training services are discussed in chapter 3.3.2, effectiveness of core services, and under financial viability in chapter 3.5, impact orientation and sustainability of the project.

Table 4. BWL Progress Indicators Factory Registration

Target/Indicator	M&E Target 2011	Actual II/2011	M&E Target 2012	Actual I/2012
Number of targeted factories participate in BW (indicator 2)	38	14	27	16
% of operating Factories	100%	37%	71%	42%
Percentage of workers in BWL member factories over total sector employment (indicator 5)	100%	60%	75%	63%

Source: M&E Framework, Matrix I/2012

The table below provides an overview of the status of progress of BWL, based on the most recent work plan status of July 2012 and on observations made in course of the evaluation. In the comments column BWL progress status is commented on. The Evaluator also inserted some comments in the indicators of achievement column.

²² For the year 2010 most of the targets and/or indicators were not yet defined and/or available

²³ Sustainability prospects and vision scoping for BWL, June 2012

Table 5. Project Objectives and Status of Achievement

IMMEDIATE OBJECTIVES	OUTPUTS	INDICATORS OF ACHIEVEMENT	Current Status	Comments
Immediate Objective 1 Increased compliance with national labour law and with international labour standards in the Lesotho apparel sector.	Output 1.1. Assessment tools adapted and tested.	Number of enterprises that show progress in improving their compliance with domestic labour law and ILS. <i>Comment evaluation: This will only be possible once companies have had a second assessment report. Currently, detected improvements or decline can be also partly assigned to lack of experience of EA at the beginning of the process when conducting the 1st assessments.</i>	in process	Another mission of BWG planned for 3rd quarter of 2012 to assess the quality of assessment services; MoLE has endorsed CAT verbally, Cooperation agreement between MoLE and BWL incl. CAT endorsement is available as unsigned draft version; MoLE endorsed the CAT verbally. Signature of MoU pending since 4/2012.
	Output 1.2. Enterprise Assessment reports are available.	<i>No target figure indicated for the indicator of achievement.</i>	in process	Currently 16 suppliers and 6 buyers have subscribed; baseline survey by Pike et al is available in draft (July 2012); 1 st public synthesis report is published; in total 19 (of which 9 in 2012) assessment reports have been completed by August 2012, compared to a target for 2012 of 27. 4 reports have been reassessments.
	Output 1.3. Training, resources, and tools to support remediation are available.		in process	The main part of the training and resources to support remediation are available. There is apparently expressed demand for more supervisory training in Chinese and intercultural management training in Chinese-managed companies; rolling out of life skills training is pending; identification of training needs at enterprise level has to be completed; workplace cooperation training and negotiation skill training also planned for III/2012

	Output 1.4. Improvement process based on assessment reports in place and ongoing in participating factories.		in process	PICCS are established in 7 factories; it is on ongoing process and all factories will establish PICCS as a prerequisite of BWL subscription; efforts have to be enhanced to establish and run PICCS efficiently in all currently 16 member factories; issue of nomination instead of election of workers into PICC has been detected and been addressed; some factories running PICCS already without external moderation by BWL.
Immediate Objective 2 Sustainable access to Better Work tools and approaches after 2014.	Output 2.1. Establishment of policy framework for institutional cooperation with MoL.	MOU is finalized. <i>Comment evaluation: Draft document available, but not signed. Important step towards the engagement of the current MoLE and the Labour Inspectors; information sessions provided by BWG to Labour Inspectors is crucial for sustainability of BWL</i> <i>At halftime of implementation output 2.1 and 2.2 shall be enhanced.</i>	In preparation	Cooperation Agreement with MoLE and Zero Tolerance Protocol have been drafted and disseminated at the last PAC meeting 1 August. Discussing the cooperation agreement with MoLE was anticipated for end July 2012, is still pending. Training of Labour Inspectors, on the job assessments and class room based trainings to be discussed. Training on OSH and on facilitation skills conducted for labour inspectors on 5&6 and 9&10 July. Agreement on training part of the draft text of May 2012, available and with MoLE, but not signed;
	Output 2.2. Governance and consultative structure for Better Work Lesotho are in place and functioning.	Frequency of Project Advisory Committee (PAC) Meetings and composition of participation in meetings.	Completed/	PAC is established and operating; as observed passive participation and lead plus main input provision by the CTA; 2.2.1, 2.2.2

		<p><i>Comment evaluation: Non sufficient indicator chosen. Ownership in this governance structure by MoLE and other domestic stakeholders is of crucial importance for successful implementation and continuation of BWL. Marketing Study should be produced in a joint approach without delays, as an important input to sustainability of BWL. After modest participation in the 2011 buyers' forum enhanced efforts have to be attached to the annual forum in Lesotho, under utilization of all valuable sources, as buyers' relation managers of Better Work and of ILO Pretoria, ideally to working jointly to utilize synergies and complementarity; Important activities have to get assigned sufficient human and financial resources for implementation.</i></p>	Not started	<p>Marketing Strategy will be developed based on a study by Godfrey Shane. Two main activities under 2.2, i.e. International buyers forum in Lesotho and feasibility study on establishment of a legal entity have not started yet.</p> <p>2.2.3, 2.2.4, 2.2.5</p>
	<p>Output 2.3. Capacity of tripartite constituents to support the project is enhanced.</p>		Completed	<p>Retreat for PAC members, including training sessions, planned for fourth quarter 2012.</p>

	Output 2.4. STAR is operational in Lesotho.	<p>Number of factory reports purchased through STAR.</p> <p><i>Comment Evaluation: If Stakeholders do not have access to STAR they will not be able to purchase through it the factory reports.</i></p>	<p>Completed</p>	<p>STAR has been adapted to the Lesotho context.</p> <p>Local staff has been (partially) training in using staff;</p> <p>New STAR programme will be introduced in course of 2012</p> <p>Stakeholders will not be trained on the new STAR in 2012, no concrete plans to train stakeholders on STAR in the near future 2.4.3 put on hold</p>
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	<p>Output 2.5. A communication and marketing strategy is designed.</p>	<p>Number of hits to Better Work Lesotho website, both locally and internationally.</p> <p><i>Comment evaluation:</i> <i>Original idea of independent website for BWL cancelled, information on BWL now to be found on BW website www.betterwork.org;</i> <i>now hit rate to the link of BWL have to be measured and not to the BW website in general.</i></p> <p><i>No information on status and planned finish date of 2.5.1, 2.5.2 and 2.5.5.</i></p> <p><i>Communication Strategy should be first element ready prior to mainstreaming the strategy it into various channels of communication.</i></p>	in process	<p>Activity 2.5.3, BWL website designed by local consulting firm, cancelled.</p> <p>Activities 2.5.1 and 2.5.2 have started following a one-year delay and are recorded as in process.</p> <p>2.5.5, BWL marketing events in Maseru and Maputsoe recorded as in preparation. There has been an OSH day in Maseru on 28 April 2012. OSH event in Maseru planned for 4th quarter 2012.</p>
	<p>Output 2.6. Survey to explore extension of BW to neighbouring countries is available.</p>	<p>Strategic plan for sustainability of Lesotho and potential Southern Africa program is finalized and included in the proposal for Phase II funding in</p>	Not started yet	

		<p>2011.</p> <p><i>Comment evaluation: This survey can serve as an important input for a sustainability strategy. ILO Pretoria office can be a relevant contributor to this survey and strategy.</i></p>	<p>in process</p> <p>Not started</p>	<p>2.6.2 The feasibility study for extending BW to additional countries in the sub-region has been dropped and the focus has changed to sustainability (cost recovery and competitiveness)</p> <p>Activity 2.6.4, Hold regional conference to share impact of programme with governments, employers and worker organizations in neighboring countries, is supposed to be held in the second phase of BWL, due to the delays in scaling up to industry -wide participation on the programme in Lesotho.</p>
<p>Immediate Objective 3</p> <p>Lessons learned and regulatory gaps identified through factory assessment are integrated into government policy discussions, international policy debates, and geographic as well as sector wide strategies.</p>	<p>Output 3.1. Assess the need of reviewing national labour legislation to address gaps identified through factory assessment.</p>	<p>Number of issues raised by Better Work program in Lesotho that are integrated into official government policy discussions, either in Lesotho or in neighboring countries.</p> <p><i>Comment evaluation: The more assessments made in different factories the more information about regulatory gaps. Currently hardly information available about SA led companies, subcontracting companies and the non-members from SEA. The M&E matrix attached to the prodoc is currently lacking indicators at all.</i></p>	<p>in process</p>	<p>First Public Synthesis Report indicates that need for improve OSH regulations which are actually included as amendments in the revised Labour Code. BWL will discuss with MoLE the status of the Labour Law Amendment Bill and will encourage the Ministry to get the bill passed as soon as possible.</p>
	<p>Output 3.2. M&E tools are adapted and tested.</p>		<p>Not started yet</p>	<p>Activity 3.2.1, M&E adjusted and endorsed by BWG, has not started yet.</p>
			<p>completed</p>	<p>Baseline study has been completed and is available in draft. Measurement of progress shall be made on an annual basis.</p>

Source: Adapted to Work plan update BWL July 2012;

Mid-term Evaluation Better Work Lesotho, November 2012

In the assessment of the evaluator, based on interviews conducted and documents made available, there have been two main obstacles to achievement of targets according to the original schedule, one is intrinsic, and the other external, beyond the project's control. The internal reasons for the delay of implementation are manifold, First, there was a delay of about two years (2007 to 2009) between the original stakeholder agreement and the preparation for implementation due to lack of secured funding. Thereafter there was time required to recruit and contract the CTA and difficulties experienced to find suitable staff. The CTA finally started her work in Lesotho in May 2010, while the project was expected to start implementation already in 2007. The recruitment of staff (enterprise advisors, training officer, and financial officer) took longer than expected, and the respective profiles required were not readily available in the local market. Consequently, continued training and coaching efforts were required in order to close these knowledge gaps. This was and is still binding some of the CTA's time to staff hands-on training and quality control that otherwise could be dedicated to more strategic aspects of BWL. The efficiency in performing some tasks related to assessments and reporting is not as planned and indicated in the respective targets, although some improvement compared to 2011 can be anticipated for 2012, for example assessment reports completed per enterprise advisor (indicator 9) or number of completed advisory services (indicator 19). The process is now established and the team is performing its tasks.

The more critical obstacle is however beyond the project's control. The buy-in to an industry-wide approach, in 2007 signed by all main stakeholders involved in preparation of BWL, is not so clear any more. In the meantime some of the assumptions have changed (see viability of project design), and more recently the Ministers of Labour and the Minister of Industry have changed. Without the earlier consensus on a gazetted or mandated BWL membership the coverage of industry would have been around 100% of enterprises, whereas it is currently 60%, with continued efforts of the CTA, the BWL, and the BW Global team. This has not only led to efficiency (cost per unit) and effectiveness losses in providing the services. But overall there is presently a low commitment at least in some parts of the government regarding a decision in favour of, and mechanisms to implement mandatory participation.²⁴ This unclear approach of the Government of Lesotho, or parts of it, has also triggered a more hesitant approach of the industry. In particular the vast majority of SA owned enterprises in Lesotho do not appear to voluntarily enroll. Significant financial, time, and human resources have been invested in analysis, studies etc and in promotion meetings to enhance the number of members of BWL. In the absence of an obligatory BWL membership a number of factors became challenges. Salm (2012)²⁵ summarizes them as following:

Table 6. Main Challenges of Better Work Lesotho

- | |
|--|
| <ul style="list-style-type: none"> • Although many of the larger SEA industries have subscribed to Better Work, most of the RSA industries have not, and are actively resisting doing so. • The number of partner brands sourcing from Lesotho is limited and even these would probably not be committed to continue sourcing in the country without the extension of the third country fabric provision of AGOA which Lesotho currently enjoys. • No South African brands or retailers have endorsed and joined Better Work. |
|--|

²⁴ Due to the small number of factories currently subscribing to BWL, unit cost per participant per service are higher than at higher subscription to BWL or an industry wide coverage. An example is seminars offered by BWL that are held with less than 5 participants, whereas up to 20 could have participated. Economies of scale cannot be utilized to the extent possible.

²⁵ Andy Salm, Sustainability Prospects and Vision Scoping for BWL, June 2012

- The excellent work on building the political economy of the project has been undermined by the recent change in government and personnel in both cabinet and senior civil servants posts particularly in the Ministry of Labour and Employment.
- The small scale of the industry in Lesotho implies significant restraints on making the project financially sustainable.

Source: Sustainability Prospects and Vision Scoping for BWL, June 2012

The implementation of BWL started with the arrival of the CTA in May 2010 and the first two companies subscribed at the end of 2010. So far 16 factories have subscribed to BWL, two in 2010, 10 in 2011 and four in 2012. Compared to what was anticipated by BWL, i.e. support for an industry-wide approach, the progress made so far remains limited. On the other hand the time and energy it has required to reach the current level of coverage without any mechanism in place has to be appreciated; time that otherwise could have been invested to reach out and train more workers in more factories. This is reflected in some of the indicators, for example the cost of programme per worker reached. It is currently calculated at 16.6 USD, compared to 9 USD per worker, assuming coverage of currently around 60% of the workforce, compared to an earlier anticipated 100% (see table 7 below).

The targets set in the group of factory registration indicators are directly related to whether a mandatory subscription for BWL is in place are not. As the legal steps GoL had confirmed for the end of 2011 were not introduced, the targets set for 2012 were lowered by BW management. The lack of planned progress and effectiveness is clearly related to this external non-performance and not to management reasons.

Without a firm position of the Government of Lesotho (GoL) in favour of a mandated approach it does not appear likely that the goal of an industry-wide approach can be reached by BWL. Having such an approach enacted and enforced would, in contrast, most likely enable BWL to achieve the full coverage of factories in the sector.

The Project Advisory Committee (PAC) has been established and is functioning. The PAC meetings have been performed regularly since 2011. The evaluator has been present at the most recent meeting on 1 August 2012. A full participation and lively discussion was observed, however, the major part of the preparatory and moderation work had been performed by the CTA. After two years in implementation and six PACs performed, the stakeholders, in particular the representatives of the Government should be encouraged to demonstrate a more active contribution in preparation, direction and discussion of content and moderating of the PAC. This could be counted as a true indicator of ownership in the process by the key partners of BWL.

At the time of the MTE the GoL, in particular the Ministry of Trade and Industry (MTI), has not taken a clear position whether or not to mandate participation in BWL in striving of a sector wide approach²⁶. As the author of the sustainability study²⁷ states, "it appears that he (the former Minister of Trade and Industry) has a somewhat ambivalent attitude towards making BW mandatory".²⁸ It should be noted that the manufacturers have a particularly strong link with this ministry and it is unlikely that the ministry would support a position that contradicts the advice he receives particularly from the SEA investors." The new

²⁶ Interview in Maseru at Ministry of Trade, Industries, Cooperations and Marketing; 3 August 2012

²⁷ Sustainability Prospects and Vision Scoping BWL, 2012

²⁸ The new Trade Minister, in office since the end of June 2012 already, has also not yet voiced an opinion about an industry-wide approach; information provided in a communication by the CTA.

Minister of Industry, in office since the end of June, has not yet voiced an opinion about an industry-wide approach.²⁹

One of the assumptions behind BWL, and also a clear prerequisite in the understanding of the donor US Department of Labour (USDOL) at the beginning of the project, has thus not yet materialized.

In the absence of a favorable position for a sector wide approach, BWL has been implemented based on buyer pressure, mainly for the South East Asian owned factories that are exporting to the US market for known brands as GAP, Lewis, Jones New York or Children's Place. More than two years after project start about 40% of the clothing and footwear companies have subscribed to BWL, covering about 60 % of the workers in the sector. The approach to convince companies to become member shows some results, but is not sufficient to achieve the set goal of a sector wide coverage and proving that Lesotho is a country of ethical work conditions. In particular the fact that the factories exporting to RSA are rather resistant might – without a mandatory solution – lead to a two tier system of US exporting companies with strong brands as buyers being predominantly members, and RSA exporting companies mainly non members of BWL.

Workers organizations, though still not united, have taken a similar, mainly positive position in their feedback provided on BWL and the training opportunities for workers and unions. The interviewed unionists³⁰ see clear benefits for their members and for workers in general. Interviewed union leaders gave examples for concrete changes already observed: overtime payment granted reduction of unacceptable practices applied by management and supervisors, as for example verbal harassment or threatening. Also differences between non BWL subscribers and members had been observed by representatives of the workers' unions, for example on OSH and overtime issues. Whereas the very same themes have improved in BWL member factories, issues are still pending in non member outlets. Differences in the degree of improvement were also confirmed by participants of the PICC training observed by the evaluator.³¹

Interviewed workers and unionists confirmed that they have clearly benefitted from Trainings, Workshops, and ToT. Critical comments were also made in regard to two seminars for which, however, no training evaluation was available at BW offices (yet);³² PICC set up is helpful to improve the worker/employer relationship, however there are also some "white elephants" among the PICCs where the manager decides on the workers representatives sitting in the PICC; also PICC members representing the group of workers having been "coached" by their superiors or managers what they have to say when interviewed by EAs have been observed, according to the interviewed.

Some improvements have become visible after the first enterprise assessments, for example lack of verbal harassment, better preparation against winter and low temperatures in the shop floors, OSH related issues, safety standards like forklift drivers' training. It was also obvious that corrective action on

²⁹ Information provided by the CTA end of September 2012

³⁰ Interview with a group of unionists on 3 August 2012

³¹ See above, and PICC training on 6 August 2012

³² CTA informed that Training evaluation forms were provided by BWL to the trainer for the last training (PICC training by ITGLWF/IndustriALL) to ensure that feedback is being received. However, the training officer had not indicated that these training evaluation sheets had arrived and/or had been analyzed. The perception of the evaluator on the training was that it was provided in a classroom style manner with little dialogue and not applying available communication methods in the training, though the group of participants observed was extremely small and demonstrated valuable inputs when involved in group discussion with the evaluator (even in English language).

detected compliance gaps varies between factories. Whereas some have implemented very fast the recommendations of assessment reports and advisory, other factories are less proactive or even in denial of non-compliance findings detected in course of the assessments.

There are two different groups of employers in Lesotho, the South Asian employers and the South African employers. The latter group is not subject to buyer pressure as the buyers are typically also the owners, just outsourcing their production to the Kingdom of Lesotho. The legal conditions and their enforcement in LSO and in RSA should be compared, to see if the more favourable production conditions are appreciated by the SA employers.

The three core services of BWL are Assessment, Advisory Services and Training Services. Both Enterprise Assessments and Advisory Services are provided in Lesotho by a team of four enterprise advisors (EAs). The training function is assumed by a training officer, who also conducts trainings. The trainings provided by BWL are performed either by internal BWL staff, by BWG and BW staff belonging to other country operations or by external trainers. The process flow incorporating the three services is illustrated in figure 2 below.

The diagram illustrates the PACE process, divided into two main components: Assessment and Advisory & Training.

ASSESSMENT (Linear Process):

- Factory Visit
- Internal Review
- Assessment Report
- Feedback
- Final Assessment Report

ADVISORY & TRAINING (Circular Process):

- Central Core:** Training
- Outer Ring (Clockwise Cycle):**
 - MONTH ONE:** Assessment process
 - MONTH TWO:** Improvement activities
 - MONTH FOUR:** First progress report
 - MONTH EIGHT:** Second progress report
 - MONTH TWELVE:** Improvement activities
- Inner Ring (Clockwise Cycle):**
 - Management intro meetings
 - Workers intro meetings
 - Forming the PACC
 - Improvement plan
 - PACC meetings
 - Improvement activities
 - Improvement activities
 - Internal assessment
- Impact Measurement:** Indicated by a large curved arrow pointing upwards from the circular process.

3.3.2.1 Enterprise Assessments

The table below provides a quantitative overview of achievements and targets.

Table 7. Services Provided by Enterprise Advisors to Subscribing Enterprises

Title of Service	Completed by 1 August 2012	Completed by 1 October 2012	Target December 2012 ³³
Assessment			
1 st Assessment	14	15	not specified
2 nd Assessment	5	7	not specified
Assessment Reports, total	19	22	27

Source: Presentation CTA at PAC meeting, August 2012, updated list of 10 September.

The challenges encountered as indicated by the BWL team are the following:

Table 8. Assessment Challenges as perceived by Enterprise Advisors

Assessment challenges
<ul style="list-style-type: none"> Dealing with difficult management -
<ul style="list-style-type: none"> “Coached” workers – workers that are instructed by their hierarchy on how to respond when EA interviews them, threatened by the fact that an open and honest behaviour would be sanctioned by losing their jobs.
<ul style="list-style-type: none"> Short times
<ul style="list-style-type: none"> Lack of commitment from other management
<ul style="list-style-type: none"> Management denying findings

Source: Presentation of core services by the EAs to the Evaluator, 1 August 2012

A continued effort has been made to improve the skills of the enterprise advisors. Since the beginning of their work they participated in 17 trainings, workshops, and seminars on the following interpersonal and technical subjects – time management, tackling assessment challenges, facilitation techniques and presentation skills, report writing, Global supply chain management, FOA investigation, Introduction to Advisory, Lesotho Labour Law, Dealing with difficult PICCs, Industrial relations training, and training on STAR³⁴.

³³ As per M&E indicators 2012

³⁴ Presentation by the BWL team, August 2012

At the time of the MTE, two second-round assessments had been performed. In both companies the management found the EA having performed well and concluded with the findings of the assessors.

Workers and trade union members interviewed shared different experiences. Very positive experiences were reported from several factories, those omissions or non compliance matters have led to immediate action. Participants in the same seminar but of another factory contrasted with opposite experience. It is apparent that action has been taken in several, but not in all factories, pointing to an appreciative / understanding position of the factory management and good moderation of the EAs. “Dealing with difficult management” and “denial of findings by the management” were mentioned by the EAs as major challenges while assuming their assessment work. “Slow and non implementation” was mentioned as one of the major challenges in provision of advisory services.

Among the major challenges in moderating PICC meetings EAs perceived “communication due to language differences” and “cultural diversity”, mainly applying for the Chinese managed factories (see table 10 below). A common non-compliance towards staff is disrespectful communication, and verbal, in some cases even physical threat. It can be safely assumed that different cultural values regarding behavioral standards in management - communication, negotiation, understanding and appreciation of hierarchies, differentiation between work and private and understanding of roles in working life - are the root cause. After supervisory skill training has been performed in Chinese language, the complaints about in compliant behavior could be reportedly reduced³⁵. However, a trainer with these specific linguistic, BW and intercultural skills was specially requested from Better Factories Cambodia at related high cost for the project that could not be recovered by the participating factories. There is the verbally expressed need for more of this kind of training by managers as well as by staff members.³⁶

“The goal for all country programs is that the workers’ representatives are chosen by the workers, or by their representatives, as allowing management to choose the worker representatives undermines the intention of having worker representatives working in cooperation with management to solve issues. In addition, BWG clarified that in its trade union engagement approach, BW was working with global union representatives in a process that encourages garment sector workers and their unions to be involved in BW country programs as full partners, both as PAC stakeholders and in providing input on the set up and operation of the PICCs”.³⁷

³⁵ Unfortunately the training evaluation was not available at BWL to verify the relevance of the course and the satisfaction by the participants. Evaluation might be with trainer from BFC. CTA reported evidence of SST ToT training in Chinese that led to evidence in the second assessment of the participating factories that verbal harassment of workers by supervisors had stopped.

³⁶ Expressed at PAC meeting by various participants, August 2012.

³⁷ Notes, Lesotho Buyers Forum 2011.

3.3.2.2 Advisory Services

The table below provides a quantitative overview of achievements and targets.

Table 9. Services Provided by Enterprise Advisors to Subscribing Enterprises

Advisory Services			
Title of Service	Completed by 1 August 2012	Completed by 1 October 2012	Target December 2012 ³⁸
1 Progress Reports	7	11	n.a.
2 nd Progress Reports	6	7	n.a.
3 rd Progress Reports	1	1	n.a.
Progress Reports, total	14	19	n.a.
PICCs established	10	10	n.a.
PICC meetings	34	54	n.a.

Source: Presentation CTA at PAC meeting, August 2012, updated list of 10 September provided by CTA.

One of the key challenges in the provision of advisory services is apparently the difference in cultural business values and communication structures between the predominantly local workers and the mainly Chinese and Taiwanese supervisors. Misunderstandings have been reported not only by EAs, but also by managers, workers, unions and employers' associations in course of the evaluation interviews; they are not only impacting advisory and assessment service provision, but the whole spectrum of human resources management at factory level. Unplanned and sometimes unannounced changes in positions and titles and spontaneously taken career decisions can lead to dissatisfaction of managers and staff, even to the decision to leave the company. Participation in specific (and highly subsidized by BWL) training has to be targeted to the group specifically addressed, for example OSH officers, to assure the effectiveness of the training and its intended effects at factory level. Interviews with staff members disclosed that letters with the invitation for specific seminars sent by BWL are sometimes "sitting on the desk" of a top level manager and are either not or hastily further disseminated – though not always to the person that would be qualified and tasked, like the OSH officer. Not only for effectiveness, but also for the risk of de-motivation of the people targeted for the respective seminar, this has to be avoided in future.

³⁸ These services are not subject to related indicators in the M&E framework and thus a target 2012 is not available (n.a.).

Table 10. Advisory Challenges as perceived by Enterprise Advisors

Advisory challenges
<ul style="list-style-type: none">• Lack of commitment from other management
<ul style="list-style-type: none">• High turnover of PICC members
<ul style="list-style-type: none">• Slow and non-implementation of corrective actions
<ul style="list-style-type: none">• Communication due to language differences
<ul style="list-style-type: none">• Cultural diversity

Source: Presentation of core services by the EAs to the Evaluator, 1 August 2012

In March 2012 an observation mission commissioned by BWG and BWL³⁹ concluded the following training needs for BWL EAs.

- Advisory Process
- Technical Knowledge
- Facilitation Skills
- Conflict Resolution
- Brainstorming

This is partially in line with the observations of the BW consultant in February 2012. The author concluded that EAs have to improve on self-organization and self-management in preparing and conducting an assessment as well as “basic assessment skills/techniques are missing”.

Both missions have been relatively recent and indicate that almost 1.5 years since assessment and advisory services are provided by the team there are still some quality issues reported. This indicates that after a first series of trainings received by EAs and over two years in project implementation refresher training is proposed while working with the same team of EAs.⁴⁰

The mission providing training and in-factory coaching by the BW programme officer⁴¹ in June 2012 concluded that “BW Lesotho EAs (with support from each other, an advisory services’ coach and the CTA), should focus on strengthening their skills in the following more advanced technical and strategic areas.” The main aspects are

- 1) Enhance labor management cooperation through the PICC, with particular attention to ensure understanding of the power dynamics at the factory and the industrial relations’ environment.
- 2) Strengthen dialogue between Basotho workers and (largely Basotho) middle management with senior management (often Chinese, Taiwanese, or South African), including respect for ethnic diversity and building bridges toward sustained dialogue and cooperation on factory improvements.
- 3) Keep in mind the importance of building trust with senior management through contributing added value to management priorities at the factory, through focus on provision of external training and

³⁹ On-Site Observation of BW Enterprise Advisors Advisory Process Overall Feedback, Naurin Muzaffar, International Finance Corporation, March 2012

⁴⁰ Assessment of EA team, report by Tareq Abu Qaoud of Lesotho Mission, February 2012

⁴¹ Assessment performed by BW project officer in June 2012

PICC work on quality, productivity, training and recruitment of Basotho supervisors, and other areas of importance to the industry.

The mission also concluded that continued training and coaching of the EAs will be necessary to achieve the quality of service expected by the clients.

Table 11. Recommended Action Items from EA Training and Next Steps

Challenges Identified /Observed related to Core Services' Work (BWL technical team, BWL CTA, and BWG TU Engagement Focal Point)	BWL Existing Practices Among Team-Members BWL Team recommendations	BWG TU Engagement Focal Point Observations and Possible Options to Consider
External Training Services should be linked more directly with advisory services.	<ul style="list-style-type: none"> • Continue structured interaction sessions between BWL EAs and Training Officer to ensure synergy between core services. • BWL EAs can provide inputs to planning for external training sessions. • Networks of different target groups can help build support for promoting change at factory level (HR officers, OSH officers, etc.) 	<ul style="list-style-type: none"> • Industry Level seminars on key issues could help to show added value of program for industry. • Consultant and stakeholder delivery of trainings should be used to complement capacities of BWL TO.
BWL Team may not have the capacity to deliver quality services at level of expectation of factories. (in the context of declining orders from U.S. buyers)		<ul style="list-style-type: none"> • Introduce use of coach for advisory services to support the team, possibly accompanying EAs on both assessment and advisory visits. • Ensure that lead EA on factory assessment is fully capable of leading the work.
BWL technical team is not always motivated to deliver high quality work that meets expected standards.		<ul style="list-style-type: none"> • Finalize BWL vision statement and share with stakeholders, as a motivating focus for entire BWL team. • Continue approach introduced with technical team of appreciating positive work of others, while encouraging commitments toward ongoing improvement.

Source: Mission report of BW programme manager (excerpt), June 2012

It is positively observed that some of the recommendations made by the labour consultants have been implemented in the operational process, and that the EAs accompanied on enterprise assessments have incorporated some of the recommendations made into their assessment routine. The number of PICC meetings and of Assessment and Progress Reports completed also show an increasing tendency.

Some of the recommendations provided by the labour consultants have been put in practice in the BWL team,

- Develop and groom one strong EA to be the lead EA. Add responsibilities to the said EA profile. This person can then be looked upon as an internal local resource for support when needed.
- Ensure team meetings with CTA presence on regular basis. Purpose of the meeting should be to be able to share challenges and brainstorm on how to handle different issues being faced by EAs in their work.

3.3.2.3 Training Services

In an attempt to assess the training services provided so far the training database made available by BWL has been analyzed. The scope of training services offered to date by BWL is provided in the table below. More recently, PICC trainings have been provided, however, have not been recorded in the database yet.⁴² At Better Work level, there is a training database on workspace, a shared platform for all BW country operations; the training officer of BWL informs that he updates this database on a monthly basis.

The trainings recorded in the database at BWL fall into four categories, i.e. supervisory skill training (SST), OSH training, human resources management training, workers life skill training. In total 12 trainings with 338 participants have been recorded, whereas participants may have participated in more than one training. Of the total 12 seminars only four had evaluations of the participants readily available (all on SST), performed by the internal BWL trainer (details see table 11 below).

In order to assess the success of the training programme a full coverage of training evaluations should be gathered and analyzed, ideally utilizing the same evaluation template for all trainings to allow comparability in core aspects. Otherwise training results cannot be measured, and feedback is restricted to random opinions and perceptions (qualitative statements).

This points to a weakness in the processes established by the training unit of BWL⁴³ that availability and analysis of the evaluations performed is rather low, in particular regarding the latter. The evaluation sheet used by BWL and that was shared with the evaluator; it requires a certain level of abstraction in terms of the manner in which it is filled out and analyzed. A real time analysis of the evaluation questionnaires is a crucial source of information to continuously improving the quality and target group orientation of the seminars. In the light of further rolling out the seminar models, a simple(r) evaluation tool might be developed to facilitate and speed up the evaluation process for the participants and also for the person who evaluates the questionnaires after the training.

So far no ex post evaluations of the trainings provided have been performed. The training officer informed the MTE consultant that BWG has hired a consultant to compose a template for ex post evaluation that will be likely ready in about two months.

A special OSH training has been provided to 20 Labour Inspectors of Ministry of Labour and Employment in July 2012; also five Labour Inspectors have participated in the ToT course on OSH. MoLE informed the evaluator that the training was much appreciated, however, has led to staff turnover in this group after the training, colleagues aiming at employment in private companies with a significantly better remuneration. This is weakening further the already limited human resource base of the labour inspection unit. It shows that restructuring of the MoLE has to be furthered in parallel with staff training in order to avoid unsustainable training initiatives at the cost of BWL.

⁴² If information is available at BWL offices, it can be fed into the final evaluation report.

⁴³ Which is de facto composed of a training officer only, supported when required by the CTA herself.

Table 12. Trainings delivered to enterprises subscribing to BWL

Title of Training	No. of trainings per category	No. of factories delegating staff members	Number of participants	Provided by whom/ when	Evaluation performed?/ Analysis available?
Supervisory Skill Training	5 4 trainings recorded;	3	135	2x2011, 2x2012 internal BWL	4 evaluations available, no aggregated analysis available
Supervisory Skill Training, Chinese	1 1 training recorded	1	46	2011 external trainer Cambodia	no evaluation available
Occupational Safety and Health (OSH) ⁴⁴	1 1 training recorded	9	28	2012 external BFC	no evaluation analysis available
OSH training for Labour Inspectors at MoLE	1 1 training recorded	1	20	2012 external BFC +	no evaluation analysis available
Human Resources Management (HRM) ⁴⁵	1 1 training recorded	6	21	2012 Internal BWL	no evaluation available
Workers Life Skill Training (WLS) - pilot	1 1 training recorded	7	63	2011 External BWG + internal BWL	no evaluation available
Train the Trainer – SST Chinese	1 not recorded in database ⁴⁶	4	10	2011 External trainer Cambodia	not available
Train the Trainer – OSH	1 1 training	9	15 ⁴⁷	2012 External BFC	no evaluation analysis available

⁴⁴ OSH training and OSH training for labour inspectors was recorded as one training, but it took place on different days; groups should be analysed separately. Labour inspectors part of the capacity building initiative of MoLE/BWL

⁴⁵ Another HRM training was provided to about 8 participants while evaluator was in Maseru in August 2012, internal BWL trainer, evaluation not available as of to date.

⁴⁶ Information provided by the training officer.

⁴⁷ Five participants where labour inspectors of the MoLE and of strategic importance.

	recorded				
Total	12		338		

Source: Evaluation Briefing by BWL team, 1 August 2012; information provided by training officer, August 2012

At the same time, some evidence was found that the team of the Labour Inspectorate is suffering understaffing to fully cover the inspection requirements. As a result, a number of textile companies have not had any inspection for over five years. This leads to a situation where a part of the industry is assessed by BWL and improvement plans are put in action, whereas a group of non BWL members, currently in the majority, receives only occasional inspections, sometimes covering only selected aspects. In the framework of a cooperation agreement between MoLE and BWL it is planned to perform on the job assessment visits and advisory visits to BWL factories. So far, MoLE does not share inspection reports and/or offer peer review of inspection visits with BWL enterprise advisors. This could be considered to include into the cooperation agreement.

Buyers' perspective on trainings offered by BWL

The three buyers present at the 2011 buyers' forum and one buyer's representative interviewed in the field (who had also participated in the last year's forum) suggested for future training themes:

- Look into training workers as multi-taskers (multi-skill development)
- In order to deliver effective advisory services and trainings, the root causes for non compliance need to be identified first
- Training should also cover environmental issues (of particular importance for the denim producers related to chemicals and waste water management), to avoid duplication of BW assessments.
- Measure impact of trainings, and what changes in the workplace can be observed after training has been conducted.

Buyers are proposing the following themes to BW for the near future:

- HR management (with workplace cooperation as one stream)
- OSH (combined with environmental issues)
- Supervisory Skill Training for local and Chinese supervisors.

In the 2012 buyers' forum the same three buyers participated, i.e. Wal-Mart, Lewis and The Gap Inc. With respect to training on production and quality, introduced by BW as part of the training strategy, buyers said that it would go beyond the scope of advisory and training services BW has expertise in. Furthermore, under the ComMark project the industry already received trainings on these topics.⁴⁸

3.3.3 Effectiveness of Stakeholder Engagement

Industry Wide Mechanism

⁴⁸ Notes Lesotho Buyers' Forum 2012, October 2012

The core of stakeholders in Better Work is composed of a tripartite of industry, labour and government “plus one” being the involvement of the brands and retailers. In this context, the effectiveness of stakeholder engagement will be discussed.

A recent study on sustainability prospects⁴⁹ describes the stakeholder commitment suitably: “Of these four parties three are....committed to BWL, being government, labour and the brands.” The industrialists in Lesotho are a diverse group with different background and interests. The major part of the companies exporting to the US is already subscribers to BWL, often driven by the requirements of their buyers. Companies exporting to SA do typically not have this pressure and are generally not interested in a subscription, even less a mandatory one. Of the two SA exporting companies one has also buyer pressure, the other company has traditionally a “humanitarian approach”, want to free ride on the subsidized trainings provided and is generally ready “to go an extra mile”.

In the current situation a two tier system is established, in which those companies “forced” by their buyers to a subscription to BWL and transparently progress in compliance is reported, whereas the remaining ones, de facto the vast majority of the SA exporters and a smaller group of factories exporting to US are not or hardly inspected⁵⁰. The compliance status of those companies might remain unreported as the capacities of the labour inspection remain limited. Lesotho will not be able to brand itself as (the first sub-Saharan) ethical manufacturing destination for the textile industry.

The GoL, mainly represented by the MoLE, demonstrates verbal commitment, but has so far failed in translating this into concrete steps for implementation of an industry-wide approach through mandating or gazetting it. First, a memorandum of understanding was signed in August 2007, endorsing this approach. In October 2011, in course of the buyers’ forum in Lesotho⁵¹, the Principle Secretary of Labour informed buyers that the Cabinet General Attorney approved the proposal that participation in BW should become mandatory by law; the law was supposed to be passed by the end of 2011. At the same forum in October 2012, the Government has still not yet endorsed an industry wide approach for BWL and no law has been passed end of 2012.

As a consequence of these delays, BWL management had to reconsider its strategy and also the targets set in its M&E matrix under the condition that the industry wide coverage of BWL is by end of 2011 in place. It lowered the targets for some key indicators like no. of factories subscribed to BWL, given that the subscription is not mandatory yet. For 2012 this target had been lowered in agreement with the director of BWG. The lower number of factories is documented in the annual performance appraisal for 2012, i.e. it was reduced from 38 (equals total number of textile factories, with leather and footwear it would be 41) to 27 factories.

The lower target for the number of factories in the programme logically calls to also reduce the targets for related tasks, like number of reports, advisory visits etc. This has been done in appreciation that an industry-wide coverage will likely not be possible with a concept of voluntary membership. The pending introduction of a mandatory subscription has certainly been the key factor that contributed to the delays. The likeliness of the implementation of the sector wide approach depends heavily on a clear signal of the Government of Lesotho, represented by the MoLE and by the Ministry of Trade and Industry (MTI).

⁴⁹ Sustainability Prospects and Vision Scoping, 2012

⁵⁰ Cases of long intervals between factory inspections were repeatedly made reference to, as well as to “fast track” inspections on selected aspects only.

⁵¹ Notes, Lesotho Buyers’ Forum, October 2011

The current subscription fee of 2,000 USD for enterprises of more than 300 employees and 1,500 USD for less than 300 employees cannot be considered a reason for non-participation.

The resilience of the CTA in promoting BWL is outstanding. It is mainly due to her continued efforts, supported by her team and by BWG that the current coverage in the textile industry could have been reached, though the reach is much lower than expected with the anticipated approach. In the future, without a mandatory approach every additional count in new subscribers will require increasing efforts that BWL has to decide whether to take or not to take.

Stakeholder Capacity Building

Generally speaking, it is too early to reach an informed opinion with regard to the program's role in building local capacity. However, a good starting point to build an informed opinion would be the analysis of the trainings provided so far, in particular on the evaluations of the trainings for the three main groups of stakeholders, i.e. Ministry of Labour and Employment inspectorate capacity building; garment sector trade union capacity building; and, employer association capacity building.

As indicated in chapter 3.3.2.2, the evaluations forms of the OSH trainings (on with 20 participants and an OSH ToT training with five participants) provided to staff of the Labour Inspectorate were not available in the BWL training database⁵². They should be recovered and analysed ASAP. This is a serious omission; in particular as a closer cooperation between MoLE and BWL is currently under discussion, with an in-depth in-house and on the job training of Labour officers is foreseen. A MoU has been drafted and is under discussion⁵³. Constant feedback provided by the partner is a key tool for quality assurance and improvement of service.

To date capacity building and PICC training were offered to trade unions by ACTRAV and ITGLWF / Industriall. Quality control, supervision and, if required, training skills training should be considered by BW for these trainings..

Little can be stated on the training provided in course of Employer Association Capacity Building; a request for PICC training from this group was aired at the PAC meeting by one of the representatives. PICC training has so far only been provided for workers by an international union leader.

Buyer Engagement

So far efforts to encourage international buyers to participate in the Better Work Lesotho programme have had limited results. The instrument of an international buyers' forum has rendered in 2011 only three participants, who all were already subscribers to BWL and having clients in Lesotho. The same is true for the forum in October 2012, i.e. no new buyers or potential buyers were reported to have participated. BWL planned to target in the 2012 event in particular suppliers from South Africa. Concerted efforts shall be made by ILO office in Pretoria and their buyers' relation consultant (ILO Pretoria director made reference to in course of the interview) and the buyer focal point in BWG.

⁵² CTA commented that feedback forms are available for OSH trainings but the analysis has not yet been done.

⁵³ Cooperation Agreement between MoLE and BWL, draft unsigned of May 2012 made available.

The number of subscriptions of total buyers for any factory reports has been 6 in 2011 and so far also 6 for 2012; the number of total factory subscriptions purchased was 15 in 2011 and in 2012. BWL has to work against increased targets for 2012 that likely will not be achieved. These numbers indicate the need for enhanced marketing initiatives embedded within a marketing strategy.

At the 2011 Buyers Forum one of the three participating brands mentioned that their suppliers expressed some fear the union leaders will sit in the PICCs as well and that small issues might blow up when discussed in PICC meetings. The brands suggested that in the first year employers should be allowed to nominate 50% of PICC worker members in case either as issues with the PICC formation.⁵⁴

Buyers also suggested themes and approaches for future training. They appreciated, according to the discussion points, to receive updates on stay-away, wage issue and alike allowing them to inform directly their respective corporate affairs offices.⁵⁵

The interviewed buyers' representative of Levis⁵⁶ suggested including environmental issues in the enterprise assessment as a component, to avoid duplicating Better Work Assessment as a consequence. Environmental aspects are still not part of the BW training strategy, it was offered by Wal-Mart on an ad hoc training on machine and chemical safety and environmental issues on 9 October 2012, i.e. one day after the forum, open to all BWL member factories. Walmart trained 20 participants, mainly OSH Officers, from 10 different factories that do not have an Environmental Officer position yet.

In the evaluator's assessment the effectiveness of BW in reaching out to new buyers is not satisfactory. A buyers' forum as the main event with presence of BW and a very limited number of current buyers, punctually and only for a few days, will likely not be sufficient to create a trustworthy business relationship. The BWL CTA has been in touch with US buyers and SA retailers, so far without major results. A concerted and continued effort of the CTA and the Country Director of ILO South Africa and his knowledge of the local market can lead to success in working with the SA based buyers that are present grossly underrepresented in BWL.

There are only two SA companies member in BWL. The evaluator talked to both, one was present at the August PAC meeting. He was rather outspoken in favour of compliance regarding workers' rights. The other employer commented positive about the seminar offers. However he was very critical about publication of results with names of companies and wished to have after seminars an assessment of the participants by the trainers for the future. Seminars can be an entry point to disseminate the BWL key messages.

⁵⁴ Discussion Point Buyers' Forum Lesotho, 5 October 2011

⁵⁵ ebenda

⁵⁶ Interview conducted on 10 August 2012 in Johannesburg. This was the only direct contact to buyers. A second phone interview with GAP was postponed and not responded to in the following week.

Table 13. To Join or Not to Join BWL – Reasons of South African Companies and Retailers to take decision

	Companies	Retailers
Why not joining, Concerns and Reasons	<ul style="list-style-type: none"> • No knowledge (or claiming not having knowledge) • 'fear of the unknown' • Subscription fee costs too high • Lack of 'real' incentives that off-set the costs for joining • No immediate benefits (business case , less audit costs' not relevant) • SA retailers not recognizing BW assessments • ILO regarded as a pro-worker organization • Fear that BW makes the unions stronger (BWL a potential bridgehead for unionization) • Principled objection to BWL being made compulsory • Labour Inspectors should do what BWL is doing • Uncertainty about the costs of making BWL sustainable (costs could be increased over time) • Naming of factories in compliance synthesis reports (public reporting) 	<ul style="list-style-type: none"> • Have very little or no knowledge of Better Work in general or Better Work Lesotho • Some tend to work through intermediaries, don't know (or say they don't know) the factories they are sourcing from • Have a rather philanthropic understanding of Corporate Social Responsibility (CSR) (e.g. supporting social community, education and health projects/initiatives) • Low or no reputational pressure through consumers • None of the retailers objected outright to subscribe to BW • Some saw little need to join because they source only a small quantity from Lesotho • Some stated that their sourcing is done through agents and that they have no control (and little knowledge) about where the clothing is manufactured • Sourcing is continually changing from one manufacturer to another • Some are concerned about the sustainability of the industry and keen to see the Lesotho garment industry upgrade
Why they have joined	<ul style="list-style-type: none"> • Existing buyer relation under which regular inspection is already part • Some synergies between brand inspection and BWL EA • Good quality seminars included in the package at a rate perceived as economic • Corporate tradition to invest into human resources as backbone of the company • Going an extra mile 	

Sources: To join BWL or not to join BWL; evaluation interviews with RSA Companies producing in Lesotho

3.3.4 Effectiveness of Management Arrangements

The Better Work Lesotho team is managerially linked to (1) Better Work Global in Geneva and to the ILO office in Pretoria. The CTA has two reporting lines: On finance, administration, security and also partly on stakeholder relations issues⁵⁷ she reports to the Director of the Decent Work Team Southern and Eastern Africa and Director of the ILO Country Office Botswana, Namibia, Lesotho, Swaziland and South Africa; on technical issues she reports to the Director Better Work Global based in Geneva.

The work relationship between the CTA BWL with the BWG team in Geneva is, as observed by the evaluator, regular and cordial. In this relationship, BWG plays an important role as an “advisor” providing guidance and sharing rich experience. In the work plan a number of activities are foreseen to achieve in a joint effort.

BWG is responsible for planning, policy development, program design, donor and buyer relations, communications, systems development and implementation, and other central functions. It is ultimately responsible for the development and management of all country programmes, which serve as the delivery arm of Better Work. A head office function is essential to ensure consistency across country programmes and manage overall strategic direction.⁵⁸

The working relations with BWG are regular, and also communication with BW teams in other countries, in particular with BW team Cambodia is observed as fluent. Technical exchange between CTAs of the seven BW country teams is institutionalized in regular CTA meetings to exchange best practices and to discuss current challenges.

While the links with BWG and other BW country offices are described as well established and regular, the working links with the ILO office in Pretoria and BWL are at present less fluent. There has certainly been a close coordination in the design and set up phase of the programme, with careful review by ILO Pretoria of the project document and joint consultations with the constituents on the goals of the programme. No indication on how the offices should cooperate could be found by the MTE consultant. Cooperation with ILO Pretoria is not specified in the guidance for operational processes of BWL. The job description for the CTA also does not provide much guidance on what their operational relations should look like. It only states that the CTA should “develop and maintain strong links with the ILO Sub-Regional Office in Pretoria; and ensure linkages with the different components of the ILO Decent Work country programme in Lesotho”⁵⁹.

In the past there has been one concrete example of cooperation, i.e. the worker specialist (ILO ACTRAV) has co-organized and facilitated a series of workshops for unions. BWL has, according to an agreement, to pay in those cases for travel cost plus DSA for the incoming specialists. According to the specialists interviewed, advice delivered is provided out of home base, and these services are delivered without any

⁵⁷ The Ministry of Labour and Employment in Lesotho is working closely with the ILO office in Pretoria on the Lesotho Decent Work Country Programme (DWCPL). BWL shall contribute specifically but not exclusively to the outcome 3 of the DWCPL; Lesotho Decent work country programme Phase II 2012 to 2017 see <http://www.ilo.org/public/english/bureau/program/dwcp/download/lesotho.pdf>.

⁵⁸ BWG Phase II Evaluation, 2012.

⁵⁹ Part of the job profile CTA BWL.

additional charges for BWL involved. If travel is required, travel cost and DSA should be paid by the BWL project.⁶⁰

The CTA reports to the global Better Work Director who is based in Geneva, under the supervision and overall guidance of the Programming and Country Support Team. The CTA works with a high degree of autonomy. Broad policy guidance and operational framework objectives are provided by the global manager. Performance is managed by the attainment of objectives.

The work relationship between BWL with Better Work Global is fluent and is described as constructive. Provision of advice in strategic and operational questions of the BW team is much appreciated. Tools developed by BWG are adapted to the culture and business environment, and, if is so required, also linguistically to demands of the Chinese speaking part of the work force, mainly management and supervisors of factories exporting to the US market.

In the management board of BWG ILO and IFC are represented. IFC has not much investment in Lesotho, neither a country office nor staff. IFC investments are more of a stand-alone nature, and are not expected to leading to obvious synergies with BW at country level.

⁶⁰ Interviews held on 9 and 10 August in Pretoria at the premises of ILO.

3.4 Efficiency of Resource Use

Several interviewees at management level described the selection and training process of BWL EAs and training officer a major challenge of the start-up phase⁶¹. As required profiles were not readily available on the market knowledge or skill gaps had to be filled with external and in-house training.

The establishment of the team was resource and time intensive. Now in its third year of implementation and working speed and frequency of producing outputs have increased, but the team has not always reached anticipated targets.

BW management indicated the financial management arrangements with ILO Pretoria office – in particular the 13% of budget paid to PSI plus long processing times for financial transactions and support costs for a financial assistant based in the ILO Pretoria office - have been a factor that inhibited BWL with respect to efficiency of resource use.⁶² Accountability for financial management has recently shifted from Country Director ILO Pretoria to CTA BWL on the primary BWL budget, with financial duties carried out by the BWL financial officer. The use of the Better Work financial system with delegation from the ILO Treasurer directly to the CTA will address many of the inefficiencies in financial resource management from the first phase of the project.

The recent sustainability study⁶³ also concludes that "a more worrying indicator relates to the (low) number of compliance assessments performed, the number of assessments conducted by the enterprise advisors and the length of time taken between the assessment visit and the completion of the report. There is room for significant improvement in this area as the employment costs of the EAs are high and they must be trained to work efficiently and effectively in order for the program to service its costs. The poor performance here is due to delays involved around recruiting and training the EAs and the need thoroughly quality check of their work as they settle in to the task at hand".

The table below illustrates the statements expressed above.

Table 14. BWL Progress Indicators Assessments

Target/Indicator	M&E Target 2011	Actual II/2011	M&E Target 2012	Actual I/2012
Number of Assessment Reports were completed in the reporting period (indicator 7)	30	10 (Jan–Dec)	27	9 (Jan-June)
Average number of days between an assessment visit and the factory's receipt of the final assessment report (indicator 8)	15	23	20	20
Average number of reports completed by each EA in the reporting period (indicator 9)	7	1.25 (average Jan-Dec)	6	2 (Jan –June)

Source: M&E Framework, Matrix I/2012

⁶¹ BW management members interviewed in course of the evaluation in August 2012

⁶² Communication with BW Programme Manager, September 2012.

⁶³ Sustainability Prospects and Vision Scoping for BWL, Andy Salm, June 2012.

Currently BWL EAs follow the “four eye principle” and work in teams of two EAs for each factory assessment. The average duration of a factory visit was quantified to 5 days (2.5 days x 2 EA)⁶⁴. At a salary level of around 3,200 USD/month (equal to 145 USD per working day) each report would cost, just for its EA salary contribution, 725 USD. A qualified internal compliance manager would estimate the time input per factory assessment to up to 2 days for companies with more than 500 employees, and for small facilities with less than 500 employees to about 1 day per assessment. It appears possible to increase the efficiency significantly by utilizing only one EA for the standard cases and to involve a second EA only occasionally for a routine peer supervision, or in cases of very large factories. A remaining challenge was pointed out by the CTA⁶⁵, i.e. that about 40 worker interviews have to be conducted as part of a single enterprise assessment, a time consuming task. However the net time for these interviews remains and time gains would still be made in other parts of the assessment if only one EA would be involved.

The anticipated efficiency of the production cycle (in particular production of the deliveries) was not achieved. For the second year of implementation 7 reports were anticipated, against 2.5 produced per EA, the target was lowered for the current third year to 6 reports, against 2 produced in the first semester 2012. The second semester 2012 might provide an increasing efficiency for these process indicators, given the numbers available to date.

Another aspect to be analyzed for efficiency gains is the multi-layer quality assurance process through which each assessment report is channeled. The original target for 2010 was set 25 days between the assessment and the delivery of the final assessment report. The first year still without being reported against the target, the target was lowered to 15 days. Against this target, the actual result achieved in the production of ten reports was 20.9 days. As a consequence, the target for 2012 was again raised to 20. As the respective data for other countries was not made available to the evaluator it remains difficult to benchmark the efficiency of BWL in the international BW context. A three-layer quality assurance is applied to the reports, i.e. by the CTA, a linguistic check by an external consultant and a “Better Work” lens is applied by a member of the BWG team in Geneva on consistency and compliance of the reports with BW reporting standards.

This draws attention to the importance of a forward rolling planning scheme to avoid low activity periods on one hand and overlapping of assignments on the other. In particular having the fact in mind that the frequency of work has to be rolled out when number of factories has necessarily to increase.

The environmental section of these buyer assessments, combined with the OSH section, account for about 33 to 45% of time input together.⁶⁶ The environmental session of questions in denim production is most likely more detailed than in the BW questionnaire, thus the actual time allocated per factory visit might be even less. BWL with its assessment tool cannot fully replace the assessment performed by the compliance manager. From the brand perspective the fact that Better Work does not address environmental issues means that the brands have to commission environmental compliance reports that reduce the advantage of the programme.

Lesotho is a country with a relatively small-sized textile industry, which sets natural limits to apply economies of scale to a rather cost intensive mechanism. Rolling out of BWL to all factories could

⁶⁴ This calculation does not include the reporting drafting and conclusion phase

⁶⁵ Communication on 21 September 2012

⁶⁶ Interview with a buyer's compliance manager on 10 August 2012

⁶⁶ This calculation does not include the reporting drafting and conclusion phase

eventually be performed by the existing project workforce, without investing substantial resources for further training of new teams for more assessments and advisory.

The acquisition and recruitment of human resources for the core positions of four Enterprise Advisors and one Training Officer was described as a difficult and time intensive process. Out of 300 applications 35 were shortlisted, though “with difficulties” as the profile of “enterprise advisor” with its broad set of technical and interpersonal skills was not readily available on the market. Two of the four EAs had been working as labour inspectors prior to their BWL recruit, one has an industry background and the forth was working in a TA project. Substantial input in training and related resources has been invested until recently aiming to bring the team up to the requested standards for their respective positions.

The trainings received by BWL Staff included time management, presentation skills, facilitation skills, introduction to advisory, global supply chain management, industrial relations, dealing with difficult PICCS, team building and report writing. Several of the trainings were provided by BWG, and also involved travel cost to the venue of the training and common BWG funds. The time allocated for the staff training also involves opportunity cost for the team as trainings are involving regular working time as well.

It was observed that a significant amount of time of the CTA is dedicated to processes that could be done either by team members with lower salaries, or by stakeholders being outside the BWL core team and payroll. Several processes have not yet been swiftly put in place (training plan, training evaluation analysis, and an integrated forward planning on a rotation scheme for the whole team).

Finally, the cost per BWL worker (indicator 40 in the M&E indicators list) target for 2012 is almost USD 9, whereas the actual cost is estimated at USD 18.2, i.e. more than twice as costly as planned. The indicator is calculated with a reference population being the full workforce of the member factories, however, only a part of the workforce has so far directly benefited, for example 313 staff members have been participating in BWL trainings (338 people in total, of which 25 were Labour Inspectors). There might be also double counts which cannot be verified in the evaluation. Under the assumption of keeping the same workforce and cost structure at BWL office stable, new member companies would decrease the cost per worker.

3.5 Impact Orientation and (potential) Sustainability of the Project

3.5.1 Impact Orientation of BWL

A baseline study has been performed in July 2012 and results will serve to measure progress of a set of indicators in future. The study shall be repeated in 2013. Attention has to be paid to the aspect that the current funding of USDOL will be ending in December 2013, so the first repeater should be performed in June 2013, in order to allow time to analyze the results and put in place sustainability mechanisms.

BWL had its first subscriptions in late 2010 and the bulk of new members so far in 2011. At present only two of the 16 BWL are SA owned factories. It is rather early to talk about impact in the MTE; Better Work Global has catered for measuring effects and impact of the country cases.

Better Work Global has contracted Tufts University to carry out research on measuring impact of Better Work country cases. The most recent publication presents several BW country studies, however does not include information about BWL⁶⁷.

The first baseline study about BWL has just been conducted by Kelly Pike and Shane Godfrey inside and outside factories in Lesotho. It has been published in June 2012 as part of the BW Discussion Paper Series⁶⁸, through interview and focus group discussions with workers.

The baseline study for BWL has been performed also by Kelly Pike and was made available as a draft and is now available online.⁶⁹ This study will be repeated next year with the objective to assess the impact of Better Work Lesotho. The perceptions of what can make work better, by compliance cluster and additional issues, suggest potential impact of Training (24 suggestions), Occupational Health and Safety (14 suggestions), Supervisor Relations (14 suggestions) and Compensation (10 suggestions).⁷⁰

Of the 129 workers who participated in the questionnaire, 71 (55 per cent) had heard about Better Work Lesotho. The vast majority had heard about Better Work from their union leaders. The explanation lies in the opinion of the BW management in the union engagement efforts of BW. Several had only heard about it within the previous week, when they were told about the opportunity to take part in this research. Only a small handful had heard about it from Better Work staff and an even smaller proportion from a manager. Thirty-five per cent of workers believed that their factories were participating in Better Work; 34 per cent did not believe their factories were participating; and 31 per cent did not know (see table below).

⁶⁷The TUFTS UNIVERSITY MACALESTER COLLEGE, Measuring the Impact of Better Work, 5 October 2011, Revised version. According to information provided by BW It was decided in collaboration with BWG and Tufts University that BWL has the potential of having impact on issues that are better measured with qualitative methods – hence, the decision not to carry out surveys but to rely on interviews and focus group discussions offsite. The evaluator does not necessarily share this perspective.

⁶⁸ Kelly I. Pike, Shane Godfrey; Better Work Discussion Paper Series: No. 7, Corporate Social Responsibility and the Worker Stakeholder: Lesotho Clothing Workers' Perceptions of What Makes Better Work. June 2012

⁶⁹ Kelly Pike, Better Work Lesotho: Garment Industry, Baseline report, Draft 05/07/2012,

<http://www.betterwork.org/EN/Publications/Documents/Impact%20Research%20-%20Lesotho%20Baseline%20Report%20-%20Worker%20Perspectives%20from%20the%20Factory%20and%20Beyond.pdf>

⁷⁰ Better work discussion paper, page 18

This feedback is an indication that the process of effectively disseminating information about Better Work is still a work in progress. Workers in Maputsoe seemed particularly poorly informed; there the majority of the participants had not heard about Better Work at all. Even among those who had, there was no clear sense of what it is, what it does, or what it could do. Nevertheless, 83 per cent of the workers said that they believed that Better Work would change the working conditions in their factories and 88 per cent that they wished their factory could participate in Better Work Lesotho. A small percentage of workers said they would not want Better Work at their factories; they specified in the comment section that they were afraid participation would prompt their factory owners to leave the country.

Table 15. Workers' awareness and perception of Better Work Lesotho

<i>Worker awareness and perception of Better Work Lesotho</i>	<i>Yes (%)</i>	<i>No (%)</i>	<i>Do not know (%)</i>
Had heard about Better Work Lesotho	55	45	
Factory participated in Better Work Lesotho	35	34	31
Believed Better Work Lesotho could change working conditions	83	6	11
Wished to participate in Better Work Lesotho	88	5	7
Believed industry stakeholders could work together	94	4	2
Believed in need for a neutral third party	87	10	3

Source: Better Work Lesotho, Baseline Study, Draft, July 2012

Workers were asked to leave a comment about Better Work so as to better understand exactly how they felt it could help them. Options were not given, but rather a blank space for them to write whatever they wanted to. Sixty-six workers (51 per cent) left a comment. Among those comments, there were two prominent themes. Sixty-one per cent could be grouped under the general theme of improving working conditions, solving problems or bringing change (12.5 per cent specifically referred to wages, a surprisingly small percentage given that this was a primary concern for workers). Thirty-six per cent of the comments could be grouped under the theme of wanting a neutral third party or mediator. Many of them referred specifically to wanting someone to help who “won’t take sides” when addressing issues.⁷¹

The baseline survey results are mainly from interviews conducted in 2010 and 2011. Since then more factories joined, and also the OSH day in Maseru in April 2012 has likely contributed to BWL's visibility.

3.5.2 Sustainability of the BWL Country Programme

The sustainability of the BWL country programme has been a concern of the implementers since its beginning. The project document for BWL states that “the project is designed to support the transition to

⁷¹ Kelly Pike, Better Work Lesotho: Garment Industry, Baseline report, Draft 05/07/2012
Mid-term Evaluation Better Work Lesotho, November 2012

an independent self-financing Basotho institution with five years, even though the initial funding will provide for the costs associated with the first two years of BWL.”⁷²

This is in line with the expressed intent in the BW project document, i.e. the intent to “build sustainable independent organizations that will continue after funding has stopped.”⁷³ The Operations Manual maintains this objective with qualification, stating, “In large markets, where the industrial base can support such actions, the aim is for Better Work country programmes to become independent and self-financing over time.” There are two distinct concepts embedded in this objective – legal independence and financial self-sufficiency.

On its website BW also indicates that “Better Work Lesotho has a two-pronged approach that focuses on financial as well as institutional sustainability”⁷⁴. The programme will apply a cost recovery approach by charging fees to brands and factories for services and training. In addition, the project will work to create an appropriate independent entity, to sustain the systems and services established during initial implementation phase.

The reality of BWL at its midterm of implementation looks rather different. The willingness to actively support an industry-wide approach and to voluntarily subscribe to BWL has been overestimated. The demand for additional services at market rates has also been significantly overestimated. The initial forecast, to charge buyers and factories at a rate close to cost recovery has turned to be not realistic. BWL has to grant significant subsidies to its clients to “sell” its product and services to the subscribers of BWL. Participants in trainings (those trainings not already part of the BWL membership package) are currently sold for about 200 Rand⁷⁵ per participant. There are also some “free riders” among the subscribers, who specifically mention the access to interesting seminars still at low cost⁷⁶.

The progress indicators for financial viability i.e. (1) total programme revenue received in the reporting period and (2) percentage of cost recovery (%) show significant deviation between target and actual, respectively. Furthermore it can be safely assumed that set targets for programme revenue are not based on assumed full cost coverage of services rendered.⁷⁷

Table 16. Financial Viability: Targets and Actual

Financial Viability/ Indicator	Target 2010	Reporting Jan/June	Reporting July/Dec	Target 2011	Reporting Jan/June	Reporting July/Dec	Target 2012	Reporting Jan/June
Total programme revenue received in the reporting period (indicator 36)	n/a	n/a	n/a	USD 100,000	USD 21,250	USD 11,749	USD 70,200	USD 21,000
Percentage of cost recovery (%) (indicator 37)	1.1	n/a	n/a	5.1	n/a	2.8	20	2.5

Source: BWL M&E matrix with 44 indicators, July 2012

The revenue received so far consists mainly of the membership fees of the factories (factories with less than 300 employees pay USD 1,500 annually, with more than 300 employees USD 2,000), and for

⁷² Project Document BWL, phase I and II

⁷³ ebenda

⁷⁴ www.betterwork.org

⁷⁵ Equals USD 23.74 at current exchange rate

⁷⁶ Factories that are not BWL members need to pay M400 instead of M200.

⁷⁷ BWL progress indicators, update of July 2012

membership fees and request for reports of buyers (buyers pay USD 1,400 / factory /year)⁷⁸. For January to August 2012, the BWL office provided a revenue figure of USD 26,250⁷⁹, 37.5% of the targeted USD 70,200, and only 26% of the target set for 2011. A full coverage of 38 factories to BWL plus the buyers' contribution would allow at least reaching the set target for 2012, i.e. USD 70,200.

The second indicator chosen by BW to measure financial viability is cost recovery. While for the first 1.5 years no actual data has been provided, the reported figure for II/2011 was 2.8 in contrast to the target of 5.1. For 2012 the target has been increased to 20% cost recovery, whereas the actual figure for I/2012 is 2.5%, i.e. 12.5% of the target. These figures do not indicate any financial sustainability in near future.

The Management Group of Better Work, constituted of two senior ILO officials and two senior IFC officials, has approved the Targets & Triggers Overview⁸⁰. This is an early warning system, in case set targets are not met. Levels of action are "evaluate project" and "close project", according to three indicators, i.e. cost recovery, number of factories registered and number of PAC meetings. Whereas PAC meetings are according to plan, cost recovery figures reach a critical level.

Table 17. Targets and Triggers versus BWL Progress Indicators

Target/Indicator	T&T Year 1 ⁸¹ = October 2011	M&E Target 2011	Actual II/2011	T&T Year 2 = October 2012	M&E Target 2012	Actual I/2012
% Cost Recovery	10	5.1	2.8	20	20	2.5
Evaluate Project	5		2.8	12		2.5
Close Project	(2) ⁸²		2.8	6		2.5

The figures in the table above indicate an evaluation of BWL and even suggest considering a closure, based on the figures for cost recovery. However, it remains the decision of the Management Group to take a respective initiative or not.

Under current circumstances it is unlikely that BWL will break even. However, the economic indicators in Lesotho have not been favorable from the outset, relatively high fixed cost of BWL and a limited number of clients, i.e. 38 textile factories in the best case, to generate high revenues and/or to apply economies of scale, respectively, as it is the case in other BW countries like Cambodia or Viet Nam. This has been also one of the findings of the recent evaluation of BW Global⁸³. In Lesotho actual revenues could still be increased by applying an industry wide approach, by increasing the cost of selected seminars subsequently, trying to involve a larger number of buyers, and perspective by enlarging the catchment area of the programme to neighboring countries in the region.

⁷⁸ The fee for buyers depends on whether they are partner members or participant members.

⁷⁹ Data provided by the Financial Officer of BWL in Maseru, as per August 2012

⁸⁰ BW Targets & Triggers, Governance Meeting September 2010; also attached as Annex 6 to this report

⁸¹ For BWL: Year one = October 2010 + 1 year = October 2011.

⁸² Closing after first year of implementation is not foreseen.

⁸³ Nexus Associates, Inc.; Evaluation of Better Work Global, Phase II, 2012

The institutional sustainability of BWL at mid-term has to be discussed equally critical as its financial viability. Institutional sustainability and stakeholder engagement are closely intertwined. Industry-wide participation was the envisaged operational mode of BWL. The development in the textile and apparel sector, as discussed in the chapter 3.1, Relevance and strategic fit, is different and less favorable than anticipated at project start.

The Ministry of Labour, according to the BWL manager, continued to express its commitment to make participation in Better Work Lesotho mandatory at several occasions⁸⁴. This verbal expression is however not reflected yet in concrete steps and strategies how to implement a mandatory participation in BWL. The Principal Secretary of Labour is in talks with the Attorney General for the Cabinet as to whether and how the gazette could be linked to a relevant section of the Labour code. The Labour Commissioner is clearly in favour of a mandated membership of BWL and a related initiative. The newly appointed Minister of Labour was not available for an interview with the evaluator, and could not chair the PAC meeting on 1 August 2012 as anticipated and no direct statement could be captured.

A recent study commissioned by BW⁸⁵ suggests that the Ministry of Trade and Industry, Cooperatives and Marketing has shown an ambivalent commitment towards BWL. The report states further that “This ministry is very closely linked with the industrialists and influenced by their lobbying.” The evaluation can confirm this ambiguity; interviewed representatives of the Ministry of Industry could not see a strong argument to advocate a mandatory participation in BWL.

The Government of Lesotho is reported to be financially constrained, and specially the MoLE to receive a disproportionately small allocation of the budget.⁸⁶ This will likely not only influence the ability to co-finance BWL but also to run efficiently its own labour inspection department. The differences in salary level between labour inspectors in public service, OSH specialists in private enterprises and the Enterprise Advisors of BWL are significant. The Labour Commissioner indicated that training has raised the awareness of labour inspectors for the recognition of OSH specialists. Some trained staff has been reported leaving the MoLE for an assignment in the private sector.

The manager of the Lesotho National Development Corporation (LNDC), in contrast, argues in favor of a voluntary participation. BWL should be applied more as a branding strategy, was the opinion expressed by its CEO.⁸⁷

Within the cluster of South African (SA) owned and managed companies, in absence of pressure by their customers, it remains likely that most of them will not join the programme unless it has been made mandatory. There are two South African owned and management BWL factories; of which one is producing only for the South African market (it joined BWL in March 2011). So far positive experience of the “frontrunner” has not triggered new subscription to BWL within the Maputsoe cluster of SA factories.

The hesitation in introducing mandatory membership critically influences the progress in implementation of BWL, i.e. slows it down and raises the cost. It leads to a “wait and see” approach of the factories that are currently non members. Human and financial resources of BWL are allocated to advocate BWL to the factories, to commission studies to analyze the reasons for non subscription. It indicates that there are stronger arguments against than in favour of membership in BWL as long as there is no pressure from

⁸⁴ For details see: Technical Progress Report II quarter 2012.

⁸⁵ Andy Salm et al, Sustainability Prospects and Vision Scoping for Better Work Lesotho, June 2012.

⁸⁶ ebenda

⁸⁷ Interview conducted in August 2012.

GoL or from buyers. At midpoint of BWL's anticipated duration of five years, 16 months (new end date December 2013) prior to the end of secured funding by the USDOL the project has reached a crossroads. A clear expression of direction by the GoL, combined with actions putting a mandatory participation of all factories in the sector into practice appears to be a prerogative for Lesotho's positioning itself as a compliant manufacturing country.

The possibility of extending to other countries in the sub-region was originally foreseen as a way to increase levels of cost recovery, by expanding the number of factories to neighboring states such as South Africa, Swaziland, and Botswana. Feasibility analysis of this approach did not warrant positive results thus the approach was not put in practice.

4 Conclusions

BWL is currently at a crossroads. Without the written evidence for GoL's support to an industry-wide approach either mandated or gazetted, BWL will likely not achieve this goal with a voluntary approach alone.

The continued postponement of the introduction of an industry-wide approach until midterm has critically influenced the implementation of BW in Lesotho and has deviated valuable human resources, time, and financial resources.

BWL has the potential to improve competitiveness of those textile and footwear companies that are working with buyers that value compliance to national and international standards and/or make them a prerequisite, i.e. where compliance becomes a positive sales argument. Strong buyer relations and commitment is thus crucial.

If GoL would like to achieve a positioning of Lesotho as an ethical sourcing location for textiles, mandatory membership in BWL is key. Human and financial resources of the MoLE do at present not allow guaranteeing an in-depth inspection of all textile sector companies with their own team of Labour Inspectors, hosted under the Department of Labour.

Capacity building alone will not be enough to secure institutional sustainability. Restructuring of the MoLE has to be started at the same time. Cooperation in both, the restructuring and capacity building of the Labour Inspection Board would go beyond the means and resources of BWL and DWCP Lesotho.

The draft of a Cooperation Agreement is a step in the right direction that has to be further developed and a business plan with sourcing proposals developed. The restructuring should be starting prior to major investment in train-the-trainer activities. A spin-off from the Ministry like the model of LNDC might be considered as the current (modest) level of salary at the Ministry is unsustainable and leads potentially to frequent staff turnover.

Financial sustainability of BWL is not in reach. BWL currently has very low revenues and respective marginal recovery rate. BWL will likely not be financially sustainable without ongoing external donor support. The cluster of 38 textile factories is relatively small and Lesotho shares this disadvantage with other small BW countries like Haiti. The subscription fee has to be raised by 800%, i.e. to USD 16,000, to cover the cost of the programme. Trainings currently offered by BWL are either free for subscribers or sold far below market price.

Efficiency of delivery of services is improving but remains a challenge; in particular once the number of factories will increase significantly after becoming mandatory, from 16 to 38 factories. Speeding up the reporting cycle and QA process as well as increasing the number of deliverables are the challenges, in case BWL will be continued with the same amount and calibre of staff.

A sound statement on quality of training services provided across the various training designs is currently not possible. For all trainings performed so far but four there are either no evaluation forms available, or they have not been analysed as yet.

Better Work does not address environmental issues in the CAT yet; these are in particular important for buyers of denim products and related waste water recycling processes. This means the BWL assessment

reports cannot fully replace buyers' compliance audit, but an environmental audit has to be performed or commissioned in addition at respective cost, reducing the advantage of BWL subscription for these buyers.

The implementation of BWL, as currently performed, is mainly activity oriented. Reporting is provided at several levels and can be streamlined. Narrative reporting should be combined with indicator monitoring where indicated. Project management needs to stronger direct towards achievement of results and achievement of objectives.

Ownership of the main stakeholder in government has been mainly passively assumed in the past. The commitment to sign a Memorandum of Understanding by end of 2011 was delayed and a MoU with the PAC was finally signed in August 2012 (after the evaluation mission had been finalized). There are no results of a recent effort to investigate again steps towards an industry-wide approach. Leadership in PAC is still assumed by the CTA.

BWL has a clear buy-in from Workers and Unions. Positive aspects are emphasised. This can be an entry point to institutional sustainability. The buy-in from Entrepreneurs and Exporters is less clear, it is a currently a two tier system, the SA producers without any buyer pressure feel currently no need to become members and opt against a mandated approach, and those SEA owned companies that are for a good part already BWL members due to buyers' pressure, and also opting against a mandatory membership.

The long awaited prolongation of AGOA until 2015 came in act early August 2012. It has to be seen more as a relief for existing producers and investors in Lesotho, but not necessarily as an incentive for new additional investments.

Different profiles are required for EAs and AS providers. As currently there is a low number of factories subscribed in BWL, the two functions are assumed by the same people. Once the workload gets higher, two distinct teams for Assessments and for Advisory, respectively, should be established, with different skill sets and interpersonal skills attached.

Whereas BWG is fully engrained in the delivery of BWL, the links and cooperation between BWL and ILO office in Pretoria is currently less pronounced. There are several promising entry points to capitalize on synergies in the future.

There is no modus operandi defined for the cooperation between BWL and ILO Pretoria office. There should be a strategic discussion about areas of complementarity, with a MoU to guide to collaboration. The Country Director of ILO office in Pretoria would be the suitable person to guide the process.

5 Recommendations and Lessons Learned

5.1 Recommendations

Effectiveness of core services – training, advisory and enterprise assessments

Recommendation 1
Perform an analysis of all trainings conducted and evaluations that have been performed with the participants. Retrieve information about content and trainer performance for an ongoing QA mechanism and feed information into the current process cycle for assessments and seminars. To endorse a tool for ex post evaluation of training courses and perform a first batch of ex post training evaluation. Use of training evaluation sheet for participants by BWL should be used for by all trainers (internal, external), without exception.
Issue/s to be addressed: Evaluation of the trainings performed so far is not available at BWL (just partly for one of the types of trainings performed) and has not yet been analyzed. There is no status report on relevance of the seminars for the participants and capability of the trainers available yet. Especially when using a pool of trainers, it is important to apply the same evaluation tool for all trainers/trainings. Ex post evaluation has not been introduced as a QA tool that can also serve as input for impact measurement.

Recommendation 2
Provide HR and SST training in Chinese language for managers and supervisors that are native Chinese speakers. Involve the trained Chinese managers (ToT in SST has been provided by Chinese trainer)
Issue/s to be addressed: Communication and (inter-)cultural different interpretations and standards have been identified as one of the root causes for in-compliant behavior, as disrespectful language, verbal and even physical threat. Assessment Reports revealed that Chinese/Taiwanese managers and supervisors often were reported to having insulted their Basotho workers. Both workers and managers appreciated the supervisory skill training in Chinese language, but indicated that more of this training is needed.

Recommendation 3
Extend the “on the job” training of Labour Inspectors foreseen under BWL to reciprocal visits, i.e. EAs accompanying Labour Inspectors to visits to non BWL member companies as peers, and discuss after the visits aspects of situation and aspects of non-compliance observed. This would also provide insights on the real compliance status of these factories. The Labour Inspectors could focus more on non BWL factories, as the BWL member factories are already subject to an in-depth assessment. To make sure that non BWL factories are visited to gain an impression of their compliance situation.
Issue/s to be addressed: In course of the capacity building programme currently under discussion with MoLE, on the job training for assessment and for advisory is foreseen. Labour Inspectors would shadow EAs in BW member factories. It would be of interest for the EAs and for BWL as well to do some reciprocal shadowing in non BWL factories, to get some insights on the status of compliance in non member factories.

Recommendation 4
Setting up a fully fledged training plan with a rolling scheme at least for one month and three months, and to integrate the plan with the forward planning of the team for assessment, advisory and other time bound activities in the office.
Issue/s to be addressed: Training plan as presented is more an overview for potentially interested participants than a working tool for the team. No integrated forward planning tool shared by the rest of the team. In particular when number of member factories and thus workload will increase, effective and efficient delivery will be crucial.

Recommendation 5
Consider splitting the function of training officer into one trainer and one training manager, the latter assuming responsibility for training evaluation and analysis, forward planning, contacting external trainers, applying QA and planning tools.
Issue/s to be addressed: Assess the workload of the training officer. Should preparation and provision of trainings take a major part of the working time (or will, should more member companies require more training to be performed), consider splitting into two profiles. Strategic planning and feed in of training results into the planning and revision of seminar curricular is widely missing so far.

Recommendation 6
Intensify the exchange of structured information in course of debriefings of assessment, advisory and of training activities. Integrate issues addressed in trainings in the assessments (for example the question of fixed term contracts with probation period) and vice versa.
Issue/s to be addressed: training and advisory debriefing, training evaluation debriefing for BWL internal and for external trainers. Important that external trainers deliver the evaluation sheets of the training and a short – at least - verbal debriefing to the team.

Effectiveness of Stakeholder Engagement – sector wide approach

Recommendation 7
In order to proceed effectively and to demonstrate clarity for the other stakeholders MoLE has to clearly state if they can and will introduce a mandatory industry-wide approach to enhance compliance with international norms and national laws in the textile sector.
Issue/s to be addressed: Lack of clarity among the stakeholders of the position of the GoL regarding an industry-wide approach, mandated or gazetted. A voluntary approach has after 2.5 years of implementation not led to the anticipated results and fostered a stop and go policy of entrepreneurs associations.

Recommendation 8

Develop a plan on how BWL and MoLE can embed the planned cooperation agreement on capacity building into a restructuring of the Labour Inspection Board in the Department of Labour; consider various options and support to develop a business plan. These project outlines can be discussed with potential donors.

Issue/s to be addressed: Capacity building without a plan for an institutional solution/restructuring for the MoLE appears not sustainable. Financial means of BWL and budgetary means of MoLE are not sufficient to finance a restructuring process without a third party financing; future BWL capacity building for inspectors within BWL will include assessment and advisory training. All capacity building that goes beyond, incl. organizational issues, would have to be addressed by a new TC project.

Recommendation 9

Consider a new technical cooperation project for ex linked to ILO head office LAB/ADMIN department.

Issue/s to be addressed: Capacity building without a plan for an institutional solution/restructuring for the MoLE appears not sustainable. Financial means of BWL and budgetary means of MoLE are not sufficient to finance a restructuring process without a third party financing

Recommendation 10

Involve MoLE and other interested parties more actively in contents, preparation and moderation of PAC meetings. Otherwise the sustainability of the results achieved in the meetings will remain limited.

Issue/s to be addressed: GoL members in PAC are assuming currently a rather passive role, showing various levels of ownership, however no leadership yet.

Effectiveness of Management Arrangements

Recommendation 11

Revive the cooperation between BWL and ILO office in Pretoria , in particular related to

- (1) the Buyers' Forum in Lesotho and relationships with South African manufacturers for purposes of advancing the programme goals; involve textile consultant linked to ILO office in Pretoria in preparation by working with SA buyers,
- (2) the process of further supporting the cooperation between the five workers' unions (draft paper is available) and
- (3) providing peer feedback on ALAFA's strategy for the future: to clarify to which extent ALAFA factories are identical with BWL factories, and which consequences a potential shortening of ARV treatment could have on workers.

In general: Intensify the information exchange between the BWL CTA and the ILO Country Director South Africa, as part of the BWL implementation process and to foster a coherent approach of the two organizations in Lesotho.

Issue/s to be addressed: Cooperation and use of synergies between BWL and ILO office in Pretoria has been frequent at design stage but has been much less pronounced since then. It is not indicated in the BWL action plan. Concrete entry points are the preparation of the 2012 Buyers' Forum in Lesotho and buyers' relation in South Africa; supporting the ongoing project of cooperation of workers unions further;

and BWL's future strategy regarding the HIV component led by ALAFA.

Recommendation 12

Work on a marketing and promotion strategy, based on the findings of the study of Godfrey and Shane and other recent study results. Brainstorm with ILO Pretoria office on how to promote BWL in RSA. Embed and align all marketing activities of BWL in the marketing strategy.

Issue/s to be addressed: A marketing and promotion strategy is still lacking. Stand alone actions have been introduced in the past without being embedded in a strategic approach.

Recommendation 13

Bring the situation of BW Lesotho with priority on the agenda of management group. Their next regular meeting is planned for March 2012 BWL should be also considered as theme for the extraordinary meeting of the MG related to the Bangladesh operations in January 2012. Circulate the evaluation report to the management group members as a base for discussion.

Propose to the Management Group to react on T&T, on the base of the cost recovery rate and the number of registered factories. Measured at the original goal of 100% or 38 factories, end of year 2 the target would be $0.7 \times 38 = 27$ factories. This evaluation appears necessary in the light of the ending of secured funding by USDOL in December 2013 and the outstanding written commitment of MoL, to support a mandated industry-wide approach for BWL.

Issue/s to be addressed: Future path of BWL

Recommendation 14

Streamline the reporting process and make it more efficient. Combine for monitoring purposes the Technical Progress Report (TPR) and the Country Programme M&E Indicator Matrix (44 Indicators). The narrative reporting as performed to date is too detailed, mainly activity oriented and not geared towards the planned results.

Issue/s to be addressed: There is a number of reporting and monitoring schemes that BWL has to follow: Quarterly Technical Progress Reporting, Quarterly updates on the work plan, biannual reporting against 44 indicators. This is not efficient for a quick overview of the status of BWL, and also is not easy reading. Lack of linkage and alignment between the different information sources provided.

Recommendation 15

Combine for monitoring purposes the narrative reporting in the Technical Progress Report (TPR) and the Country Programme M&E Indicators. The narrative reporting as performed to date is mainly activity oriented, while at midpoint of the anticipated implementation

Issue/s to be addressed: Lack of focus of the narrative report and of linkage of narrative to the indicators and targets set in the programme.

Efficiency of Resource Use

Recommendation 16
Consider price differentiation of seminar costs between BWL member and non member factories to increase remuneration through trainings offered.
Issue/s to be addressed: Trainings are currently offered either for free or at a rate of 220 Rand or 24 USD per participant. The opportunity cost for an internal BWL trainer has to be calculated, and trainers flown in from BFC or BWG will have a higher internal cost. The market price for a trainer from SA is estimated R3,000 to R4,500 per day, and a meeting venue can cost with catering around R300 pd per participant.
Recommendation 17
Introduce a mechanism under which exchange of experience between staff of different factories will be facilitated.
Issue/s to be addressed: Valuable information can be exchanged between staff of different factories for example in course of BWL trainings. This information can be used for case studies and discussions in course of the trainings, but also as feedback on services provided by BWL. Trainers should be motivated to use this information exchange in some of the training sessions. This would at the same time be a contrast to the class room like, one way communication observed while attending seminars.
Recommendation 18
Calculate the full cost of an enterprise assessment in all its components (preparation, enterprise visit, discussion, reporting); thereafter to analyze where are possible efficiency gains; consider streamlining the enterprise assessment process in working with one instead of two EAs wherever possible without extending the total duration of an EA.
Issue/s to be addressed: The time allocation per enterprise assessment is currently about 5.5 days without reporting time calculated; buyers' inspectors are partly able to perform a similar assessment in less time and with integrating environmental compliance criteria.
Recommendation 19
Persons that should participate in specific trainings, as for example OSH, should get the invitation with training advertisement. It should be followed up prior to the training, that the targeted group has received the invitation and will participate. Otherwise the EA have to clarify with factory management.
Issue/s to be addressed: There have been cases reported where training advertisements sent by BWL have not reached the targeted person/s, but participation has been decided by the management of the factory, not necessarily considering the skill set necessary for participation in the training and the function of staff member within the factory.

5.2 Lessons Learned

It became clear already in course of the first phase of implementation that a number of assumptions made would not hold true. However, the project document for phase II remained unchanged compared to its predecessor. Developments between May 2010 and May 2012 that influenced the strategic fit have not been captured in amendments. Examples are the assumption of (1) cost recovery within five years and (2) the industry wide coverage within the first phase. The project document needs to be adapted to reality after completion of the first phase and for the document of the second phase. Strategy needs also to be adapted, if required.

Introducing BW country programmes without a Textile and Apparel Sector Strategy and ideally also an Action Plan in place incorporates the risk of inefficiency and failure.

ANNEXES see Final Report , Volume 2