



## ILO EVALUATION

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*This evaluation was conducted according to ILO's evaluation policies and procedures. It has not been professionally edited, but has undergone quality control by the ILO Evaluation Office.*

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## **Acronyms**

APHEDA	Australian People for Health, Education and Development Abroad
API	Indonesian Textile Association
APINDO	Indonesian Employers Association
BWI	Better Work Indonesia Phase II
BWV	Better Work Vietnam Phase II
BWG	Better Work Global (Geneva or Bangkok)
CAT	Compliance Assessment Tool
CTA	Chief Technical Advisor
DOLISA	Provincial Department of Labour Invalids and Social Affairs (Vietnam)
DWCP	ILO's Decent Work Country Program
EA	Enterprise Advisor
FOL	Federation of Labour (Provincial level Vietnam)
FTA	Free Trade Agreement
GTSF	Global Trade Supplier Finance
IFC	International Finance Corporation
ILO	International Labour Organization
KSBSI	<i>Konfederasi Serikat Buruh Seluruh Indonesia</i> /The Indonesian Prosperity Trade Union Confederation
KSPI	<i>Konfederasi Serikat Pekerja Indonesia</i> /The Indonesian Trade Union Confederation
KSPSI	<i>Konfederasi Serikat Pekerja Seluruh Indonesia</i> /All Indonesian Workers Union Confederation
M&E	Monitoring and evaluation
MOLISA	Ministry of Labour, Invalids and Social Affairs
MoM	Ministry of Manpower of the Republic of Indonesia
MOU	Memorandum of Understanding
NGO	Non-government Organization
OSH	Occupational Safety and Health
PAC	Project Advisory Committee
PICC	Performance Improvement Consultative Committee
PMP	Performance Monitoring Plan
SCORE	Sustaining Competitive and Responsible Enterprises
SST	Supervisory Skills Training
STAR	Database used by Better Work globally
TOR	Terms of Reference
VCCI	Vietnam Chamber of Commerce and Industry
VGCL	Vietnam General Confederation of Labour
VITAS	Vietnam Textile and Garment Association

## **Executive Summary**

### **Background**

Better Work Vietnam (BWV) and Better Work Indonesia (BWI) are part of the Better Work Global (BWG) partnership programme between the International Labour Organization and the International Finance Corporation (IFC). The programme aims to improve compliance with labour standards as well as the competitiveness of enterprises within global garment manufacturing supply chains. The Better Work strategy is based on the premise that by enhancing compliance with international labour standards and national labour laws, enterprises will be in a better position to meet the social compliance requirements of buyers, improve conditions for workers, and increase productivity and product quality.

BWV commenced in 2009 and is in its second phase (January 2013 to December 2016). BWI began operations in 2010, and its second phase, the focus of this evaluation, ran from July 2012 to December 2015. BWI commenced its third phase in 2016. The projects share the same overall aim to improve compliance with labour standards in the apparel sector and enhance the competitive position of enterprises within the global supply chain.

In both Vietnam and Indonesia, Better Work's (BW) central strategy is to provide independent enterprise assessment, advisory and training services to garment factories to help them make improvements in their workplaces to comply with national and international labour standards. The assessments are made based on an assessment tool developed by BWG and adapted to individual country legal contexts. Advisory services delivered through management-worker committees and training services for a range of enterprise staff are among the core services provided by BW to support the factories in their improvement process. Better Work engages factories in the program by partnering with buyers globally and in-country to leverage buyer pressure on their suppliers to register with Better Work, and also by promoting their services directly to factories.

In parallel, BWV and BWI aim to influence wider policy making and industry practice to improve labour standards and working conditions by translating experiences and lessons learned at the factory level into advocacy towards government, the business sector and workers' organizations, as well as supporting their capacity for improved labour law governance.

In its second phase, BWV has focused on refining its service delivery model and expanding coverage in the North of the country and to the footwear sector. It aimed to strengthen sustainability of the services and results through building the capacity and ownership of its national partners.

The second phase of BWI aimed to extend BWI services to a greater proportion of large apparel enterprises in the Greater Jakarta area as well as the Central Java and West Java Regions. It also aimed to build sustainability of its operations through transition to an independent entity.

### **Evaluation purpose and methodology**

The purpose of the final evaluation of Better Work Vietnam Phase II and Better Work Indonesia Phase II is to provide an independent assessment of the experience and performance of the projects and to provide a comparison and synthesis of findings from the two country projects. As a cluster evaluation it is intended to consolidate lessons and experience from both programmes to inform country project management, Better Work Global, the ILO and other stakeholders towards advancing the overall Better Work strategy. It is also intended to inform other ILO initiatives outside the Better Work framework.

The evaluation addresses the relevance of the projects, progress towards objectives, effectiveness of the approaches, impact and sustainability considerations. Given the range of existing studies of the projects available, the evaluation was directed to consolidate previous findings and focus on several key issues that were not covered for the full duration of the projects:

- (1) The effectiveness and efficiency of core service delivery;
- (2) The contribution to policy development at the government and industry levels in the thematic areas of labour standards compliance and industry development;
- (3) The effectiveness of gender strategies and opportunities for upscaling; and
- (4) Staff capacity.

The evaluation was carried out from October to December, 2016 by a team of two consultants, and included a field visit to each of Vietnam and Indonesia. Based on the specific evaluation questions, a methodology was developed which incorporated triangulation of data from project reports and documents with interviews with relevant stakeholders in each country.

## **Main Findings and Conclusions**

### **Relevance**

*Relevance for key stakeholders:* On the whole, the design and implementation strategies of the second phases of BWV and BWI are relevant to the interests and priorities of the stakeholders, particularly the core strategies to support compliance in the garment industry. There are a number of similar perceptions among stakeholders in Indonesia and Vietnam about BW's relevance to their needs. These include the stakeholders' trust in ILO as the international standard setting body, the benefit to factories of securing buyer orders and a reduction in the number of audit requirements, the benefit to buyers of the audit plus advisory package or "complete solution" to compliance offered by Better Work; and the relevance to government of a "self-complying" industry.

In Vietnam, Better Work is particularly relevant to employer organizations' interests, given the importance of the garment export sector. In Indonesia, employer bodies, although supportive, have been less actively engaged, perhaps because the garment industry is not as central to the economy. The main limitation expressed by stakeholders in Vietnam is that BW does not reach further across other parts of the country and to more small and medium enterprises. Trade Unions find that Better Work serves their needs in both countries, where BW and ILO capacity building has been instrumental in building trade union capacity and building union representation in garment enterprises.

*Comparative advantage of linkage with the ILO:* The integration of Better Work within the ILO has served the projects' influence on policy by strengthening the voice and involvement of ILO tripartite constituents in what had been mainly industry-driven social compliance initiatives in the garment sector. Furthermore, the credibility of the ILO and BWG among global brands was critical in BWI and BWV achieving scale; increasing the scope for influencing global value chain behaviour and policies in the sector.

### **Effectiveness and impacts**

*Progress of delivery and achievement of targets:* Both BWV and BWI achieved the majority of their delivery outputs and targets during their second phases. The scale of coverage of garment suppliers was substantially increased, reaching an estimated 50% of the large export garment factories in Vietnam and 30% of the export oriented sector in Indonesia. However, in both countries there is still a growing and unmet demand of factories waiting to join BW. The projects also expanded geographically, extending in the North of Vietnam and to beyond Jakarta to Central and West Java in Indonesia. In both countries, BW also initiated small scale operations in the footwear sector.

*Response to Mid-Term evaluation recommendations:* In Vietnam, a systematic response to the MTE recommendations was not taken up, mainly due to the project management perception that insufficient time remained in the project life to introduce the changes recommended. Regarding the recommended improvements to the BWV M&E framework, changes already underway brought improvements to the set of BW Global indicators, but issues of interpretation remain and there is scope for further articulation of the two sets of indicators. BWV's strategic expansion was aligned with the MTE recommendations with regard to focusing on impact and how to scale up rather than expanding numbers. The project management supported the recommendations for articulating a clearer policy influence agenda and gender equality strategies; however, these areas remain to be strengthened.

BWI, and where relevant, BWG pursued strategies that were consistent with, or responded to, many of the recommendations of the midterm evaluation. Notably, BWI expanded its communications strategy, with observed success; embarked on strategies to improve time efficiency and financial viability continuing into phase III, and proposed strategies to address concerns about how the transition of core services delivery to a national institution may affect program effectiveness, largely by maintaining a strong role for ILO/BWI at least during in the transition phase.

*Effectiveness of core service delivery:* In Vietnam and Indonesia the BW programme has brought steady improvements in many aspects of labour standards and working conditions in the participating factories, as demonstrated in the compliance synthesis reports and the Tufts impact study. At the same time, certain areas of compliance remain a challenge. In Vietnam, non-compliance is common in occupational health and safety issues and in excessive overtime; while in Indonesia, in addition to the occupational health and safety issue, non-compliance around health care benefits, the use of non-permanent contracts, and correct payments for overtime among other compensation issues, is prevalent.

Enterprise and industry stakeholders in both countries indicate that Better Work is providing a transparent and trusted compliance assessment and advisory service with the advisory services providing an added value of BW over traditional audit services. In both countries the adjusted model was introduced during phase II, aimed at establishing a less labour-intensive, more scalable model. This was fully rolled out in Vietnam by the end of phase II, with indications of increased ownership by factories for their improvement process. It is not yet clear that the approach is less labour-intensive as advisory services are intensified in the initial period. Observations of Better Work Enterprise Advisors (EAs) and factory managers suggest that the adjusted model is accelerating compliance and factory initiative. The upcoming compliance synthesis reports are expected to yield information of a more empirical nature.

*Bi-partite workplace improvement committees:* In both BWV and BWI bi-partite workplace committees are the main conduit for performance improvement plans. In Indonesia these are built on existing, legally mandated workplace committees. In Vietnam, Performance Improvement Consultative Committees initially facilitated by BWV, are showing signs of growing independence, and gradually enabling workers' voice, although the influence of management within the enterprise trade union and therefore management bias in the performance improvement committee still persists. In Indonesia, the stakeholders are generally positive about the role of the bi-partite committees to implement workplace improvement; however, the trade unions in particular would like to see additional pressure placed on non-complying suppliers through the buyers.

*Training services:* The training services provided by BW are well developed in both countries with varied take-up, depending on factories' willingness to pay for training which is not currently included

in the registration package. The supervisory skills training (SST) courses have been highly popular and also prove effective in building supervisors' skills in communicating with the production workers without resorting to bullying or humiliating tactics. The SSTs are considered a good practice in both countries with potential for incorporating gender issues such as awareness on sexual harassment issues.

*Communications strategies:* During phase II both BWV and BWI introduced innovative pilot communications campaigns to raise awareness and support behaviour change among workers and managers on occupational safety and workers' rights. These included the use of mobile phone SMS messaging on occupational health and safety in both countries, and creative media such as films and raps songs in Vietnam. Although limited in scale and not continued all the way through the project life these are promising communications approaches for future phases.

*Contribution to public and private sector policy:* In Vietnam and Indonesia, the objectives of contributing to an enabling policy environment for labour compliance in global supply chains were pursued organically as opportunities to influence policy debates arose. In both countries, BW's focus on compliance contributes to the ILO's capacity to exert influence on labour policy consistency and coherence, on its effective implementation, and to improve coordination among stakeholders in the global value chain. The capacity of the programs to influence national policy debates differed, with the ILO generally having a bigger voice in wider national policy discussions in Vietnam than in Indonesia. In both countries, the production of a body of research, synthesis reports and policy briefs has been used to good effect to raise awareness of compliance issues in the garment sector.

*Effectiveness of gender equality strategies:* Because the vast majority of workers in factories served by BWI and BWV are women, all core services can be viewed as contributing to women's interests and well-being to some degree. BWV and BWI have mainstreamed gender concerns into the delivery of core services through their assessment and advisory services related to compliance with national laws that protect women workers. Other ways the programs have promoted gender equality include by promoting women's participation and collecting gender disaggregated data across their activities and training programmes and as well as through implementing gender focused, ad-hoc mini-projects, some of which have potential for scaling up.

The evaluation suggested a number of ways that BW in Vietnam, Indonesia and other countries might enhance the gender dimensions in the design of core and other interventions towards the empowerment of women factory workers beyond the current focus on labour standards compliance. While the BW programmes can continue to mainstream gender equality strategies within the core services, they could seek alliances and linkages with NGOs and local service providers to increase women workers' access to financial and workers' rights education and legal services.

### **Efficiency and effectiveness of human resources**

As part of their strategies to improve the quality and efficiency of core services, both BWV and BWI have invested significant efforts toward developing staff skills. Both programs provide extensive training and staff development opportunities to its core staff to enable them to fulfil the complex demands of providing the core assessment and advisory services. As the service delivery has evolved under Phase II, with the introduction of the adjusted model, a wider range of advisory skills is required. In both projects the diversity and depth of expertise among the staff has been enhanced through the designation of technical focal points among enterprise advisors (EAs) and other staff, and through intensified training and on-the-job mentoring for EAs. However, EAs continue to find the advisory role challenging and would like more emphasis on advisory skills in their training.

### **Sustainability**

During their second phases, both Vietnam and Indonesia made significant progress towards sustainability while pursuing different paths in terms of the institutional model. The projects' efforts towards operational sustainability through cost recovery of core services have seen cost recovery reach around 50% in Vietnam and up to 72% in Indonesia.

BWV's approach to sustaining the programme approach lies in strengthening the capacity and ownership of its national tri-partite partners. During phase II it engendered increased national and provincial partner ownership and capacity to contribute to the delivery of the programme. BWV also invested in a sustainability scoping study to inform the direction of the operational and institutional model in the next phase. In Indonesia, by the end of phase II, BWI had laid much of the groundwork for the establishment of an independent foundation, which is scheduled to take over delivery of BW core services in early 2017.

## **Recommendations**

The following recommendations are intended to suggest guidance for strengthening outcomes in the ongoing programmes in Indonesia and Vietnam, and for future strategies of Better Work, ILO and its stakeholders globally.

- 1. Review and mainstreaming of Better Work Global and BWV and BWI monitoring and evaluation systems:** BW Global should work with BW country projects including BWV and BWI to further streamline the global indicators within country-specific Performance Monitoring Plan indicators in the future or ongoing project phases, and should ensure that the global indicators designed to monitor the adjusted model are being utilised. BW Global should further guide country project teams in understanding the M&E system and the potential to adjust indicators and targets with appropriate justification during the life of the project.
- 2. Continue to enhance and differentiate core service delivery to meet different needs:** BWV and BWI should seek to maintain a close advisory relationship with enterprises through its hands-on advisory service, especially during factories' first years with the program, while continuing to differentiate the level of service and training options provided as factories advance. As already being introduced in Vietnam and Indonesia, this differentiation may include:
  - Offering a more flexible choice of options in the advisory and training components that may be purchased. This may help to maintain membership among advanced factories, and improve resource efficiency.
  - Further development of group-based advisory services on thematic topics to factories in the same or adjacent industrial parks/export processing areas. This will be particularly effective if factories with similar levels of compliance performance and overlapping learning needs are matched and placed in cohorts that convene in periodic meetings.
- 3. Continue to build expertise focal points among the core service delivery team:** BWV and BWI should continue to develop expertise focal points and specialized units among the core team of EA team leaders and EAs, including assessment, advisory, industrial relations, occupational safety and health and gender; and provide specialized training to these individuals/teams where appropriate, while maintaining the enterprise advisors' focus on core service delivery. Further training on advisory issues should be provided to enterprise advisors in the form of seminars and case studies.
- 4. Enhance policy influence through compliance reporting:** BWV and BWI Compliance synthesis reports should be used strategically to inform ILO tripartite stakeholders, brands and consumer advocacy groups about compliance gaps in the respective countries export oriented garment



factories, including highlighting positive trends more effectively. More generally, the program should move ahead with other public reporting initiatives that reinforce transparency in the sector, including the public reporting of factory non-compliance on selected issues that is planned to be launched in both countries in 2017. The program should look for strategies to amplify the visibility of the findings of its annual compliance synthesis reports.

5. **Enhance policy influence strategy:** BWV and BWI should develop a more strategic approach for influencing the public and private sector by identifying together with the ILO DWCPs key policy issues, stakeholders and how to influence them. This may include for example, identifying emerging issues for advocacy in the ongoing labour law reform in Vietnam, and planning an advocacy strategy. In Indonesia, the issue of reform on contracts was highlighted as important by several stakeholders.
6. **Gender equality strategy:** BWV and BWI, and BW elsewhere, should further embed gender dimensions in the design of core and other interventions to support women's empowerment as garment workers beyond labour standards compliance. Some innovative approaches that may be considered by BW programs to complement core services include:
  - Forging strategic alliances with Women's rights NGOs for the organization of education programs in BW factories,
  - When opportunities arise, encouraging and providing input to company social responsibility or donor initiatives that empower women in communities around factories in collaboration with local authorities and/or development NGOs.
  - Facilitating access by women workers to financial services and education including savings groups.
  - Facilitating access by women workers to workers' rights education and legal defence services.
7. **Worker education:** BWI and BWV and where relevant, other Better Work programmes, should continue and enhance the way it uses social media and other innovative forms of communication with workers on their rights and occupational safety and health issues.
8. **Leadership skills training for managers using peer learning:** Since leadership skills and responsive management among management and worker representatives in factories play a critical role in producing compliance and productivity improvements, BWV and BWI may consider developing additional training and other capacity building approaches such as mentoring or coaching or "learning circles" that are geared towards improving leadership skills among factory managers, human resources managers and worker representatives using peer learning approaches.
9. **Trade union capacity:** ILO, BW country programs and Trade Union confederations should continue to strengthen trade union capacity to represent workers in garment factories. Ways that this might be done include:
  - Continue trade union capacity building, with focus on leadership development and basics of union roles and responsibilities for union representatives on the shop floor. Pay particular attention to developing women leaders.
  - Consider facilitating a garment sector working group of trade union representatives from different trade unions (in Indonesia) or trade union leaders within particular regions (both countries) to agree on common agenda for improving labour conditions in garment sector.
  - Support trade union campaigns (worker education campaigns and/or membership drives) that target workers in garment sector.
  - Explore feasibility of supporting the ILO in negotiating sector level and/or regional/sector collective bargaining agreement, based on successful experience in Jordan.

- 10. Maintain the strategic focus on compliance in the apparel sector in Vietnam.** In the forthcoming phase, given BWV's resource capacity and the unmet demand for BW services in the garment and footwear sectors, BWV should maintain its focus on these sectors and expand the geographic coverage of the sector, while exploring ways of influencing compliance among more SMEs in the supply chain. The latter could involve collaboration with ILO projects supporting SME development, BW enterprises sharing their experience in business forums; and pressure from larger firms on their suppliers to comply with national laws and international labour standards.
  
- 11. In Indonesia, ILO/BWI and/or APINDO should explore ways to create and strengthen sector and/or regional business associations/forums with which BWI may collaborate and share experiences.** To capitalize on BW's relative importance within the garment sector and its relative importance to industry in some particular regions like central Java (and to compensate the limited size and importance of export oriented garments in the overall economy), ILO/BWI should explore how it can integrate with and/or foster new collective approaches to improving compliance and promoting productivity at the sectoral or regional levels. To the extent that APINDO is also interested in ways to strengthen its sectoral and regional associations, this may be an initiative on which they can find synergies and collaborate.

## **I. Background and Description of the Projects**

### **The Better Work Global Programme**

Better Work is a global partnership programme between the International Labour Organization and the International Finance Corporation (IFC) that aims to improve compliance with labour standards as well as the competitiveness of enterprises within global garment manufacturing supply chains. The Better Work strategy is based on the premise that by enhancing compliance with international labour standards and national labour laws, enterprises will be in a better position to meet the social compliance requirements of buyers, improve conditions for workers, and increase productivity and product quality.

Better Work Vietnam (BWV) and Better Work Indonesia (BWI) are two of seven country projects currently operating under the Better Work global programme.<sup>1</sup> Better Work was established in Vietnam in 2009 and in Indonesia in 2010. The projects share the same overall aim, to improve compliance with labour standards in the target sectors and enhance the competitive position of enterprises within the global supply chain.

### **Better Work Vietnam**

The garment sector is one of the leading export industries in Vietnam, generating more than US \$20 billion per year. It is also a major source of employment, providing jobs for around 2.5 million workers, making it the largest formal employer in the country. Vietnam's garment and footwear factories operate in an increasingly competitive market, with tough buyer requirements and a significant labour shortage and sporadic wildcat strikes.

Vietnam has ratified five core international conventions on labour standards, Forced Labour Convention No. 29, Equal Remuneration Convention No. 100, Discrimination Convention No. 111, Minimum Age Convention No. 138, and Worst Forms of Child Labour Convention No.182. It has yet to ratify the conventions on Freedom of Association and Right to Organize (No. 87) and Collective Bargaining Conventions (No. 98). The legal framework for labour issues has been improved through the revised Labour Code 2012, effective 2013, and the Trade Union Law, 2013. A new social insurance law came into effect in January 2016.

Better Work Vietnam (BWV) was launched in 2009, and is now in its second phase that runs from January 2013 to December 2016, with a total budget of USD 9,627,611. In this phase, BWV focused on refining its service delivery model and expanding coverage in the North of the country and to the footwear sector. It also aimed to strengthen sustainability of the services and results through building the capacity of partners.

The development objective of the programme is to contribute to improving the lives of workers, their families and communities, and increase the competitiveness of the Vietnam garment industry. Building on the foundation of Phase 1, the second phase has five immediate objectives, summarised as:

(1) Assessment, advisory and training services provided by BWV help factories adhere to labour standards and this drives change in the industry;

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<sup>1</sup> Cambodia, Indonesia, Vietnam, Nicaragua, Jordan, and Haiti and Bangladesh.

- (2) Greater impact achieved by bringing lessons learned and knowledge of governance gaps into policy debates;
- (3) Expansion of the scope and depth of services to increase impacts on workers, the industry and the country;
- (4) Long-term viability of Better Work activities is strengthened through increasing cost recovery and building the capacity of national staff to give better services and take on greater ownership and management of BWV;
- (5) Capacity and ownership of local partners increased for improved sustainability of BWV operations and results.

### **Better Work Indonesia**

BWI was launched in 2011 at the request of the tripartite partners (government, unions, and employers) in order to support the sustainable growth of the garment sector in Indonesia. BWI aims to improve compliance with labour standards in the garment industry and enhance the competitive position of the Indonesian garment sector in the global supply chain.

The second phase, and focus of this evaluation, ran from July 2012 until December 2015. Its goal was to extend BWI services to 50-60% of large apparel enterprises in the Greater Jakarta area as well as the Central Java and West Java Regions.<sup>2</sup> It also aimed to build sustainability of its operations through transition to an independent entity. BWI is now in its third phase, commencing in January 2016.

When Better Work Phase II started apparel factories were the third largest employer in the manufacturing sector, with more than 500,000 workers in approximately 2,000 enterprises supplying both export and domestic markets.

Indonesia was the first country to ratify all eight ILO core conventions. In addition, national labour laws in the form of the Trade Union Act (No. 21 of 2000) and the Manpower Act (No. 13 of 2003) are considered by the ILO to offer a favourable legal backdrop for good labour practices. The Trade Union Act gives workers the right to organise into “free, open, independent, democratic and responsible” trade unions, federations and confederations of trade unions. Meanwhile, the Manpower Act, which was envisioned under the 1998 Labour Law Reform Programme of Indonesia, outlines regulations regarding equal opportunity, workplace relations, worker protection and wages, labour inspection, criminal and administrative sanctions, and transitional sanctions.

BWI Phase II had three intended outcomes:

- (1) Improved labour standards compliance in the targeted sector in accordance with international core labour standards and national labour law;
- (2) Established sustainable access by BWI stakeholders to Better Work Tools and approaches, adapted to the Indonesian context;<sup>3</sup>
- (3) Lessons learnt and knowledge about labour standards compliance and competitiveness in global supply chain are held in government policy discussions and contribute to international policy debates.

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<sup>2</sup> Better Work Indonesia Phase II Project Document. Executive Summary.

<sup>3</sup> This objective focuses on establishing institutional sustainability.

## **II. Evaluation Purpose and Methodology**

### **2.1 Purpose**

The overall purpose of the Final Cluster Evaluation of Better Work Vietnam Phase II and Better Work Indonesia Phase II is to provide an independent assessment of the experience and performance of the two projects, and to provide a synthesis and comparison of findings from the two projects. As a combined evaluation of two projects under the Better Work global programme, it is intended to consolidate lessons and experience from both programmes to inform country project management, Better Work Global, the ILO and other stakeholders towards advancing the overall Better Work strategy.

The Terms of Reference (**Annex A**) provided specific evaluation questions to guide the evaluation, within the standard evaluation themes of relevance, effectiveness, efficiency, sustainability and impact. Given the wealth of existing studies and evaluation material available for the two projects, including the mid-term evaluations of the respective projects, the Tufts impact study, annual compliance synthesis reports and thematic papers, the evaluation was directed to draw on the most relevant findings of these studies and to focus on a number of key issues:

- (1) The effectiveness of models of core service delivery;
- (2) The contribution to policy development at the government and industry levels in the thematic areas of labour standards compliance and industry development.
- (3) The effectiveness of gender strategies and opportunities for upscaling; and
- (4) Staff capacity

The recommendations of the final evaluation are intended to provide guidance on strategies for further development of initiatives in Indonesia and Vietnam, and for future strategies of Better Work, ILO and its stakeholders globally.

### **2.2 Methodology**

**Approach:** The evaluation draws on both secondary data in the form of project documents, reports and other literature and primary qualitative data, drawn from interviews with key stakeholders. In Vietnam and Indonesia the evaluators gathered the qualitative data through individual and group interviews with the major stakeholder groups including government, trade unions, employer organizations, enterprise managers and workers, buyers, project management and staff as well as Better Work Global staff. Quantitative data were drawn from project documents and reports, including reports against performance monitoring indicators and targets and incorporated into the analysis. Data collection methods and stakeholder perspectives were triangulated for most of the evaluation questions to strengthen the credibility and validity of the findings.

**Evaluation Team:** The final cluster evaluation was conducted by an external consultant team comprising a team leader and team member. The evaluators share a background in labour and education issues with combined experience globally in evaluation of ILO programmes and a diverse range of other international development projects focused on labour issues. The team leader was responsible for overall coordination, field work in Vietnam and report finalization, and the team member for field work in Indonesia, analysis of Indonesia findings and contribution to the joint analysis. The consultants developed the methodology in consultation with the ILO Evaluation Manager and Better Work Global programme officers.

**Evaluation Schedule:** The evaluation was conducted between October 31 and December 18, 2016. In the inception period, from October 31 to November 10, the consultants reviewed project documents and other literature and developed the methodology and data collection tools. The Inception Report is included in **Annex B**. In this period the fieldwork was planned in consultation with the Better Work Vietnam and Better Work Indonesia staff. The fieldwork was conducted in Indonesia from November 13 to November 22; and in Vietnam from November 13 to November 24, and culminated in de-briefing meetings to share initial findings in each country. The data analysis and major portion of the report writing occurred from November 24 to December 18.

### **Data Collection and Analysis:**

*Document review:* Prior to conducting field visits in-country, the evaluators conducted an analysis of the project documents, project reports for Phase II per country, Performance Monitoring Data, Impact Study by the Tufts University, Compliance synthesis reports, as well as other relevant literature. A list of documents reviewed is provided in **Annex C**.

*Development of the methodology and data collection tools:* Based on the key evaluation questions, the consultants developed a methodology matrix, identifying the sources of information, stakeholders and data collection method for each question. The methodology matrix appears in the Inception Report (**Annex B**).

Semi-structured interview guides were developed for use with each stakeholder group based on the evaluation questions, adapted to the role of each stakeholder in the project and the level of knowledge. Interviews were held either individually or with small groups of stakeholders, and by telephone with ILO and BW global staff.

*Key informant interviews and group discussions:* The sampling method for interviewees was purposive, and non-random to enable a cross-section of key stakeholder groups to be met. For the factory visits, the project teams were guided to arrange visits to factories that represented high performing as well as average performing factories, those with a maturity of time involvement, and representing north and south in Vietnam.

In total, 58 stakeholders in Vietnam and 47 stakeholders in Indonesia were interviewed - including BWV staff, workers and enterprise managers, buyer representatives, government staff, employer organizations, trade union organizations, and donor representatives. A complete list of persons interviewed can be found in **Annex D**. Interpreters assisted the evaluators in Bahasa in Indonesia and in Vietnamese for interviews as necessary.

*Observations:* In Vietnam the evaluator observed part of a Supervisor Skills Training course, held at the BWV office, and observed working conditions and production lines in four BW factories, two in the South and two in the North. In Indonesia the evaluator observed an advisory session in a factory in West Java, and attended a workplace cooperation training course for trade union representatives and managers from BW factories in West and Central Java. She also attended a national stakeholder workshop organized to present the findings of the Tufts University impact study.

### **Limitations**

- The time allowed for planning and preparation of the site visits was short for both countries and came at a very busy time in the programme calendars. This was a particular limitation in Indonesia where the evaluator was not able to meet representatives of employers' organizations. Where intended interviews in Indonesia could not be arranged for the purpose of the evaluation, the evaluator attended a range of meetings already arranged as part of project activities and was facilitated to conduct interviews and focus groups in parallel with these activities.

- In Vietnam and Indonesia exit meetings were held by the evaluators with the project teams. However, final stakeholder meetings to discuss preliminary findings were not organized. In Vietnam this was due to the short lead time for planning and the travel schedules of key stakeholders following the main field work. In Indonesia a final stakeholder meeting was not organized because the programme staff did not think national stakeholders would be available to attend in light of other stakeholder meetings (the Project Advisory Committee bi-annual meeting and Impact Assessment Findings workshop) organized by the programme during the same period. This limited the opportunity for the evaluators to receive comment on initial country-level findings.

### III. Findings

The main findings are presented in following sequence: relevance and strategic fit; progress and responses to the midterm evaluations; effectiveness of the delivery of core services; effectiveness of contribution to policy; effectiveness of the gender equality strategies; and efficiency of resource use with a focus on human resources, and sustainability. Within each section, cross-country comparative findings are presented as well as specific findings for BWV and BWI.

#### 3.1 Relevance and Strategic Fit

This section examines the relevance of BWV Phase II and BWI Phase II to the country context and ongoing stakeholder needs and expectations. The section also considers the contribution of the projects to ILO's DWCP and UN development frameworks and the strategic benefit of Better Work's integration with ILO towards policy aims.

##### 3.1.1 Relevance to country context and stakeholder needs

**On the whole, the design and implementation strategies of BWV and BWI are relevant to the interests and priorities of the stakeholders, particularly the core strategies to support compliance in the garment industry. There are a number of similar perceptions among stakeholders in Indonesia and Vietnam about BW's relevance to their needs. Specific relevant aspects are the stakeholders' trust in ILO as the international standard setting body, the benefit to factories of a reduction in the number of audit requirements, the benefit to buyers of the audit plus advisory package or "complete solution" offered by Better Work and the relevance to government of a "self-complying" industry.**

##### Government:

Government stakeholders in both countries find that the project benefits and complements their labour inspection capacity and response to non-compliance, especially through reporting on persistently non-compliant cases and cases of Zero Tolerance Protocol violations. Government stakeholders in both countries acknowledge the way that tri-partite partners have been actively engaged by BW compared to other projects. In addition, they find BW is relevant because its audit process is adapted to the labour code in each of the respective countries.

*Government stakeholders indicate that BW has boosted the capacity of the Labour Inspectorate:* The Inspectorates in both countries suffer from resource shortages relative to the number of enterprises to be inspected.<sup>4</sup> In Vietnam, the labour inspection unit of the Ministry of Labour, Invalids and Social Affairs (MOLISA) does not prioritize for inspection factories registered with BWV as reported quarterly to provincial labour officers via the provincial Project Advisory Committee (PAC) unless they receive complaints from workers or a third party. This is helping to reduce the burden of inspection. The Chief of the Labour Inspection Department and chair of the BW national Project Advisory Committee suggested that BWV could also notify the provincial PAC more quickly to avoid duplication of inspections prior to notification. Project staff point out, however, that reducing duplication is limited by the provincial annual inspection planning process, such that once plans are approved by the Provincial People's Committee new factories joining BWV after the approval of the plan will be inspected as planned. In both Vietnam and Indonesia, there are clear agreements in place for notifying

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<sup>4</sup> In Vietnam, the Inspectorate has only 450 staff in total, among these 150 officers country-wide are assigned to enterprise inspection. In Indonesia, the labour inspection services can only reach between 200,000 and 250,000 firms per year out of a total of 22.7 million micro and small enterprises and 3.8 million medium and large enterprises in Indonesia. See ILO, *Labour and Social Trends in Indonesia 2012* (Jakarta 2013), p. 49.



labour authorities when serious issues are found in BW factories by BW enterprise advisors which may allow inspectors to focus their efforts in non-BW factories until they are notified of a problem.

*Government stakeholders are grateful for BW help to clarify and disseminate national labour laws to local levels:* In Vietnam, MOLISA representatives of the Wages and Labour department and the Labour Inspectorate find BWV highly useful in providing experience and discussion platforms to inform labour policy reform, and in helping to disseminate and guide factories on the regulations emanating from the 2012 revision of the Labour Code. In Indonesia, according to the preliminary findings of one study about the interaction of BWI and the Labour Inspectorate<sup>5</sup>, BWI has helped Ministry of Manpower to uncover how some national labour laws may have been misinterpreted at the district level and have enabled central authorities to clarify and provide more guidance to district labour inspectors.<sup>6</sup>

*Government stakeholders appreciate BW efforts to improve industrial relations in the garment industry:* As Vietnam moves towards ratification of Freedom of Association and Collective bargaining conventions under its industrial relations reform agenda, MOLISA's International Cooperation Department (ICD) indicate that BWV has provided a testing ground for social dialogue mechanisms that are now mandated in the labour law under MOLISA's Decree No. 60.<sup>7</sup> Similarly, in Indonesia, MoM officials expressed satisfaction with BWI support to establish and build the capacity of bi-partite workplace and occupational safety and health (OSH) committees, which are mandated by law but either do not exist or do not function effectively in many factories.

*Labour authorities in both countries agreed that the issue of compliance and workers' protection is important in light of their export trade agenda.* In Vietnam, BWV was designed in the context of growing government and private sector response to existing or anticipated free trade agreements with significant potential benefits for Vietnam's garment sector, which entail stringent labour standards requirements. Thus, the government and industry stakeholders find the project highly relevant to the need for industry improve compliance with labour standards, both national and international. However, in Indonesia, labour officials also expressed concern about the potential negative effect of some BWI policies on the reputation of Indonesian Industry and its potential follow-on effects on export trade. Specifically, ministry officials in Indonesia were anxious about the negative tenor of the publically available annual compliance synthesis reports, the soon-to-be introduced public reporting policy and BWI Zero Tolerance Protocol, which specifies non-compliance issues that are subject to immediate reporting to brands and the inspectorate.<sup>8</sup> A related concern, MoM is uncomfortable with comparisons between BW countries; they observe that while the indicators may appear comparable, contextual factors such as differences in labour laws may result in Indonesian-based firms being held to a higher standard than firms in competing countries.

*Labour officials in Vietnam would like to see BW expanded:* The limitations of BW noted by the MOLISA's International Cooperation Department<sup>9</sup> were that BW presently only operates in the garment industry and that the proportion of enterprises is still small. Within the sector the challenge

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<sup>5</sup> Ockert Dupper and Colin Fenwick, "The Interaction of Labour Inspection and Private Compliance Initiatives: A case study of Better Work Indonesia" July 2015.

<sup>6</sup> One example cited was the existence of varying interpretations of new minimum wage legislation and conditions under which companies could be granted a temporary waiver.

<sup>7</sup> Decree No.60/2013/ND-CP June 19 2013 on the grassroots democracy in the workplace, requires bi-partite committees in every workplace.

<sup>8</sup> The protocol provides that when EAs discover instances of child labour, forced labour, sexual violence and issues that pose an imminent threat to worker health and safety, they will report the issue to the BWI Programme Manager, who in turn will inform the Ministry and the district or provincial labour inspectors in writing of the violation within 24 hours. Brand representatives should likewise be informed.

<sup>9</sup> The ICD plays a key role in facilitating cooperation between MOLISA and international development partners and is a member of the Project Advisory Committee.

remains to reach a larger number of SMEs and factories which occupy the “second tier” of the supply chain.<sup>10</sup>

#### Workers’ Organizations:

Workers’ organizations in both Vietnam and Indonesia report that Better Work has strengthened their capacity, even though the context of trade union activity is very different in the two countries.

In Vietnam, the Vietnam General Confederation of Labour (VGCL), which is represented on the PAC, is the only recognised trade union, and freedom of association therefore remains limited. In Indonesia, there are three main trade union confederations, all of which are represented on the PAC, as well as a large number of unaffiliated trade unions that represent workers at the factory level.

In Vietnam, representatives of both the VGCL at national level, and the Ho Chi Minh City provincial Federation of Labour (HCMC FOL) expressed that BWV has been highly valuable in terms of providing training to the VGCL and local levels on the requirements of the revised labour law and has built the capacity of trade union officials to promote key legal compliance issues, including the signing of collective bargaining agreements, legal requirements on hours, compensation and contracts. The HCMC FOL in particular has played a very direct role in implementing project activities providing training of trainers supported by BWV.

In Indonesia, trade union representatives of the three main confederations consulted by the evaluator indicated that BWI has been very supportive of trade union programs. Several union representatives at different levels indicated that BWI has contributed significantly to improving access by their members to factory management. They also see BWI as an important means to leverage buyer pressure to uphold workers’ rights, including the right to join a trade union.

National workers’ organization leaders in Indonesia value BWI potential contribution to their institution’s strength (membership size, bargaining power in national level social dialogue and policy debates on wages, the use of contract labour) while at the shop level, the trade unions representatives were more interested in how assessments and EA advisory services support them to raise issues such as unpaid or forced overtime, wages, excessive use of short term contracts, the collection of union dues and unfair labour practices (union busting) with factory management.<sup>11</sup>

#### Employer Organizations:

BW has engaged with the national employers’ organization in Vietnam and Indonesia. In both countries, the organization is a member of the PAC; however, in Vietnam, BWV has been successful in directly engaging the employers’ organization in a variety of other activities. Divergences between employers’ perceptions in the two countries may relate to the importance of the garment sector in the respective countries.

*BW responds to employers’ organization priorities in Vietnam:* Representatives from the Vietnam Chamber of Commerce and Industry (VCCI) at the national level and in HCMC expressed strong support for the BW service model and its relevance to employer needs. The priority of the VCCI is to promote Vietnam’s international trade position and hence the labour standards reputation of Vietnam’s manufacturers is very important to attract international buyers. Vietnam’s Free Trade Agreements and their attendant labour standards requirements, continue to be high on the employers’ agenda,

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<sup>10</sup> BWV works with around 100 SMEs among 400 active factories currently in the program.

<sup>11</sup> Building on the positive feedback from trade unions and in response to requests for additional assistance, BWI has made efforts in 2016 to expand and deepened communications between trade unions and BWI staff, at both national and regional levels.

despite the present doubt over the ratification of the TPP agreement following the US election. According to VCCI representatives, BWV has access to rich expertise within the ILO on the application of the core international labour standards to support its advisory services, which gives it an advantage over other auditors providing services to manufacturers and buyers.

In addition, the VCCI regards BWV as a highly useful programme to promote harmonious labour relations and help factories be compliant with laws and ILS. The VCCI sees the Performance Improvement Consultative Committee (PICC) as a useful way to help address social dialogue issues. The VCCI is closely engaged with the project, as a member of the PAC and in activity delivery such as the provision of Industry Training Seminars. Again, the reservation expressed by VCCI representatives was the limited coverage of the garment industry, including the central region and SMEs, and the potential to expand to other export sectors<sup>12</sup>.

*Employers' Organizations in Indonesia support BW but BWI's narrow focus on compliance issues within the export-oriented garment sector limits their engagement:* Even though BWI is relevant to business concerns within the export-oriented garment industry in Indonesia, this segment is a very small section of Indonesia's economy and even of its manufacturing sector. This may affect the perceived relevance of the program within national economic, trade and investment policy forums in which the National Association of Indonesian Employers (APINDO) is most active. To date, APINDO participation in the program has mainly been taking part in PAC meetings and periodic national workshops.

BWI collaborates with Indonesian Textile Association (API), which is also part of the PAC, but greater collaboration with BWI may have been affected by limited staff availability and API's strategic orientations toward trade rather than compliance issues. The evaluator was not able to consult directly with either APINDO or API during the evaluation fieldwork.

#### Garment enterprises:

Garment Enterprises' main priority is to attract buyers and in both countries this is a key reason they find BW's services to support their labour standards compliance useful. BW is highly relevant to this aim as it enables them to attract and retain compliance-sensitive buyers based on its provision of guidance and assessment services. Factory management is also interested in BWI's potential to reduce the time and cost burden of multiple compliance audits. The enterprises consulted in Vietnam and Indonesia attested to the relevance of BW's bundle of services, with some specific differences of opinion on the quality of assessments (as described in section 3.3).

In both countries, discussion with enterprises raised some *concerns of enterprises that are not adequately addressed by BW*. There are challenges to enterprises which impact on their market position that are based on buyer behaviour. Some of these issues are beyond the control of BW in-country to influence as the garment industry is very unpredictable and moves from country to country based on factors such as proximity to materials, costs, quality, as well as compliance issues. The Tuft's impact assessment identified other types of concerns of factories not addressed directly by core services but which have been discussed in buyer forums. Factories are concerned with instability of orders, frequent rush orders, and slow payment. Since 2014 BWV has been working with the IFC Global Trade Supplier Finance (GTSF) program to offer factories access to short term lines of credit to ease cash flow difficulties and facilitate export activities. One of the conditions for IFC lending under this project is social compliance performance, and well-performing factories from the BWV

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<sup>12</sup> Seafood processing, electronics, wood products and footwear were the export sectors where various stakeholders would like to see the BWV approach applied in Vietnam.

programme receive preferential consideration in access to loans.<sup>13</sup> In Indonesia, the possibility of offering support through BWI to address the latter point is a point of discussion with the IFC, which may be able to extend loan facilities to BWI factories through existing factories.<sup>14</sup>

*The cost of BWI services is a concern for some factories:* One factory representative expressed concern about the program annual subscription fees and his desire to have a lower cost option based in part on what he perceived as declining value-added of advisory visits in his factory over time (his factory was in its 4<sup>th</sup> year with BWI). With the introduction of the new model there is greater flexibility in offering more tailored advisory services which may prove to be more valued by long-term clients.

### Buyers

Buyers registered with the programme commonly cite the relevance of BW's expertise on International Labour Standards. In addition, buyers' compliance department representatives consulted in both countries emphasised the value-added of BW in providing a "complete solution" to their compliance and follow-up monitoring needs, as compared with other auditing services that only provide assessments.<sup>15</sup> They chose BW because of the ILO's reputation as the standard setting body on labour standards.

Buyers attested to the unpredictability of the industry and the pressures this puts on enterprises, which in turn can have negative impacts on workers' conditions. For example, some buyers have moved their operations out of Bangladesh following Rana Plaza disaster due to lack of confidence in the safety conditions, whereas others have stayed. In Vietnam and Indonesia they reported that buyers experience difficulties in promoting compliance due to the conflicting aims and priorities of their production and compliance sections, where compliance sometimes endeavours to encourage production to adjust its purchasing practices.

In Vietnam, the evaluator met with compliance representative of two international buyers, which are both buyer partners of BW globally.<sup>16</sup> Both these buyers have long-standing relationships with BWV. Both buyer representatives met expressed their trust in the BWV assessment and advisory process and have agreed not to conduct duplicative audits of their BW suppliers. One of the buyers requires that all its source factories in join BWV. The other strongly encourages its suppliers to join. In the words of one buyer representative "Better Work helps us meet our goal of 100% compliance with national law by 2020" (Nike representative).

In Indonesia, based on feedback from the Senior Enterprise Advisor in charge of brand relations during phase II and feedback from a small group of brand representatives, buyers involved in the program are also increasingly convinced by the value-added of advisory and training services. This is backed up by the latest employers' survey by Tufts University which shows that BWI factories are facing fewer duplicative audits, an indicator that more buyers are subscribing to BWI and/or that existing subscribers have greater confidence in the results of BWI assessments. Still, the small focus group of buyers expressed some impatience and desire to see more and quicker results, which was also reported in the midterm evaluation. As an indicator of buyer "impatience", one BWI enterprise advisor reported that some slow-to-improve factories have had their ratings lowered by BW buyers to

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<sup>13</sup> The IFC has disbursed a total of US\$247,000 million to the garment sector in Vietnam under the GTSF program, and is currently working in 12 factories supplying Nike, Puma, Levi and Columbia.

<sup>14</sup> This is seen as a possibility by BWI in Indonesia but they have not yet obtained information from the IFC about the feasibility of such collaboration.

<sup>15</sup> This comment was made directly by a representative of ESPRIT in Vietnam.

<sup>16</sup> Vietnam has 31 buyer partners and around 25 buyer participants according to June 2016 reporting.

increase pressure for improvement even though they are not supposed to “penalize” suppliers so long as they remain committed to improvement.

Donors:

A representative of one of the BWV donors, the Swiss State Secretariat for Economic Affairs (SECO) observed that BWV’s national stakeholders on the PAC are very committed to the project. He also noted the value of the High level Conference convened by BW in bringing donors, government, ILO and partners together to discuss issues of thematic better work issues.

### **3.1.2 Alignment with ILO Country Programs and UN Development Frameworks**

**In Vietnam and Indonesia, Phase II of BW was well aligned with ILO country programs and UN development frameworks. In the two countries, the ILO was able to capitalize on synergies between BW and other ongoing projects which leveraged additional resources and added value to the respective programs.**

Vietnam

The objectives of BWV Phase II are closely aligned with those of the ILO Vietnam Decent Work Country Program (DWCP) 2012-2016 and BWV has shared resources and jointly implemented activities with several ILO projects in Vietnam. In particular, the project addresses Country Priority 1, Outcome 2, which targets enterprises, cooperatives and informal business establishments toward an improved business environment, access to services and better working conditions for sustainable development. BW is also linked to the ILO’s Strategic Policy Framework 2010-2015 objective of creating greater opportunities for decent work for women and men by taking a sectoral approach to decent work.

The project has made tangible efforts to collaborate with other ongoing projects under the country framework, including those on Industrial Relations, Labour Inspection, and Occupational Health and Safety.

A significant area of cooperation is with the Industrial Relations and Labour Reform Project, known as the IR Project, where the project has shared resources and policy platforms, particularly in the area of social dialogue and trade union training which was delivered through the Australian Trade Union NGO, APHEDA. The level of cooperation was examined in detail in the evaluation of the United States Department of Labour (USDOL) funded projects including the sub-project of BWV implemented through the IR project and APHEDA.<sup>17</sup>

BW has collaborated and exchanged experience with the Sustaining Competitive and Responsible Enterprises (SCORE) project, which focuses on productivity improvement in SMEs in a small number of factories in Ho Chi Minh City.<sup>18</sup>

The project has also complemented and laid the groundwork for the USDOL funded child labour project, known as ENHANCE, in its development of pilot guidelines for age verification in enterprises and awareness raising among the labour inspectorate on child labour issues. ENHANCE, which commenced in 2015, also works in the garment sector, and will direct in-depth training to the labour

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<sup>17</sup> O’Brien & Associates. Independent Evaluation of USDOL’s Portfolio Promoting Workers’ Rights in Vietnam. December 2015.

<sup>18</sup> The SCORE programme is a global ILO initiative to support small and medium enterprises’ development and create decent work. It aims to solve problems faced by SMEs through training for managers and employees, along with on-site consultations and guidance.

inspectorate on identification and response to child labour, focusing particularly on the informal sector and lower end of the supply chain. Other projects that BWV has collaborated with during Phase II were the labour inspection project and the Occupational Safety and Health project.

At the strategic level the Country Director indicated the intention to actively seek ways to achieve greater impact on issues such as Freedom of Association and Collective Bargaining through increased alignment of the strategies of projects in the coming DWCP.

*Alignment with UN development frameworks:* ILO is a partner in the ONE UN initiative “Deliver as One” in Vietnam, which has developed an integrated development framework for technical assistance. BWV contributes to Focus Area One, Inclusive, Equitable and Sustainable Growth, which focuses on balancing economic goals with social, human and environmental development. In particular, BWV aligns with Outcome 1.3: Institutions create opportunities for decent work for people of working age, particularly the most vulnerable and disadvantaged to benefit in the process of socio-economic transformation.

### Indonesia

Phase II of BWI was well-aligned with the ILO DWCP 2012 – 2015 and to some extent with other UN development frameworks in Indonesia. Several ILO Country Program activities link and provide support to Better Work Indonesia and vice versa. The three priority areas of ILO constituents for Indonesia laid out in the DWCP were:

1. Employment creation for inclusive and sustainable growth;
2. Sound industrial relations in the context of effective employment governance; and
3. Social protection for all.

BWI contributed primarily to outcomes under Priority Area 2 which focus on improving the capacity of the Labour Administration to provide effective services to improve working conditions and of Employers’ and Workers’ Organizations to contribute to sound industrial relations according to their respective mandates and responsibilities. BWI activities contribute directly to the following DWCP indicators:

- Number of new or upgraded technical services that employers’ and workers’ organizations conduct to their members using ILO knowledge products or ILO training contents
- Number of new or improved Bipartite Cooperation Institutions (LKSB) at the enterprise level
- Number of Collective Labour Agreements at enterprise level with facilitation training by ILO of workers and employers
- Number of new or improved enterprise-level bipartite grievance mechanisms to prevent and settle disputes effectively

Several of ILO Jakarta Office’s activities to support the DWCP are complementary to BWI including:

- ILO Jakarta collaborated with Japan International Labour Foundation (JILAF) and the three major confederations (KSPSI, KSPI, and KSBSI) in Indonesia in implementing joint OSH training programs.
- ILO Jakarta implemented a program on developing and applying preventative safety measures against HIV/AIDS in the workplace. The program assisted BWI to develop guidelines and a training course on addressing HIV and AIDS in the workplace.
- ILO facilitated social partners to develop policy advocacy and programmes to promote equality for people with disabilities. In 2011, six UN agencies established the UN Partnership on the Rights of Persons with Disabilities (UNPRPD) – a multi-donor trust fund to support collaboration between UN agencies in country-level programmes to promote the rights and

opportunities for persons with disabilities. The program on disabilities<sup>19</sup> and BWI collaborated to assist BWI enterprises to comply with the government regulation that requires enterprises to have at least 1% of their workforce be persons with disabilities. BWI organized sewing skill training for 42 persons with disabilities who were later hired by BWI factories.

- BWI also worked with SCORE – piloting SCORE modules in BW enterprises. The effectiveness of the experience was varied, and more experimentation is required to find the best way to elaborate the collaboration between SCORE and BWI.

### **3.1.3 Comparative advantage of Better Work’s integration with the ILO**

**Under the second phases of BWV and BWI, the integration of Better Work within the ILO served the delivery of the policy influence component mainly by strengthening the voice and involvement of ILO tripartite constituents in what had been mainly industry-driven social compliance initiatives in the garment sector. In addition, the credibility of the ILO and BWG among global brands was critical in BWI and BWV achieving scale and its scope for influencing global value chain stakeholder behaviour and policies within the sector.**

Tri-partism is the normal way the ILO does business and by injecting it into a private compliance initiative, the ILO through BWV and BWI has boosted the industry (mainly brands’) efforts to regulate the apparel industry by strengthening the complementary roles played by government, Workers’ and Employers’ organizations. In Vietnam, BWV is very well regarded by the tri-partite stakeholders and is well-placed to leverage influence on their policies. The ILO in the country has access to high level policy makers and policy forums. In Indonesia, BWI also relied on ILO’s strong relationship with the MoM, national trade unions, and the Indonesian Employer’ Organization to bring these stakeholders into discussions on how to improve compliance in Indonesia’s apparel industry.

*In both Vietnam and Indonesia, the ability of the Better Work programmes to reach government policy makers have been enhanced by its association with the ILO:* In the evaluation interviews representatives of MOLISA in Vietnam expressed that the ILO is consulted on major policy issues such as the labour requirements of trade agreements, wage reform and industrial relations. The collaboration of between MOLISA and the ILO is also discussed on the agenda of the annual Labour Dialogue held between MOLISA and the USDOL, which has a significant portfolio of projects supporting labour law implementation, industrial relations promotion and trade union capacity development.

As part of the ILO and through its collaboration with other ILO projects such as the IR project and labour inspection project, BWV has exerted significant influence on national level policies, such as the social dialogue provisions in the Labour Code and MOLISA’s child labour remediation policy through the launch of the Zero Tolerance Protocol.<sup>20</sup> A donor representative of the Swiss State Secretariat for Economic Affairs (SECO) also underlined the importance of the High Level Conference with participation of the Prime Minister, the ILO and donors, which enables BW to raise thematic issues on the government agenda.

In Indonesia, BWI efforts to strengthen the role of the labour administration in what had been mainly industry-driven, voluntary compliance initiatives positioned BWI to have wider influence on labour policies. During phase II, BWI worked closely with the Directorate General of Labour Inspection Development and Occupational Safety and Health. In addition to its enforcement function, the labour

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<sup>19</sup> Promoting Rights of People with Disabilities in Indonesia (PROPEL). The main objectives of the project related to strengthening institutional capacity of disabled people’s organizations and collaboration between disabled people’s organisations and governmental focal point institution, and strengthened capacity for disability data collection for planning and budgeting.

<sup>20</sup> Prior to Phase II, BW’s experience implementing bi-partite workplace committees influenced the 2012 revision of the Labour Code with respect to social dialogue in the workplace.

inspectorate in Indonesia is also responsible for formulating policies, standards, norms, guidelines, and mechanisms, and providing technical guidance and evaluation services. BWI collaborated with the Directorate through the PAC and Ad Hoc Committee on Labour Law, and through less formal interactions, such as by engaging labour officials as resource persons in training and by consulting district levels labour offices for technical advice on how to approach issues such as occupational safety and health.

*ILO and BWG credibility and support was critical in BWV and BWI achieving scale, a prerequisite for influence:* By the end of phase II, BWV and BWI had achieved significant scale and *potential* influence on compliance-related practices at the sector level in both countries.<sup>21</sup> To achieve this scale and related potential to influence supply chain practices and policies, the programs benefited from the support of BWG to attract brands to the program and with them, their factories in both Vietnam and Indonesia. Some top brands with production in the two countries, such as GAP, H&M and Nike, now require their suppliers to subscribe to BW. In addition, through its linkages with the global program, BWV and BWI are able to use national and global business forums to exert influence on brand behaviour.

### **3.1.4 Alignment with national employment and gender equality strategies**

**In Vietnam and Indonesia, the aims of BWV and BWI align with national employment and gender equality strategies mainly by seeking to increase productivity and employment within the garment sector. In terms of gender mainstreaming, the programs contribute to improving working conditions and productivity in an industry with high rates of female participation in the workforce. The programmes' expected gendered impacts are well aligned with the two governments' gender policies through the delivery of core services with respect to compliance on non-discrimination issues, as well as through the special gender-targeted projects.**

#### Vietnam

BWV is broadly aligned with Vietnam's national socio-economic development strategies. Vietnam's Socio-Economic Development Strategy (SEDS) for 2011- 2020 foresees Vietnam becoming industrialized by 2020. The SEDS affirms the change in the growth model and the restructuring of the economy, with increased productivity, environmental sustainability, social equity and macroeconomic stability. The SEDS adopted three major "breakthrough" areas, namely improving market economy institutions, infrastructure development and development of skilled human resources, as the fundamental drivers of the planned industrialization

Vietnam's Law on Gender Equality, effective July 2007, provides for the equality of women and men in employment, with reference to wages, training and promotion opportunities and discrimination. It directs ministries to uphold gender equality principles in their spheres of management and legal frameworks. MOLISA has a gender equality department whose function is to ensure gender mainstreaming across the Ministry's functions. The Labour Code provides relatively strong provisions to ensure women workers' rights anti-discrimination on recruitment and wages, paid maternity leave entitlements, breastfeeding and pre-natal care. BWV's core services support compliance with these laws.

#### Indonesia

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<sup>21</sup> As of November 2016, BWV is working with 431 factories and more than 40 buyers. By the end of Phase II, BWI worked with approximately 169 factories and over 30 buyer partners. It has targeted to enrol 190 factories by end of 2016.



BWI clearly fits within the framework of national strategies to promote employment and more particularly employment in labour intensive industries which is a priority of the current government. As in Vietnam, BWI core services aim to improve compliance with national labour laws which also feature relatively progressive regulations to encourage female participation in the labour market such as paid maternity leave and provisions to support breastfeeding women workers as well as laws that discourage discrimination between men and women in regard to wages and benefits.

The Indonesian government's approach to gender policy is to mainstream gender into sector policies, including employment. The Presidential Instruction (*Inpres*) Number 9 (2000) of the Republic of Indonesia on Gender Mainstreaming in National Development requires all ministries and government bodies including regional governments to implement gender mainstreaming. Gender was stated as one of the principles to be mainstreamed in all development programmes/activities, along with good governance and sustainable development in the Law (*UU*) Number 17 Year 2007 on the National Long Term Development Plan (*RPJPN*) 2005 – 2025. BWI is one among several ILO Jakarta projects that mainstream gender in employment programs.<sup>22</sup>

### **3.2. Delivery Progress and Response to the Mid-Term Evaluations**

#### **3.2.1 Overview of progress of BWV Phase II and BWI Phase II**

**Both BWV and BWI achieved the majority of their delivery outputs and targets during their second phases. The scale of coverage of registered suppliers was substantially increased, reaching 50% of large export garment factories in Vietnam and around 30% of the export-oriented sector in Indonesia, based on estimates of the number of export-oriented garment enterprises. The projects also expanded geographically, extending to the North of Vietnam and beyond Jakarta to Central and West Java in Indonesia. In both countries, BW also initiated small scale operations in the footwear sector.**

#### **3.2.2 Progress of Better Work Vietnam**

During Phase II BWV's efforts have focused on:

- Extending the delivery of core assessment and advisory services and training to a larger number of factories and refining the model of service delivery (Objective 1);
- Leveraging BWV knowledge and documented experience to contribute to national policy discussion and development (Objective 2);
- Extending coverage to the North and the footwear sector and producing tools to improve the depth of impact (Objective 3);
- Increasing cost recovery and staff capacity towards programme sustainability (Objective 4); and
- Increasing the capacity of national partners towards the sustainability of BW operations and results (Objective 5).

BWV has achieved significant advances in a number of areas. Early in the phase in mid-2013, it adjusted its core assessment and advisory services to match the revised Vietnam Labour Code

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<sup>22</sup> The ILO Country Office implemented other programs addressing issues related to women's employment including MAMPU - Access to Employment and Decent Work for Women Project, Phase 2 (2014-15) which focused on improving women's access to jobs and removing workplace discrimination for home workers and women workers with disabilities. ILO Indonesia also participates in the Global Action Programme on Migrant Domestic Workers and Their Families and with Vietnam in Tripartite Action for the Protection and Promotion of the Rights of Migrant Workers in the ASEAN Regional (ASEAN Triangle) project with its significant focus on gender.

effective 2013. From 2014 to 2016, the project expanded rapidly, including extending coverage to the North, which has now reached 115 factories, and opening an office in Hanoi in March 2014.

BWV has more than doubled the number of registered factories, from 181 in 2013 to 431 in November 2016. BWV also achieved a limited extension to the footwear sector, with 19 factories now included. From early 2015 BWV focused on introducing the adjusted model, which entailed an initial pilot and intensified training for Enterprise Advisors to deliver refined advisory services under the model. This model was rolled out to all factories by August 2016.

One of the planned outputs under Objective 1 was expanding the scope of assessments to include environmental assessments since many buyers require environmental standards compliance. This activity commenced as a pilot under IFC management in seven Better Work factories in 2013, with a view to potentially integrating environmental standards in the assessment service. However, the piloted approach was not rolled out as there was a BW global decision not to create a new environmental tool but to wait and explore the potential use of the Sustainable Apparel Coalition's *Higg Index* environmental compliance tool, which is commonly used in the industry.<sup>23</sup> A further pilot of this tool will be carried out under IFC management in 2017 to test its application in Vietnam and for Better Work globally.

The planned outputs under Objective 2 focused on the use of BW knowledge products to contribute to policy discussion. The project has been very active in its engagement with policy makers and buyers on policy issues and sharing its knowledge products through PAC meetings and numerous policy discussions under the ongoing reform of the labour law. The results are not well captured in the project indicators; however, key policy developments included MOLISA's adoption of the BW Zero Tolerance Protocol.<sup>24</sup>

As part of its effort to support service delivery, included in the planned outputs of Objective 3, BWV has produced numerous tools and guidelines to support its advisory services including an online guide to the Vietnamese Labour Law for the Garment Industry, updated in 2016, aimed at factory managers and HR staff, and a new Labour Law Guide Application for smartphone.

Project performance against BWV targets as reported in the June 2016 Performance Monitoring Plan (PMP) report is included in **Annex F**. As of June 2016 reporting, BWV was on track to deliver the majority of its intended outputs by the end of the project.

### **Response to the recommendations of the MTE**

The Mid-Term evaluation of BWV took place from May-June 2015, and the report was completed in August 2015.<sup>25</sup> The evaluation found the BWV was making strong progress towards its objectives. It also identified several areas for improvement, with four clusters of recommendations:

- (1) Revision of the indicators corresponding to the logframe to ensure that they effectively measure the adjusted model, can be interpreted clearly and are streamlined with the BWG Performance indicators.
- (2) More strategic consideration of what policy to influence and by what methods.
- (3) Strategic expansion aimed to increase impact, rather than numbers or geographical coverage.

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<sup>23</sup> <http://apparelcoalition.org/the-higg-index/>

<sup>24</sup> For example, *Number of press releases or similar communications issued by BWV to influence policy debates, and No. of country policies changed as a result of BW's activities.*

<sup>25</sup> ILO Evaluation. Better Work Vietnam Phase II. 28 August 2015.

(4) More clarity on what BWV aims to achieve in promoting gender equality.

The MTE further advised against expanding core services to include environmental assessment during the current phase on the basis of constraints in staff capacity reported by the MTE; but as noted above, such an expansion has not been attempted for a different reason, as there is a global decision and agreement with IFC to pilot the application of the Higg environmental assessment tool in 2017.

A systematic response to the MTE recommendations was not taken up in Vietnam. Regarding the process of responding to the MTE, the project management team stated that the timing of the evaluation and the public release of the report in December 2015 did not allow sufficient time to implement all the recommendations of the evaluation before the end of the project, with around one year remaining. BWV management supported the thrust of the recommendations, according to the CTA and Technical Officer, but a systematic reporting to BWG of the planned response evidently did not occur. Nevertheless, the project's strategies in key areas from the second half of 2015 onwards have evolved in concert with the recommendations, as observed through staff and other stakeholder interviews. In particular, the expansion of enterprises and geographical coverage has been staged and limited. The major recommendations for improving the policy influence strategy and gender strategy remain to be further enhanced in the next phase.

Taking each area in turn, implementation compared with the recommendations has progressed as follows:

Monitoring and evaluation indicators: No changes were introduced in BWV's Performance Monitoring Plan (PMP) indicators as a result of the MTE. However, in the first half of 2015, at the same time as the MTE, a review of Better Work Global reporting was underway in an effort to address concerns about reporting requirements among country programmes. The revised global Performance Monitoring and Reporting (PMR) system brought changes to the set of global indicators, reducing from 35 to 32 indicators and making improvements to the measurement of training effectiveness and other elements of core service delivery. This also meant that the way of calculating some PMP indicators globally and in Vietnam changed (e.g. average no. of days per EA dedicated to advisory services). However, numerous global indicators are not included in Vietnam's PMP and further mainstreaming as suggested by the MTE would be helpful in evaluating progress. Further, some of the indicators common to the BWV PMP and BWG list remain difficult to interpret. For example, the criteria for the indicator of the functionality of the PICCs are subjective and difficult to assess; and the indicator for assessing efficiency of advisory services "average number of days spent in advisory visits per EA in a 6 month reporting period" is hard to interpret under the differentiated model of service delivery. A better indicator of efficiency might be "the ratio of number of EAs to number of enterprises covered".<sup>26</sup>

For the next phase, the evaluation recommends that the streamlining of BWG indicators and BWV-specific indicators continue, including attention to the way the effectiveness of core services is monitored globally under the adjusted model, ensuring that the meaning of the indicator data is clear. Secondly, the project should endeavour to negotiate with its donors to have the same performance monitoring plan for all donors and report against it. The formulation of immediate objectives should be improved, in accordance with results-based management guidelines and better construction of the cause-effect logic.<sup>27</sup> The project logical framework at outcome level was not discussed in the MTE, but

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<sup>26</sup> This finding also applies to Indonesia.

<sup>27</sup> For example, Immediate Objective 1 includes the element of driving change throughout the industry which is higher level development objective. There is no output or indicators associated with this element of the outcome, other than outputs for the delivery of core services. Driving change throughout the industry would also be a result of the 'expansion' objective and the 'policy influencing' objective.

this evaluation suggests that in a future phase, any expansion by geography and by sub-sector (footwear) should be part of the core service delivery targets. More broadly, in terms of managing M&E requirements, the next phase of the project may benefit from having an M&E specialist on the team, or more M&E technical support from BWG.

Policy influence strategy: No specific change or elaboration of the policy influencing strategy was apparent in response to the MTE (i.e. sharpening the “who, what and how” of policy advocacy). However, BWV has continued to engage closely with the tri-partite stakeholders in policy discussions, especially through the national PAC. The effectiveness of policy strategies is taken up further under *Section 3.4*.

Strategic expansion: The BWV team has made a strategic decision to limit expansion of factories to a maximum of 60 per year to remain manageable within EA resources, and has limited geographical expansion to 21 provinces currently covered in the South and the North. Significantly, there are many factories waiting to join the program. Some of the stakeholders express frustration at the limited geographical coverage, but given the resources and the need to develop a more efficient core services model, the limited expansion has paid dividends in terms of the quality of services delivered. It also serves the strategic aim of making an impact through a modelling effect rather than BW endeavouring to be in every factory.

Gender strategy: In 2015 the project benefited from the availability of special funding from Human Resources and Skills Development Canada to implement pilot projects on health services targeting women workers. The project did not explicitly change its gender strategy, following the MTE but is looking towards enhancing gender strategies in the coming phase. The current efforts on gender equality as well as potential strategies are addressed in *Section 3.5*.

### **3.2.2 Progress of Better Work Indonesia**

Phase II of BWI was mainly focused on:

- Scaling up BWI core services program to reach a larger number of factories (Outcome 1);
- Establishing an effective institutional framework to ensure the active engagement of ILO tripartite partners and the sustainable delivery of BWI core services through a national institution (Outcome 2) and;
- Capitalizing on BWI lessons learned and knowledge to influence government policy discussion and contribute to international policy debates (Outcome 3).

During Phase II, the number of factories served by the programme grew significantly. The expansion was addressed by hiring and training additional EAs. Project progress reports report short periods of understaffing but in general scaling up the BWI appears to have proceeded smoothly. Many key tools such as the Common Assessment Tool (CAT) had already been adapted to the Indonesian context in phase I of the programme. Phase II added the simplified guidebook on Indonesia Labour Law to the programme’s tool box.<sup>28</sup>

Outputs planned under Outcome 2 included the establishment of BWI governance structures, building the capacity of tripartite constituents to support BW objectives, improving the STAR information system, and strengthening BWI’s overall communication and marketing strategy. Many of the activities planned under Outcome 2 during phase 2 were focused on preparing for the establishment of a national institution to assume responsibility for the delivery of core services. BWI stakeholders engaged in discussion and commissioned assessments to ensure full alignment of the national

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<sup>28</sup> CAT see: [http://betterwork.org/indonesia/?page\\_id=166](http://betterwork.org/indonesia/?page_id=166); Labour law guide: [http://betterwork.org/in-labourguide/?page\\_id=40](http://betterwork.org/in-labourguide/?page_id=40).

institution with the Better Work core values. A key achievement under Outcome 2 was the elaboration of a detailed business plan for the national institution that will assume implementation of BW core service delivery and its endorsement by the PAC.

Outcome 3 activities focused on conducting and sharing policy oriented analysis with tripartite stakeholders with particular focus on policies to improve workplace cooperation at the factory level, improving BWI's monitoring and evaluation system including gathering appropriate data on BWG performance indicators, and organizing and participating in regional forum to exchange knowledge and lessons learned. An achievement of Outcome 3 was support to Indonesia's labour inspectorate on the design of its Labour Compliance Program, which included sending labour officials to work with specialists in Geneva for a 3 month period and the sharing of tools and approaches used by BWI with government.

### **Response to the recommendations of the BWI Midterm Evaluation**

The Midterm Evaluation of BWI took place in October and November 2014.<sup>29</sup> BWI, and where relevant, BWG pursued strategies that were consistent with, or responded to, many of the recommendations of the midterm evaluation as discussed below.

Streamlining of reporting and data collection tools: The BWI Midterm evaluation recommended that BWG rationalize reporting requirements to reduce double efforts. As noted above, BWG launched changes to the global M&E reporting system in the first half of 2015. As part of this initiative, it is seeking to streamline reporting for country programmes by coordinating information requests from Better Work Global and clarifying guidelines for the indicators it is requesting information on. According to BWI programme managers, some of challenges reported in the MTE related to the articulation of the PMP, TPR, and M&E matrix remain, but they are aware that improvements may be on their way based on the PMR findings.<sup>30</sup>

Building on the communications and social media strategy: The MTE highlighted innovative use of social media by BWI, including the pilot smart phone initiative for worker communications on OSH. It recommended maintaining and building on BWI social media communication strategy and adopting similar approaches by BW globally. Following the MTE BWI continued to expand and improve its social media strategy directed at workers under Phase II, including rolling out a Facebook page and mobile phone applications.

Adjust the core service delivery model to more time efficient and/or more financially viable: Since the MTE and continuing under Phase III, BWI has implemented or reinforced a number of strategies to improve the efficiency of core service delivery. These include introduction of the new service model in May 2015, which is intended to bring more time and resource efficiency; and decentralization of staff teams to West Java under Phase III.

Address concerns about the stakeholder acceptance of the social dialogue approach to resolve non-compliance: The BWI EA who previously was the program's chief liaison with brands reported that brand understanding and acceptance of the BW model has increased steadily since the beginning of phase 2. Brand representatives interviewed within the evaluation partially supported this claim. They indicated that they believe that advisory services added value to traditional compliance audits and though results came slower, they were likely more sustainable. They did not highlight the social

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<sup>29</sup> Better Work Indonesia - Phase II Independent Mid-Term Evaluation, 15 December 2014.

<sup>30</sup> Based on discussion with a BWI administrative officer involved in project M & E, the reporting workload on country programmes may also be lightened by improvements in STAR. There are ongoing improvements in the system that may result in more indicators being generated automatically through the system. Improvements were in progress at the time of the evaluation.

dialogue aspects of advisory services in particular. Evaluation observations on the attitude towards the consultative committees/workplace cooperation among factories and buyers are discussed in *Section 3.3*.

Maintaining the value added of the ILO connection in the transition to the national foundation: The MTE evaluation highlighted concerns within the BWI team about what losing the strong ILO connection with BWI would mean for the effectiveness of the planned national foundation. Many of these concerns have been addressed through extended discussions and assessments. It is expected that in early 2017, the BWI Foundation will stand as an independent entity that is no longer under the ILO. During phase II, BWI commissioned the formulation of a business plan for the foundation, which among other things, proposed how to manage the institutional relationships between the new foundation, BWG and ILO Jakarta which should allow the foundation to benefit from the ILO's credibility and strong relations while taking over operational responsibility for core services. This plan is in the process of implementation.

### **3.3 Effectiveness of Core Services**

#### **3.3.1 Overview of core service delivery in BWV and BWI**

BWV and BWI deliver a package of assessment, advisory services, supplemented by training services to member factories aimed at improving their compliance on labour standards. This core element of the programme is delivered under Objective 1 in Vietnam and Outcome 1 in BWI. The assessment of labour standards compliance utilizes the Compliance Assessment Tool (CAT) which comprises clusters and questions corresponding to fundamental rights at work standards, and working conditions adjusted according to national labour laws.<sup>31</sup> The original service delivery model enterprises first receive an assessment by the EAs, followed by a period of advisory services and two progress reports. Enterprises enrolled for one year cycles, during which they receive one assessment and a series of 10 advisory visits.

*Adjusted model:* The adjusted model of core service delivery is gradually being introduced in all BW programmes. The approach is intended to encourage factories to take more ownership of their improvement process as well as to achieve efficiencies in resource use. The aim is also to shift the emphasis of the BW service from an audit to an advisory service. Instead of undergoing an assessment shortly after registration, factories undergo an initial three month period of advisory services, during which they complete their own self-diagnosis on compliance, with guidance from the Enterprise Advisor. This is followed by an unannounced assessment by BW Enterprise Advisors and an assessment report. This process is applied at each enrolment cycle. The number of advisory visits is reduced to 8 days in the first enrolment cycle and 6 days during subsequent cycles, including the initial advisory period. At the time of the evaluation, Vietnam had recently completed rolling out the adjusted model to all member enterprises in August 2016. In Indonesia the adjusted model was initiated in May 2015, and extension to all factories was ongoing at the end of phase II.

#### **3.3.2 Impacts on compliance in Vietnam and Indonesia**

**In Vietnam and Indonesia, the BW programme has brought steady improvements in many aspects of labour standards and working conditions as demonstrated in the Tufts impact assessment. However, certain areas of compliance remain a challenge. In Vietnam, non-compliance is common in occupational health and safety, contracts and excessive overtime in Vietnam; while in Indonesia,**

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<sup>31</sup> Better Work organises compliance assessment reporting into eight areas of labour standards: four clusters cover fundamental rights at work and four cover basic conditions at work. Each of the eight clusters is divided into its key components, known as 'compliance points'.

**in addition to occupational health and safety issues, non-compliance around health care benefits and correct payments for overtime among other issues is prevalent.**

Based on the most recent compliance synthesis report, released in July 2015, BWV factories show gradual improvement in compliance in a number of areas, especially the fundamental principles clusters such as forced labour, child labour and Freedom of Association and Collective Bargaining.<sup>32</sup> However, a large proportion of enterprises were non-compliant in the working conditions clusters particularly occupational health and safety, contracts, overtime limits, paid leave entitlements and other compensation issues. In terms of core labour standards, management interference remains high due to the widespread involvement of factory management in trade union formation and activities.

Over phase II, average non-compliance varied around 35% for 2013 and 2014, but rose to 47% in 2015, compared with the target of 30%.<sup>33</sup> The reasons for the increase are not clear but it may be that there were more new factories in the 2015 sample, or that EAs were becoming stricter in their assessments. However, improvements in compliance between the most recent and preceding assessment (“compliance effort”) gave a more positive picture, showing improvements on the majority of compliance points.

In Indonesia, based on the PMP, which drew its data from BWI compliance assessments, from January 2013 to December 2015, BW factories lowered the average non-compliance rate from 44 % to 38%. The reduction in non-compliance rate was slightly less than targeted for the period (35%) but still represents significant improvement. However, according to the analysis in compliance synthesis reports<sup>34</sup>, a large fraction of factories were noncompliant in many areas including the provision of health care benefits, correct pay rate for ordinary overtime hours worked, harassment, bullying, or humiliating treatment, hiring of disabled workers, and a range of OSH conditions.<sup>35, 36</sup>

The rigorous impact study undertaken by Tufts University, which analysed country compliance data since 2009, and also conducted extensive manager and worker surveys, provides substantial evidence of the positive impacts on working conditions attributed to BWV and BWI, as well as impacts on profitability and buyer practices.<sup>37</sup> Box 1 presents some of the key findings of the study.

### **Box 1. Key Findings of Tufts Impact Study for Vietnam and Indonesia**

#### Vietnam

- Increased compliance with minimum wage laws (from 15% to 3% non-compliance)
- Reduction in hours worked (from 59 hours per week to 55 hours per week)
- Percentage of factories using excessive overtime reduced from 90% to 50% by the 5<sup>th</sup> year
- Gender pay gap reduced
- Take-home pay increased by \$15/week after 4 years’ enrolment
- With each assessment cycle customer audits are reduced
- Factories’ profitability increased by 25% after four years participation
- Workers’ family well-being improved in terms of educational enrolment

#### Indonesia

- Workers were more willing to take serious concerns such as sexual harassment to trade unions
- A steady reduction in worker concerns about shouting and verbal abuse the longer enrolled
- Weekly overtime hours reduced by 3.3 hours/week over four years in the program
- Weekly pay increased by USD 7.38 among factories in the program for 4 years
- The proportion of workers reporting that they hold unlimited time contracts doubled
- The proportion of workers reporting injury concern declines by 0.24
- Customer audits reduced
- Productivity increases recorded and associated with supervisor skills training
- Family benefits: Nearly 90% of children of workers in BW factories are enrolled in school.

### **3.3.3 Observations of effectiveness of core services in Vietnam**

**Stakeholder perceptions:** A range of stakeholders met during the evaluation – enterprise managers, worker-management committees, buyer representatives, VCCI and VGCL – report the core services package as highly effective in improving understanding among workers and managers of the national labour laws and regulations and helping factories make improvements. Productivity gains have also been made according to human resource managers/directors met, because they find workers are more satisfied with their conditions, as well as through improvements through supervisor training and productivity training courses provided.

Enterprises interviewed reported that the core services are highly useful; firstly in helping them achieve compliance and meet buyer requirements; and secondly in helping to reduce the number of social compliance audits required or performed by buyers. For example, an HR manager described their improved understanding and adherence to labour law provisions on wages, hours and paid leave entitlements. Managers and buyers confirmed the finding of the Tufts study that instability of buyer orders and rush orders are among the reasons for exceeding overtime limits and these laws are considered difficult to comply with.

Enterprise managers do not always agree with the CAT scoring and suggested that EAs sometimes do not understand the industry context and score factories as non-compliant on the basis of one case such as a vehicle blocking an entry. BWV aims to instigate changes at the system level. Moreover, the project has a robust quality assurance system in which reports are quality assured with a review by an EA Team Leader and by the factory. Given the quality assurance system in place, BW rarely changes its reports in response to comments, as commented by the CTA, and its reputation with buyers rests on the credibility and independence of the assessments. The occurrence of these minor complaints made by factory representatives interviewed and noted by EAs suggests that the role of the QA system as well as the emphasis on systemic change should be given further emphasis in BW's communications.



*Added value of advisory services:* Management representatives interviewed in four enterprises were unanimously appreciative of the role played by Better Work through the EAs in helping them to understand laws and regulations. PICC management members met at one factory appreciate the responsiveness of EAs, “Our EA is always available to help by phone or email between visits” (HR manager, factory in the North). The fact that advisory services are provided as well as assessment is a key attraction from the point of view of enterprises and buyers: “Compared with other auditors who provide an assessment but no follow-up advice, BWV is much more helpful.”(HR manager, factory in the North). As a Nike representative noted, BW has relative high visibility and frequency of contact with enterprises. He finds the advisory approach effective because it is not a remote desk top review but a hands-on service. However, with the high frequency of non-compliance he recommends that BW be more aggressive on compliance improvement.

*BWV also reduces the burden on the labour inspectorate,* in the context of severe shortage of provincial labour inspectors. The labour inspectorate representatives noted that BW services are well coordinated with the provincial Project Advisory Committees.

**Effectiveness of the adjusted model of service delivery in Vietnam:** BWV began rolling out the adjusted model in May 2015, and it was applied to all factories by August 2016, either at first registration or for subsequent cycles. The adjusted approach places advisory services at the outset to empower worker and management representatives to identify their own learning needs and prioritise needed improvements. It also puts greater emphasis on internal systems to sustain improvements over time. As another element of the adjusted service model, BWV plans in 2017 to start to differentiate its services based on the classification of enterprises into 1 of 2 stages. The classification is based on compliance levels, commitment to effective social dialogue, development of management systems, and learning plans. Those that are classified as “high performing” will receive more advanced advisory support. In the case of persistently non-performing factories, the program is working with the LAB ADMIN/OSH Department of the ILO on a protocol that includes alternative (and stronger) measures to change the behaviors and attitudes of these firms. For factories demonstrating violations of core labour standards and other issues prioritized by national stakeholders, with no commitment to remediation, BWV will support the national Labour Inspectorate as well as its province level branches in effectively following up with labor inspection action including the possible use of fines or other sanctions for failure to improve.

To strengthen the impact of BWV on factory behaviour and prevent factories joining but not improving, public reporting of factory non-compliance on 26 selected issues is being introduced globally. Buyers represented in Vietnam were initially concerned that factories would not take up membership under the public reporting scheme, but are increasingly supportive, based on comments of two buyer representatives.

The adjusted approach has required further coaching of the EAs in their influencing and advisory skills, since enterprises receive an intensive 3 month period of guidance while they complete their self-diagnosis. BWV has assigned two EA team leaders the roles of assessment focal point and advisory services focal point to support the EAs, and quality assure compliance assessments and advisory services. This has been found to be effective according to the CTA in ensuring the quality of services delivered.

In terms of the influence on factories’ sense of ownership and compliance levels, the aim is to build a culture of compliance and continuous improvement among the factories, rather than being motivated by buyer pressure to simply meet compliance requirements. One way BW aims to facilitate this process is by focusing on strengthening management systems that allow factories to solve problems at root cause level rather than treating symptoms. While systematic comparative evidence is not yet

available, EA team leaders in Vietnam observed that compared with the former model, compliance increases more quickly at the first unannounced assessment because the enterprises have already received a period of intensive advisory services. Efficiencies are gradually being seen in time and resources, where the delivery of services is gradually requiring less advisory time per EA, following the initial coaching period, but there are no quantitative indicators to reflect this.<sup>38</sup> BWV plans to introduce further efficiencies through providing advisory services to groups of enterprises in a locality. Enterprise managers confirmed that the new approach encourages them to be more active in developing their improvement plans.<sup>39</sup>

The evaluation observed a potential risk that enterprises will not feel as closely guided and well looked after by BW with the adjusted model, since advisory services will decrease with improved performance. However, BW is devising ways to support the high performing enterprises with more tailored and advanced training, including management systems training, and to offer high performing factories enhanced visibility to (prospective) buyers.

Public reporting will be introduced in the first quarter of 2017 in Vietnam, intended to deal with persistently non-performing suppliers and bring more pressure on enterprises to improve their performance. Initial reaction of the buyers was cautious, but those interviewed are now convinced of its value in bringing greater transparency.

**Effectiveness of PICCs:** The Performance Improvement Consultative Committee (PICC), consisting of workers (including trade union representatives) and management, set up through BW is the chief mechanism for management and workers to discuss issues arising from the assessments and make improvements. A key objective of putting PICCs in place is to empower workers and employers in the workplace to engage and cooperate effectively on sustainable changes in the workplace. The membership is intended to comprise equal numbers of managers and workers, with election of workers from the factory floor. The BWV indicator “Number of factories with an active and functioning PICC” is based on EAs’ judgement per the criteria: ‘meeting on a monthly basis’, ‘facilitation of meetings independently by the members’, and ‘worker members being able to raise their ideas during meetings’. The PICC members are responsible for developing the performance improvement plans in response to BW assessments and self-identified priorities. PMP reporting on functioning of the PICCs suggests that their operation as defined above is improving, with 46% meeting the criteria in June 2016. Interviews with four factories indicated that they are meeting regularly and that the meetings are increasingly facilitated without the EAs. By way of progress reports on individual factories, BW offers recommendations on how the PICC could effectively be empowered and informs registered buyers about the quality of the PICC.

Various observers confirm that the PICCs have served as a demonstration model for social dialogue in Vietnam. The election of worker representatives is an important feature, especially since the Trade Union has traditionally been state controlled, and as a legacy of state-owned enterprises, management may be part of enterprise union executive committees. This is in conflict with the international principle of Freedom of Association regarding management interference in the trade union. In this regard, BW advocates that senior managers should not be trade union representatives, and in one of the factories visited this change was in process. However, it is still legal in Vietnam for the trade union executive committee members to be management staff. PICC members met attested

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<sup>38</sup> The indicator calculation for time spent on advisory services was changed during the course of Phase II, and calculated as number of advisory days multiplied by the number of factories, divided by the number of enterprises advisors.

<sup>39</sup> A BW Global representative also suggested that BW programs could endeavour to achieve greater impact with less EA involvement through further addressing mindsets and corporate culture through campaigns.

to the fact that the members are elected by the workers, although in one factory visited by the evaluator the HR manager nominated the candidates. In terms of their ability to raise the concerns of workers, worker members reported that they feel confident to raise issues and are also able to take discussion back to other workers. Workers interviewed, both PICC representatives and others, expressed that they are now much more aware of their rights as workers.

Notably, the PICCs are not always able to bring about improvements and resolve disputes. In one factory visited by the evaluation a strike had recently been held over limited parking and its impact on workers arriving on time among other issues. The fact that strikes still occur occasionally is not considered by BW as a negative, but rather the empowerment of workers to take action if bi-partite discussion does not resolve an issue. However, MOLISA, VGCL, Buyers, VCCI representatives observe that the frequency of labour disputes is lower in BW factories than other factories. BW staff stress that the PICC is not intended to replace the social dialogue and conflict resolution role of the trade union. Moreover, membership of the PICC can strengthen workers' capacity to take on trade union roles. However, there is a risk of the functions to become blurred, and there may be a reaction amongst potential candidates against the number of consultative meetings required for both the trade union and the PICCs. To prevent any unintended undermining of the trade union role, BWV is in regular dialogue with VGCL to identify ways to encourage greater trade union involvement in the improvement process and to strengthen the linkage between the enterprise-level trade union and the PICCs.

**Training services:** Training for enterprises is an important part of the BW membership package. BWV offers both free training (included in the membership fee) and fee-for-service training, which can be attended either in the BW office or delivered in the factory. The training courses offered provide support to enterprises on various aspects of productivity and cooperative relationships in the workplace.<sup>40</sup> Take up of the Supervisory Skills Training (SST) has been particularly popular and the majority of enterprises send participants. Participants met by the evaluator appreciated the delivery style of the trainer, and underlined the skills they had gained in knowing how to communicate effectively with the production workers and solve issues without resorting to "scolding" tactics. According to the Technical Officer, as factories become more advanced, there is a need to review the offerings and identify more advanced training options. As part of the strategy to tailor and improve the package offered to BW members, a set number of training days will be included in the package purchased by factories as of January 2017 and more courses will be included. This will give factories more options and should counter some of the reported non-take up based on cost considerations. Industry forums facilitated by VCCI as part of BW have provided a further avenue for enterprises to discuss business issues as well as provide feedback to BW on the package.

### **3.3.4 Observations on effectiveness of core services in Indonesia**

**Perceptions of stakeholders:** The BWI model for implementing sustainable improvements in factory compliance levels relies extensively on dialogue between factory workers and management to identify and address compliance issues as part of a process designed to produce "continuous improvement". Through its progress reports, BWI informs registered buyers about the quality of worker management dialogue in individual factories and offers factory specific recommendations. The Tufts impact study and feedback from managers and union representatives at the factory level indicate that this has contributed to increased workplace cooperation in BW factories and compliance improvements in numerous areas.

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<sup>40</sup> A wide range of training is offered including Workplace Cooperation, Productivity, Occupational Health and Safety.

Even though trade unions and management representatives expressed satisfaction with BWI and indicated it had helped them to improve social dialogue in BW factories, they also raised some concerns and challenges. Trade Unions noted that few cases of unfair labour practices are highlighted through compliance assessments. They also expressed unease with the relative lack of strength of worker voices on bipartite committees, noting that management still wields significant influence on the choice of employee representatives and in the meetings proceedings.<sup>41</sup> Moreover, worker representatives highlighted that some recommendations for improvement proposed by the committee to management are not implemented, without explanation given as to why not. The outcome of these internal constraints is that workers' voices may be underrepresented in the formulation of factory improvement plans and workers little empowered to drive improvements in factory compliance.

BWI addresses this concern through its work with trade union representatives. According to EA and trade union representatives interviewed by the evaluator, when trade unions exist in BWI factories, they are automatically included in bi-partite committees. Negotiations on topics such as wages, annual bonuses, and other benefits are deferred to discussions between managers and the unions. BWI acknowledges the challenge of identifying FOA violations, which it attributes to difficulties in confirming and cross-checking information from different sources as required by the assessment procedures. They note however, that EAs, as part of their advisory function, are in frequent contact with trade union representatives and in some cases are able to uncover unfair labour practices and initiate dialogue on the subject. They agree however, that more work is needed by BWI to improve how it addresses and contributes to FOACB rights in BW factories.<sup>42</sup>

Factory HR managers appreciate BWI support to improve how they address workers' concerns but representatives of factories in central Java, where there have been industrial relations challenges including strikes, expressed that advisory services on how to engage employees in effective social dialogue could be improved. They asked that more concrete advice based on good practices elsewhere be given. They also pointed out that many trade union representatives with whom they interact are under prepared to be effective worker representatives and know little about collective bargaining. BWI is addressing this challenge in phase 3 through workplace cooperation and industrial relations training, including a factory level module that was part of the Indonesia Freedom of Association Action Plan, and developed in collaboration with the ILO Declaration project . In phase 3, BWI is also conducting leadership training for trade union representatives including representatives of unaffiliated trade unions.

*Social dialogue vs. buyer pressure:* The trade unions question whether social dialogue is sufficient to instigate change, especially when enterprises are persistently non-compliant. Although trade unions do not want to see Indonesian factories losing orders, which would also hurt workers, they believe that there should be greater consequences from buyers on factories that do not improve compliance. One union representative indicated that he would like BWI to facilitate direct trade union interaction with buyers/brands so that they are more able to voice workers' concerns and cited his recent participation in the annual 2016 BWI Business' Forum as a very successful initiative along these lines. The Senior EA who was responsible for buyers' relations during Phase II noted that not all buyers are equally interested in interacting with union representatives or promoting trade unionism; she

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<sup>41</sup> BWI promotes guidelines for the election of worker representatives to the bi-partite committee that discourage management interference.

<sup>42</sup> In 2016, Better Work Indonesia staff received refresher training and in-factory support on Freedom of Association investigation skills, with support from Better Work Global. The program's efforts will be strengthened further through the recent appointments of 2 industrial relations focal points to EA team leader positions

highlighted sportswear buyers as leaders in this area, referencing the freedom of association protocol signed by the major brands, including Adidas, Nike and Puma and their major supplier factories in Indonesia in 2011.

Public reporting, one of the new strategies being introduced to improve effectiveness by BW in the new core service model, may respond to trade union concerns by increasing transparency about areas of non-compliance at the factory level. Presumably factories will be wary of their reputations among prospective new clients if they are seen to be non-compliant in the key areas that are part of public reporting. BW already implements public reporting on non-compliance in Haiti and Cambodia, and, based on the positive results there, intends to implement public reporting in all of its country programs. It is scheduled to begin in 2017 in Indonesia.

**Effectiveness of training services:** Based on current demand for the training, the supervisor training program responds to factory needs and priorities according to the impact assessment in Indonesia, it may also contribute to higher levels of productivity.<sup>43</sup> At least one EA thought that other kinds of “productivity” oriented training should be integrated into the BWI training package, such as lean production techniques, to increase responsiveness to factory manager needs. Several EAs indicated that they wish to be more effective in offering advice and training on OSH management systems and HR management systems. The impact assessment highlighted other areas of supplier interest including how to put in place effective grievance mechanisms and OSH committees. Since the program has developed an industry seminar on grievance mechanisms and has contributed toward new advisory tools, there is a good opportunity for roll-out of this program to more factories, in response to stated needs.

### **3.3.5 External factors affecting effectiveness of core services in Vietnam and Indonesia**

**There were numerous external factors that affected the outcomes of BW core services on compliance in factories in both Vietnam and Indonesia. Cost pressures on narrow profit margins, laws considered by factory owners as overly stringent, insufficient levels of enforcement by the Inspectorate and other factors contributed to slow progress in improving compliance in many factories.**

Stringent laws and lack of effective guiding regulations: In both countries, employers frequently argue that existing labour laws are too stringent to enable them to comply. In the absence of reform, many enterprises look for loopholes to avoid compliance. For example, in Vietnam there used to be a requirement for special leave payments to be settled within 3 days, which factories found to be practically difficult to comply with. A common complaint of enterprises is that monthly overtime limits are too low in an industry where buyers require rapid response to orders, and enterprises resort to overtime rather than putting on extra shifts. In Vietnam, the interval between a law becoming effective and promulgation of guidance regulations on the law also affects factories’ compliance, enforcement and BW’s services to the factories. In Indonesia an area of noncompliance that may be a result of laws that are not adapted to industry conditions is in the area of contracts. During phase II, many BW factories moved toward noncompliance in adhering to short-term contract limits, subcontracting and providing termination benefits to workers who resign. Enterprises also find it very difficult to comply with a national law which establishes a quota for hiring persons with disabilities (set at one per cent for companies with more than 100 employees).

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<sup>43</sup> Many supervisors are promoted from lower ranks of production personnel and while technically competent, many not have the management skills that are needed to motivate workers without resorting to abusive techniques.

Falsification of age documents: While child labour violations are rare in the large BW factories in Vietnam, underage job applicants sometimes present false identification. BW has addressed this issue with specific guidance procedures to factories for age verification.

Increased cost pressures on factories' bottom line: Progress on improving labour standards may be hindered by pressure to cut costs and remain competitive. Indonesian textile and clothing companies are under intense pressure from competing countries with lower production costs. Increases in wages, electricity costs, port handling fees and transportation costs have hit export oriented apparel factories hard. Shrinking profit margins most likely affect factory management capacity and commitment to compliance improvements that increase their costs.

Challenges to the implementation of new social security regulation especially for health and social security: In Indonesia, new social security regulations, implemented in 2015, were challenging for factories to comply with mainly because of administration backlog in the provider.

### **3.4 Effectiveness of Contribution to Policy Development**

#### **3.4.1 Overview and comparative analysis**

**In Vietnam and Indonesia, BW objectives of contributing to an enabling policy environment for labour compliance in global supply chains were pursued organically as opportunities to influence policy debates arose. In both countries, BWs focus on compliance contributes to the ILO's capacity to exert influence on labour policy consistency and coherence, on its effective implementation, and to improve coordination among stakeholders in the global value chain. The capacity of the programs to influence national policy debates differed, with the ILO generally having a bigger voice in wider national policy discussions in Vietnam than in Indonesia. In both countries, the production of a body of research, synthesis reports and policy briefs has been used to good effect to raise awareness of compliance issues.**

#### **3.4.2 Vietnam**

Better Work Vietnam's policy influence objectives are expressed through Intermediate Objective 2 ("BWV has achieved greater impact by bringing lessons learned and knowledge of governance gaps into public and private sector policy debates, including those involving relevant business practices"). As stated in the project document, the project aims to support the development of evidence-based labour market and industrial relations policies at national level that are conducive to improved working conditions and worker participation in social dialogue.

BWV achievements with regard to building a knowledge base and bringing lessons and experience to policy arenas has been significant, although as noted in the MTE, the outcomes and targets are not well defined. The aim is evidently to influence policy in a broad sense, by sharing experience and lessons learned from Better Work with government and private sector policy making forums. The objective implies a broad and diverse target audience for its knowledge sharing and policy influencing efforts. BWV pursues policy influence through enabling debate and flow of information at many levels, including through PAC meetings, buyer and factory forums, buyer updates and synthesis reports.

The project's PMP indicators for output achievements are not especially useful to measure the progress of this objective (e.g. Output 2.1: Number of press releases or similar communications issued designed to influence policy debates; No. of country policies changed as a result of BW activities and facilitation). However, progress reports and stakeholder interviews point to a range of relevant achievements:

At the national partner level:

- The development of a Zero Tolerance Protocol with MOLISA with recommended approach for remediating violations on forced labour, child labour sexual harassment and Occupational Safety and Health.
- Ongoing support to the legal framework and debate under the ongoing reform of the Labour Code, with a revised law due in 2017.
- Support to discussions of the implications of FTAs, including the TPP which was expected to be concluded in 2016.<sup>44</sup>
- Evidence from the PICC implementation used to support national social dialogue processes.

A wide range of research briefs and compliance synthesis papers have been produced but conferences and forums have been found to be particularly influential on policy debates, according to the MTE. As pointed out in the MTE, the policy influencing strategy has not been sufficiently clear with regard to the who, what and how of policy influence strategies, and this view is supported by this final evaluation. Opportunities to strengthen BWV influence emerged in the debate around the limit on overtime hours permitted under the law, with discussion among MOLISA and industry regarding the need to increase overtime hours in future revision of the Labour Code. BWV could be more assertive in its strategy to protect workers' well-being and rights through providing evidence to policy makers of the adverse effect of non-compliance on overtime provisions on workers' health.

Under the policy influence objective, BWV also conducted outreach to the garment sector workforce to raise awareness of their rights. The project piloted innovative methods to reach workers with information on rights and working conditions including the mobile phone SMS messages about OSH, supported by the Disney Foundation and introduced a smartphone App on the Labour Law in the garment sector. The mobile App could be further promoted among workers covered since most workers interviewed during this final evaluation were interested but not aware of it.

### **3.4.3 Indonesia**

The BWI program and more broadly, the ILO country office face challenges when they try to influence labour and economic policies in Indonesia. The ILO country director reports that Indonesia's status as a middle income country with relatively mature institutions has meant that the influence of ILO and the UN system as a whole is much less than is in the case of smaller, less advanced economies. In the case of BWI, the overall size and contribution of the industry, in particular the export-oriented segment is quite small within the Indonesian economy<sup>45</sup> and the concerns of industry stakeholders do not weigh significantly on the decision makers that formulate Indonesia's broader economic and labour policies.

A product of BWI compliance monitoring activities has been greater awareness of compliance challenges in Indonesia's apparel industry by a variety of stakeholders. In phase II, the production of annual compliance synthesis reports and the carrying out and reporting of the impact assessment findings were important mechanisms to facilitate tripartite discussion on industry compliance and the issues that affect it. The availability of aggregated data and analysis that highlight the compliance areas of most concern and trends over time is a major innovation offered by BW to policy makers and

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<sup>44</sup> The future of the TPP is in doubt in terms of ratification by the US, as the President-elect did not support FTA in the pre-election campaign; but other trade agreements such as the EU-FTA also require labour standards compliance and the government is continuing to move towards ratification of the FOA and CB conventions.

<sup>45</sup> In 2013, the apparel industry ranked Indonesia's third largest manufacturing sector and employed more than 500,000 workers (78% of who are women) in approximately 2,000 enterprises supplying both export and domestic markets.

advisors in Indonesia and may be used by the ILO and ILO partners to influence policy in the future. Some anecdotal evidence collected during the evaluation field supports this conclusion:

- Representatives of the MoM indicated that BWI had highlighted problems to be addressed through inspection and regulations. For example, they requested support to develop better tools and methods for detecting sexual harassment and to strengthen grievance reporting mechanisms in factory settings.
- The ILO Deputy Country Director viewed the window into working conditions at the enterprise level offered by BWI (and by the SCORE program) as a positive contribution to the ILO country program in Indonesia because it highlighted issues that were not previously visible and that may be addressed through advisory services. She foresaw work on strengthening Labour Law Compliance as an important component in the next Decent Work Country Program.
- Though relevant to current activities rather than those under phase II, during the evaluation, the World Bank requested a meeting with BWI in connection with its policy advisory work related to trade and economic competitiveness. Bank representatives were interested to access BWI data to understand how policies such as those related to minimum wage and permanent versus short term contracts (and related regulations on severance pay and other social security benefits) affect enterprises and workers in labour intensive industries in Indonesia. They are advising the government on how to protect workers while increasing the flexibility of the work force and improving the competitiveness of Indonesian industry.

In phase II, BWI policy-oriented initiatives grew organically out of program activities in the factories and were focused on changing institutional practices, procedures and protocols rather than directly influencing regulations and laws. Some examples of strategies it used are listed below:

- Setting up an ad-hoc committee with the MoM Labour Inspection unit on law interpretation: with this collaboration the project has achieved greater compliance and uniformity of law applicability at the district level. The committee helped BWI to ensure that its interpretation of the law converged with that of the central Ministry especially in cases where district labour officials were less strict or had another interpretation.
- Supporting the Labour Norms Expert Programme (KnK) and Labour Compliance Programme (PROKEP) through sharing of tools, approaches and experiences. The MoM is seeking to strengthen voluntary compliance activities by nominating enterprise based compliance experts and providing them with training and tools to conduct self assessments, the results of which should be submitted to MoM labour inspection offices.
- Validating compliance trends (synthesis report technical discussions) with MoM: this builds national ownership and information is also relevant for the MoM statistics.
- Starting a process of transparency and transferral of “responsibility” for persistently non-compliant factories (on public reporting areas) from BWI to MoM (Zero Tolerance Protocol and Public Reporting Protocol).



### 3.5 Effectiveness in Promoting Gender Equality

Because the vast majority workers in factories served by BWI and BWV are women, all core services can be viewed as contributing to women's interests and well-being to some degree.<sup>46</sup> BWV and BWI have mainstreamed gender concerns into the delivery of core services through their assessment and advisory services related to compliance with national laws that protect women workers. Other ways the programs have promoted gender equality include by promoting women's participation and collecting gender disaggregated data across their activities and training programmes and as well as through implementing gender focused, ad-hoc mini-projects, some of which have potential for scaling up.

#### 3.5.1 BWV efforts to promote gender equality

##### Integration of gender in core services

**Gender-specific questions in compliance assessment and advisory services:** Vietnam's Labour Code contains progressive provisions for women related to health and reproductive health.<sup>47</sup> Therefore in building compliance with the legal provisions on women's maternal and reproductive health the core assessment and advisory services potentially contribute substantially to women's well-being and health. The assessment tool includes questions on provisions such as paid maternity leave and rest on menstruation days, reduced hours during pregnancy. Working time arrangement and overtime hours are also assessment issues with implications for women given their greater share of work at home.

The EAs' advisory services help to raise awareness and build compliance on all of the above issues.

The evaluator's interviews with factory management representatives demonstrated a high level of awareness of Labour Law regulations. All managers met reported that their compliance on maternity leave and menstruation rest has improved. For example, one factory formerly offered payment for menstruation rest of 30 minutes per day, but now ensures that workers can take the time off. They observed that women could return to work being more relaxed after these breaks. Senior VGCL representatives also commented on the increased awareness and compliance with the regulations.

At the aggregate level, the 8<sup>th</sup> BWV Compliance Synthesis Report released in July 2015 reported a generally positive picture with regard to maternity protections, including non-discrimination on the basis of maternity status, leave entitlements, and safety and health provisions for pregnant and breastfeeding mothers. However, Better Work staff reported cases where factories comply with the regulations but discriminate on the basis of pregnancy in more subtle ways. Some factories have found more discriminatory ways to circumvent the laws including an example reported by BW staff of a factory used a physical fitness test involving asking women to jump on the spot to screen out pregnant workers.<sup>48</sup> Likewise, the BWV Synthesis Report on Compensation (December 2015) showed that compliance with the paid leave requirements is high; however, the timely settlement of these payments was a major issue.<sup>49</sup>

With regard to sexual harassment in the workplace, the Tufts University impact study found low levels of sexual harassment reported in Vietnam based on sampled compliance data. The authors suggest

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<sup>46</sup> In June 2016, BWV supported 425 factories, which employ 500,000 workers of whom 80% of whom are women. In June 2015, BWI was advising in 142 factories. Which in total employ 282,727 workers of whom 84% were women.

<sup>47</sup> These include 6 months paid maternity leave, paid time off for prenatal care, reduced working hours after 7<sup>th</sup> month of pregnancy, 6 monthly reproductive health checks, thirty minutes paid rest time per day during menstruation.

<sup>48</sup> The law prohibits employers from asking workers to take a pregnancy test upon recruitment.

<sup>49</sup> For example, only 7.7% were non-compliant on menstruation rest breaks, and 4% non-compliant for paid breastfeeding breaks.

that this may reflect non-reporting due to cultural sensitivities in Vietnam. On the other hand, workers met by the evaluator readily reported sexual harassment on their way to work, but said that it had never occurred in the workplace. Nevertheless women and managers need to be aware of the issue and how to deal with it. BWV has taken a number of initiatives beyond the core services to increase awareness of these issues among managers and workers as described below.

**Building life skills into Supervisor Skills Training:** Women make up the majority of SST participants and EAs report that productivity gains have been observed when women attend. The evaluation focus group with line supervisors participating in supervisor training suggested that their management skills, leadership skills and confidence in their role have been greatly improved by this training. According to one worker interviewed in a factory in the North:

“We have gained the skills to inspire and motivate other workers, and learned how to negotiate and manage our teams through our communication skills” (female worker)

BWV observes that these skills in negotiation and additional life skills trainings benefit women in their family lives beyond the factory. Given that supervisor training is one of the most well attended courses; it offers future potential to mainstream awareness on discrimination issues and sexual harassment.

**Promoting women’s participation in social dialogue:** Women’s participation and voice in social dialogue has also been enhanced through their representation on the PICC. The women workers met stated that their confidence has improved greatly through their participation in these committees. However, the extent to which women are more active in enterprise level Trade Union leadership, traditionally male dominated, is not known.

#### **Gender mini-projects and potential for mainstreaming and scale up**

BWV has implemented a range of small ad-hoc projects on gender-related issues supported by buyer-sponsors and donors:

Worker Health Animation Series: Short animation films on a range of workplace and personal topics. Episode 1 on healthy eating was launched in 2015 and two new episodes are under development on healthy living and sexual harassment in the workplace that are used in the workplace. (Levi Strauss Foundation)

Free training on sexual harassment: A free course for managers and staff on sexual harassment in the workplace, including identification and prevention issues has been developed and was delivered to 14 selected factories in 2016.

Project on Women’s Workplace Health Education: The project carried out a series of health education trainings, seminars and a health event for workers focused on 6 selected factories in the South from 2015 – 2016.<sup>50</sup> The components included:

- Dissemination of a health kit designed for use by factory clinic doctors and nurses and associated training for clinic staff to train and inform workers on vital topics like safe sex, HIV/AIDS disseminated to 286 factories in the program.
- Nutritional health training for clinic staff, many of whom have basic qualifications, in 6 factories and skills development
- Peer education training for workers on key topics: pre and post-natal care, family planning and safe sex; occupational safety and health
- Health event that mixed education with a social occasion for women workers, attended by 200 women across 6 factories.

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<sup>50</sup> Funding provided by Human Resources & Skills Development Canada.

In total 480 female workers received training across these topics as of January 2016. These activities were referred to in the design as pilot activities; however, there appears to be no plan as to how to roll them out more widely.

The evaluator had limited time to explore the effectiveness of the health project in depth. However, these activities were reported as highly useful by clinic nurses and workers attested to their enjoyment and learning through the health event. High quality leaflets on sexual and reproductive health topics designed by *Marie Stopes International* were distributed. Not all workers received copies of these leaflets, however, even in the targeted factories. Workers met were very interested in the materials.

**Potential to scale up:** Given the small-scale and short term nature of the Workplace Health Education Project interventions, the benefits have been mostly related to the six participating factories. Although the health education leaflets have also been distributed beyond the target factories, the costs are prohibitive to reach all workers in BW factories and having a few sets of leaflets held by the factory nurse is not the most effective way to disseminate health information. Although described as a series of pilot activities, the design of the project did not provide a plan for scaling up the pilots elsewhere in the program. Furthermore, the training of factory health staff is time and resource intensive and would be difficult to apply to all BWV factories.

The potential scale up or mainstreaming of the health training modules seems unlikely within core services given the need to increase cost recovery, and it would be better to form alliances with TUs or NGOs to promote women's health education. Nevertheless, there is potential opportunity to mainstream some aspects of these projects in core services. For example awareness of sexual harassment could be included in Supervisor Skills Training, which already has a high rate of take up. In their advisory services, the EAs can also raise awareness of the Vietnam Code of Conduct on Sexual Harassment in the Workplace that was developed by MOLISA, VGCL and VCCI with the support of the ILO.

### **3.5.2 BWI efforts to promote gender equality**

#### **Integration of gender in core services**

**Integration of gender-specific questions into the Compliance Assessment Tool:** Indonesia has progressive labour laws that address women's issues<sup>51</sup>. BWI factories are assessed on compliance issues related to laws designed to protect women workers: maternity leave, breastfeeding breaks, women's health, safety protection for women working night shifts, and sexual harassment. In addition, they are assessed on pay structures and pay equity to detect issues related to gender discrimination.

**Advisory services on improving compliance:** BWI has developed campaigns to raise awareness on gender-specific issues with high rates of non-compliance. For this, it has produced guidelines for employers on maternity protection, breastfeeding, health of women workers and anti-harassment. These efforts have been supported by media updates and stories highlighting issues relevant to female workers i.e. maternity protection, breastfeeding, pregnancy testing, discrimination, and sexual harassment, which may raise awareness on these issues by program stakeholders.

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<sup>51</sup> Indonesia law provides for 3 months paid maternity leave, required enterprises with more than 100 employees to set aside a room for breastfeeding mothers, provides for breastfeeding breaks as needed by breastfeeding mothers, and allows women who experience health problems (such as dizziness) during the first two days of menstruation to take sick leave.

**Training participation:** In all training activities, BWI actively encourages organizations to send women participants.

**Gaps and challenges:** Factory self-assessments and BWI compliance assessments may not “pick up” on some gender related compliance issues in BW factories. Sexual Harassment is a good example of this, which due to its sensitive nature and challenges proving allegations is believed to be under-reported within the industry. As part of the impact assessment program, Tufts University has developed approaches that it believes are more effective in assessing the prevalence of sexual harassment in the work place.<sup>52</sup> Based the impact assessment finding that sexual harassment as a significant concern of women workers, the program has developed guidelines to help factories address the problem.

More significantly, assessment and advisory services may not be sufficient to empower women workers to claim their rights. Among the reasons for this may be women workers’ lack of knowledge of their rights and their relatively weak negotiating position within the factory. The examples below are illustrative of these gaps and challenges.

Prevalence of short term contracts may be having a knock-on effect on access to maternity leave: In one factory visited by the evaluator, even though the factory had a policy of 3 months maternity leave, women workers expressed uncertainty about whether or not they would benefit from legally mandated 3 months maternity leave. Trade union representatives in this factory reported that most workers are on short term, 3 month renewable contracts, and in practice, obtaining a full three months of paid maternity leave is practically impossible.

Men dominate union leadership at all levels: Studies elsewhere show that when women workers form unions, they will have a stronger voice in improving working conditions overall and in addressing specific, gender-related concern in particular. During the focus group discussions with national trade union leaders, participants underlined the challenges to strengthening women’s leadership. Several trade unions reported that they have established targets for women’s participation in union executive councils (e.g. a target of 30%) but that these targets are seldom achieved in practice. Trade union leaders acknowledge that they can do more to develop women’s leadership but say they are reluctant to invest heavily in women because so many leave the union once they are married. In training activities sponsored by BWI, trade unions have been pushed to send women, a factor they say forced them to try harder to identify potential leaders and open up their access to training.

### **Gender mini-projects in Indonesia**

BWI has implemented a small number of ad hoc programs dealing with gender equality and women’s health and another to promote awareness and action to combat discrimination against persons with disabilities. Discussion of the women’s health project is included here.

#### Women’s Health Project: “Healthy and Productive Women Workers”

Based on the BWI baseline report, worker concerns over health issues is a significant issue in garment factories. Workers reported many health concerns including severe fatigue, dizziness, head, and back or neck ache. Other studies indicate that anaemia in female workers is between 24-42%. Lack of education amongst female workers adversely affects their knowledge about health and nutrition. To respond to workers’ concerns, BWI launched a campaign on women workers’ health in the workplace called “Healthy and Productive Women Workers.”

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<sup>52</sup> The Tufts survey does not ask women directly about their personal experiences with sexual harassment but whether or not it is a concern in their workplace. It also asks how women voice their concern, whether to each other, trade union representatives, factory management or other.

The objective of the campaign was to work with BWI factories to increase women workers' knowledge and awareness on health issues at workplace and to encourage factory management to give more attention on this matter. BWI conducted the campaign in collaboration with Yayasan Kusuma Bangsa (YKB), an organization with a long standing experience in promoting health issues at workplace. BWI conducted various activities including trainings, seminars, production and printing of campaign materials and discussions with management during advisory visits. The campaign culminated in a "fun day" event that reached women workers and their families from 15 factories in West Java and featured free medical check-ups as well as sporting and artistic activities. The representatives MoM and the Health Department took part in the event and contributed to the program.

A participant in the event, a woman trade union representative, reported that in addition to enjoying the activities, she felt a sense of "unity" with her fellow workers. Although the activity was outside the BW "core services" model, it was well designed to educate factory management and workers on women's health concerns which may support compliance related objectives by highlighting the purpose of laws that address or affect women's health. More broadly, the one day event was a way of improving relationships between workers and management in BW factories and in so doing, may have empowered more women workers to claim their rights.

**Opportunities to scale-up:** The BWI mini-project on gender was not resource intensive and currently some of the educational/awareness raising strategies of the women workers health campaign have already been mainstreamed into core services provision. For example, the evaluator attended an education session run by an EA for women workers on breast feeding and rights to have a room set aside for breastfeeding/pumping. The women participating indicated that the information provided was useful to them. There is potential to strengthen the approach: the EA might also have included information on maternity leave rights and have included a strategy to educate management and supervisory personnel on both breastfeeding and maternity leave rights of workers.

Further integration of worker education activities into advisory services would need to consider the extent to which such activities divert EA time from other "core" functions relative to the value-added of the approach. Moreover, there may be alternative strategies that achieve the same result, such as using resource persons from other organizations, or mass communication tools (audio recordings that play on the factory floor) that rely less on EA advisory time for delivery.

### **3.5.3 Potential strategies to strengthen BW impact on gender equality**

**There are a number of ways that BW in Indonesia, Vietnam and elsewhere might embed gender dimensions in the design of core and other interventions towards the empowerment of women factory workers beyond the programme's current focus on labour standards compliance. These may include additional efforts to promote (1) Female workers' upward mobility; (2) Just treatment in the workplace; (3) Availability of health and other services to factory workers; (4) Opportunities for collective action and voice; (5) Adequate balance between paid work and other dimensions of life. These dimensions provide a useful framework for designing gender objectives and strategies for future BW programmes.<sup>53</sup>**

As discussed above, there are some potential areas to further mainstream awareness of women's rights within core advisory services for workers and management. Beyond the current initiatives of BWV and BWI to promote sexual harassment awareness and health education for workers, a number of other strategies are suggested for the future, as outlined below. Some of these would require the

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<sup>53</sup> These dimensions of gender empowerment were proposed by Marzia Fontana and Andrea Silberman in the Better Work Discussion Paper Series No. 13. The paper included analysis of the patterns of job segmentation by gender in the garment industry.

programmes to expand their gender objectives and seek additional resources and budgets during the design phase.

Support upward mobility and skill diversification:

- Explore training opportunities that could be provided through industry associations like VITAS in Vietnam
- Promote internal recruitment of supervisor and mid-management positions
- Promote skills training for specialised tasks

Advocate for just treatment in the workplace:

- Study gender segregation of tasks and pay structures and disseminate learning to industry.

Promote availability of health and other services that promote women's well-being

- Promote improved access to child care services by factory workers
- Promote decent quality of accommodation for migrant workers
- Promote access to financial planning and services by factory workers

Ensure women's voice and participation in social dialogue

- Foster women's skills for participation in BW consultative committees
- Foster women's leadership in trade unions

Adequate balance between paid work and other dimensions of life

- Policy advocacy to maintain protective legal provisions on overtime hours

Some further innovative approaches that may be considered by BW programs to complement core services include:

- Forging strategic alliances with Women's rights NGOs for the organization of education programs in BW factories,
- Facilitating CSR initiatives that empower women in communities around factories in collaboration with local authorities and/or development NGOs.
- Facilitating access by women workers to financial services and education including savings groups that make them less vulnerable to loan sharks and better able to invest in their own and their families' welfare and education.
- Facilitating access by women workers to workers' rights education and legal defence services.

### **3.6 Effectiveness and Efficiency of Human Resources**

#### **3.6.1 Comparative finding**

**As part of their strategies to improve the quality and efficiency of core services, both BWV and BWI have invested significant efforts toward developing staff skills. Both programs provide extensive training and staff development opportunities to its core staff to enable them to fulfil the complex demands of providing the core assessment and advisory services. As the service delivery has evolved under Phase II, including with the introduction of the adjusted model, the diversity and depth of expertise among the staff has been enhanced through the allocation of technical focal points and through the provision of intensified training and on-the job mentoring.**

#### **3.6.2 Staff capacity in Vietnam**

**Staff roles and focal points:** BWV staff comprises one CTA/Programme Manager, a technical officer, 35 EAs including team leaders, specialised staff for training and buyer relations and a supporting team (administrative, finance, and IT). During phase II, BW has increased the number of EAs from around 18 in 2012 to 35 in 2016, (22 in the South and 13 in the North), to service its expanded factory coverage. In addition, as the programme has become more complex with the introduction of the adjusted model, BWV has assigned senior team leaders among the EAs with focal point responsibilities including assessment, advisory, gender and training. This has brought efficiency benefits and has also deepened the expertise available among the staff. An administrative assistant is responsible for M&E matters; however there is no dedicated M&E officer. As the project and staff numbers expand the programme is moving toward a more tiered management structure including team leaders with their own teams and management responsibilities.

**Enterprise Advisor Capacity:** The EAs play a crucial role as the interface with the factories for service delivery. They require a wide range of skills including communications and advocacy skills and knowledge of the national law and international labour standards. The EAs bring a variety of backgrounds to the role, including corporate social responsibility, auditing and NGO experience, but require a specific skill set to deliver core services.

Training begins with a three-month induction training when EAs are shadowed by a senior team member on their assessments and receive coaching on specific aspects of the assessment tool. Ongoing support throughout the cycle is also provided by senior team leaders. The assessment task is undertaken by a team of two EAs for increased reliability of the assessment.

With the introduction of the adjusted model, BWV has intensified its training and capacity building of EAs in order to meet the challenges of providing more sophisticated and differentiated advisory services. According to the CTA, the adjusted approach has required further coaching of the EAs in their influencing and advisory skills since enterprises receive an intensive 3-month period of guidance while they complete their self-diagnosis and set up the bipartite committee. EAs met by the evaluator stated that while there is clear training and guidance on how to conduct assessments, including the CAT tool and associated guidance, they feel they need further guidance on providing advisory services, including how to influence the mindsets of employers and how to provide advisory services in progressive cycles. In this regard, the majority of EAs have taken either basic or advanced industrial relations training by distance learning to deepen their knowledge and support their role in facilitating the functioning of the PICCs. All EAs have also received two rounds of classroom training in 2016 on Industrial relations, Core Labor Standards, and grievance mechanisms, which was led by the BWG IR Specialist, with strong support by the BWV IR Focal Point.

Further training has been provided to staff by the national partners, including the labour inspectorate. The programme has draws on external experts for specific training such as OSH and health training for workers and factory clinic staff.

BW Global has also provided support to professional development and team building among EAs through regional exchange forums. Annual regional Enterprise Advisor Summits are held which EAs have found to be a valuable way to exchange experience and to feel they are part of the global team.

**Perceptions about EA skills and advisory services:** Enterprise management representatives interviewed in four enterprises were unanimously appreciative of the role played by Better Work through the EAs in helping them to understand national laws and regulations. PICC management members met at one factory appreciate the responsiveness of the EAs: “Our EA is always available to help by phone or email between visits” (factory HR manager). For their part, EAs expressed that over time their confidence and sense of authority has increased to guide enterprise practices.

## **Indonesia**

The BWI core team is relatively small. At the time of the evaluation in late 2016, there was one operations manager, several specialised personnel (currently training, communication, previously also brand relations), an administration and finance team, enterprise advisor supervisors (one each in charge of 3 regional teams: Greater Jakarta, West Java and Central Java), and about ten enterprise advisors (EA). As in Vietnam, the EAs play a pivotal role in assuring the quality, effectiveness and efficiency of BWI core service delivery. In addition to assessment and advisory services, EA are likewise called upon to contribute to other program activities as trainers and resource persons. EAs come to the program with different skills – some have previously worked as auditors in private social audit firms, a few have had previous experience in the garment industry, while others come from NGO and union backgrounds.

During the evaluation field work, several key stakeholders underlined the importance of adequately training EAs and highlighted possible areas for improvement. MoM representatives brought up a case in which they disagreed with BWI on a finding of potential forced labour<sup>54</sup>. Some factory management representatives indicated that the quality of advisory services on how to resolve disputes between workers and management could be improved and trade union representatives indicated that they felt EAs needed to have better knowledge on freedom of association and how to support it in the workplace. The evaluator noted that some EAs might have a better understanding of gender issues in the workplace based on her discussions with EAs.

Ensuring EAs have the skills to perform their duties well has been a priority of the program. In cooperation with Directorate General of Labour Inspection, all EAs are trained as part of the Indonesian government's labour norms expert (KNK) program. Some BWI EAs have been trained up to the advanced level, which also enables EAs to act as trainers. Since the beginning of phase III, EAs also participate in MoM OSH training, and at least one has received advanced training in OSH management systems. Several EAs have participated in short courses to enhance their skills in report writing and group facilitation, which were cited by EAs as having been particularly useful. Periodically, BWG offers courses in new service areas for EAs; for example, it organized training on grievance mechanism systems and on OSH in textile factories for BWI EA during phase II.

In the new service model launched in early 2015, some EAs may spend more of their time as trainers to accommodate the increase in training days to be delivered at the start of the as part of the new package of services. Because of this, and more generally because there is such a large number of workplace and compliance issues that EA should master, BWI is moving towards differentiating the training provided to EAs to create areas of specialization that are relevant to the program, for example there are currently EA focal points on OSH and industrial relations. This appears to be an excellent initiative, although BWI management anticipates some challenges to match program needs to EA areas of interest and talents. To maximise effectiveness, BWI management would have to link specializations with areas in which there are common compliance problems and/or to wider organizational strategies to improve BWI impact (such as in the areas of gender, trade union strengthening, workplace productivity strategies).

BWI has capitalized effectively on outside resource persons, E-learning and Information, Education and Communication (IEC) tools to boost its in-house capacity to advise factory stakeholders but there

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<sup>54</sup> The evaluator understands that the MoM were citing a case of alleged forced labour in which workers residing in factory dormitories had their mobile phones held when they left the premises as collateral to return. MoM investigated the case and disagreed with the BWI finding. BWI stands by its finding. Regardless of the positions taken, the case underlines the seriousness of responsibilities conferred on EA and their need for adequate training.



is room to expand and innovate within these strategies.<sup>55</sup> BWI calls upon resource persons from outside the team and reported that the PAC members have discussed how to reinforce the participation of specialists from their institutions in advisory and training services. The CTA likewise reported the program has exploited IT communication tools such as webinars to provide clients with access to higher level experts.

To complement training, EA receive a variety of tools to help them execute their work, including guidelines<sup>56</sup>, OSH good practice briefs<sup>57</sup> and Legal Updates<sup>58</sup>. Although the program has produced a number of posters and a few videos, BWI has not made extensive use of other IEC tools and strategies to change or reinforce behaviours in factories although this also holds potential to complement EA advisory services and relieve some of the pressure on EAs to be a “jack of all trades.”<sup>59</sup>

### **3.7 Sustainability Strategies**

**During their second phases, both BWV and BWI made significant progress towards sustainability. Both projects have made progress towards sustaining core services through income generation. With regard to institutional sustainability, BWV and BWI have made advances while pursuing different strategies. In Vietnam BW has strengthened its operational sustainability through enhancing and diversifying the skill sets of its staff. During phase II it increased national partner ownership and capacity to contribute to the delivery of programme component and has invested in a sustainability scoping study to guide the model in next phase. In Indonesia, by the end of phase II, BWI had laid much of the groundwork for the establishment of a national institution to deliver the programme, and an independent foundation to take on BW services will be launched in early 2017.**

#### **3.7.1 Sustainability in Vietnam**

BWV has achieved increasing levels of cost recovery during Phase II through income generated from core services. Cost recovery has risen from 38% in 2013 to an average of 51% in 2015, exceeding the end of project target of 40%. This has been achieved through increasing the scale of the program as well as controlling delivery costs. In the first quarter of 2016, the offices in HCMC and Hanoi were relocated, therefore the higher costs resulted in a lower recovery rate of 24% in June 2016, but the rate is expected to return to around 50% by the end of the year. A new pricing structure introduced to be introduced by BW globally in late 2016 is anticipated to bring higher revenues in 2017, helping BW move towards independence from donor support.

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<sup>55</sup> “IEC” refers to strategies and tools aimed at changing or reinforcing behaviours in a target audience concerning a specific problem through communication methods and principles. IEC tools are often used as part of social marketing campaigns, often to change behaviours in the health sector. Areas that such tools might be effective in the BW program include sexual harassment in the workplace and factory safety practices.

<sup>56</sup> Guidelines on the following topics are available on the BWI website: Addressing HIV and AIDS in the workplace, anti-harassment, breastfeeding, child labour and young workers, employing persons with disabilities, garment factory construction, maternity protection at work, and health for women workers.

<sup>57</sup> 16 OSH good practice briefs are available on the BWI website. Topics addressed include Proper Sanitation Facilities, Personal Protective Equipment, Fire Safety, and Material Handling in the Production Line.

<sup>58</sup> Legal updates are produced by consulting with the MoM Ad Hoc committee on important legal matters, often when new laws are introduced and/or when interpretations vary between the central and district labour offices. Legal updates available on the BWI website cover employment dismissal procedures, minimum wage and minimum wage postponement, building safety, among other topics.

<sup>59</sup> The soon to be launched BWI foundation will also use annual performance plans and evaluations to incentivize EA performance including their personal investment in their own professional development.

In the dimension of institutional sustainability, Vietnam is taking a staged approach, focused on building capacity of the tri-partite partners to deliver aspects of the programme, while maintaining the credibility and independence of BW compliance services. BWV has achieved success in building the capacity of the national partners and strengthening their ownership of the programme. The national PAC, that meets bi-annually, alternating between Ho Chi Minh City and Hanoi, has played an active part in discussing and guiding elements of the programme. Stakeholder interviews confirmed that the constituents have become more deeply engaged in advising the programme, developing relevant policy and delivering elements of core services. Examples of collaboration include:

- Collaboration with the labour inspectorate on the application of the BWG Zero Tolerance Protocol in Vietnam and on a framework of how to manage non-performing factories;
- MOLISA/DOLISAs support the programme by providing additional advice to BW enterprises, cooperating with BWV to help address compliance issues and promoting BW membership;
- VCCI has been closely engaged with the project, both at national level and in city/province branches, in particular convening Industry Seminars to discuss compliance and productivity issues;
- VGCL at central and FOL at provincial level has played a hands-on role in providing training for its constituent members, at enterprise level, with a focus on capacity in enterprise unions for social dialogue, delivered together with the ILO IR project.

Significantly, from late 2015, BWV established provincial PAC membership, with representatives of the partners in covered provinces. The provincial PACs meet in clusters of provinces in the north and the South, with national PAC members also attending. The CTA noted that BWV is one of the few ILO country projects to have two-tier PAC structure. It has been found to be an effective way to enable a practical level of involvement at the province level, especially the labour inspectorate, allowing higher level policies to be addressed by the national PAC at separate high-level meetings. The provincial PACs enable direct involvement of DOLISA labour inspectorate in the coordination of inspections and a systematic response to Zero Tolerance Protocol cases.

In 2016, BWV commissioned a sustainability study to examine the options for the programme's future organizational model moving into the next phase. This will be finalised by the end of 2016.<sup>60</sup>

### **3.7.2 Sustainability in Indonesia**

By the end of phase 2, BWI was in a much stronger position to sustain its core services through income generation than when it started. One dimension of sustainability on which it made considerable progress is cost recovery. This was addressed by scaling up the number of factories served (thanks in large part to strong communication and marketing efforts by both BWI and BWG), controlling the cost of core service implementation, and by reviewing its pricing policies to increase overall revenue. As a result, it exceeded its program revenue and percentage of cost recovery targets for the period. In addition, as part of its business plan for the planned BWI foundation, BWI developed detailed profit and loss projections that modelled how the foundation could be financially viable based on core service fees within a period of three years.

Another dimension of sustainability on which BWI made significant progress during phase II is institutional. Even though BWI did not achieve the planned creation of a national institution to deliver BW core services in phase II as planned, it laid much of the groundwork. Some of the delays in the creation of the foundation were because the process was significantly more complex than anticipated from a legal perspective. According to the BWI operations manager and the current CTA, the ILO has

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<sup>60</sup> The draft report of this study was completed but not finalised at the time of the evaluation.

followed the letter of law that regulates how non-profit organizations should be set up in order to limit future legal or governance related risks. Other institutional and strategic issues required discussion and study before launching the foundation. Among these, was getting appropriate buy in from the national stakeholders represented on the PAC, which was accomplished when they approved the foundation business plan near the end of phase II. Significant efforts were also made to prepare current BWI staff to transition from being ILO employees to the foundation. At the time of the evaluation fieldwork, which was one year into Phase III, all BWI staff responsible for delivering core services agreed to move to the national foundation, which, for a variety of reasons is a major achievement.<sup>61</sup> It is now expected that the foundation will launch in January 2017.

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<sup>61</sup> Concerns of BWI staff included loss of salary and benefits, loss of 'prestige', uncertainty about job stability among others.

## IV. Good Practices and Lessons Learned

### 4.1 Good Practices

The evaluation highlighted numerous good practices of BWV and BWI that may serve to inform BW programs globally. Several of these are listed below.

#### **(1) Nominating focal points on key expertise areas within the BW Enterprise Advisory Team**

In order to be effective as advisors and assessors, Enterprise Advisers need to know about a variety of topics that affect factory compliance and efficiency. For this, they receive basic training and coaching as part of the BW staff development strategy. In some key areas like OSH management systems, industrial relations and gender, higher levels of expertise within the EA team is sometimes needed. In phase II, both BWV and BWI nominated focal points for key areas of expertise and ensured that they received additional, more in-depth training, a good practice that may allow these EA to become resource persons for the team as a whole. Because this good practice is still emerging, the mechanisms for capitalizing on focal point expertise still have to be developed. Potential actions focal points may take include:

- delivering periodic in-service training to other EAs;
- responding to specific requests to support other EAs when issues requiring additional expertise arise;
- contributing their expertise during staff discussions on opportunities or solutions to problems.

In addition to building the team's capacity, the solution appears to be cost-effective, as compared with frequently bringing in external experts or providing more in-depth training on the same topic to all EAs. Although it is too early to measure the results of the practice in Vietnam and Indonesia, the country teams anticipate that it will enable them to provide higher quality advisory services to factories.

#### **(2) Provision of high quality and relevant Supervisory Skills Training to improve workplace communication and combat verbal abuse on the production line**

Many line supervisors in BW factories in both Vietnam and Indonesia are promoted from the factory floor because of their technical production skills. Many do not have any experience or training to be effective as managers in the production line and as a result, factory assessments show that supervisors frequently use tactics such as shouting or humiliation to "motivate" workers. In both Vietnam and Indonesia, BW offered high quality and relevant Supervisory Skills Training to line supervisors. The provision of supervisor training, a good practice which was subsidized by Disney, has led to improved workplace communications as well as productivity gains, based on the results of the Tufts impact study. The course is also available in Chinese to meet the needs of supervisors in Chinese invested factories.

#### **(3) Engaging and educating workers with information communications technology strategies**

Communications is a challenge in many BW factories in Vietnam and Indonesia. Supervisors routinely post notices on bulletin boards or use a bullhorn to make announcements, but critical information does not always reach the employees. As a result, workers may not be up to date on changes in laws, regulations and rules that affect their working conditions. As part of phase II of BWV and BWI, the ILO capitalized on mobile technology and social media to improve communication between factory management and workers. Some examples of specific strategies include:

- Using a bulk SMS service, factory managers in a pilot BWI program sent messages about OSH, factory rules and regulations and other relevant notices to workers' mobile phones.
- In cooperation with Adidas, BWI also implemented a SMS based grievance reporting system that encouraged workers in 5 factories to share grievances directly with the company via anonymous text messages.
- BWV developed a mobile app on the Labour Code targeting managers. BWI made its labour law guide available as an e book on Google apps and developed an application to help workers calculate their wages.
- Both BWI and BWV have a Facebook page. BWI has attracted over 20,000 followers, the majority workers.

By capitalizing on low-cost, mass communication technologies, these good practices have allowed the programs to reach relatively large number of workers with information that may be used to protect and empower them.

**(4) Engaging tri-partite constituents as advisors in support of project delivery:** Before BW began working in Vietnam and Indonesia, social auditing of garment and footwear factories was mainly an exercise that involved private audit firms, buyers and their suppliers with no or very limited involvement from government stakeholders, employers' organizations or trade unions. Since BW began operations in the two countries, the ILO has implemented strategies to engage with these tri-partite stakeholders. Good practices in tri-partite engagement in phase II included establishing both national and provincial PACs in Vietnam, and the national PAC and Ad Hoc Committee in Indonesia. These mechanisms have increased ownership and involvement in project delivery at both national and provincial levels among national tri-partite constituents. As a result of their engagement with BW, the stakeholders are better informed about issues affecting compliance in the garment sector and have opportunities to advise BW, leveraging their institutions' capabilities to support and strengthen the program.

**(5) Offering Industry best practice seminars to factory managers:** Better Work Vietnam has established a regular program of industry seminars that have enabled factories to share and learn from industry best practices which can help improve factory compliance and overall working conditions. The industry seminar series was funded by Canada as a special project in 2016 and included seminars on sexual harassment, compensation and legislation, and the introduction of public reporting. As part of the roll-out of the new core service delivery model, BW Indonesia has initiated and will soon intensify its offering of industry seminars. In addition to providing representatives from factory management with new opportunities to improve their practices, the practice is expected to increase BW efficiency by allowing it to cover some topics in group versus individual sessions.

## **4.2 Lessons Learned**

The evaluation also highlighted numerous lessons learned of BWV and BWI that may serve to inform BW programs globally. Some of these include the following:

- (1) While factory assessments are helpful to identify compliance problems, the commitment of factory management and the degree of cooperation between workers and management to solve the issues appears to be what differentiates factories that make progress from those that do not. Building on this lesson, the adjusted model rewards commitment by differentiating factories based on performance.

- (2) Independent evaluations are most useful when the project prepares a formal response to recommendations with action points, the results of which are subsequently reported to BW Global and donors. Formal responses to mid-term evaluations should be required by BWG and responses included in TPR reporting.
- (3) By virtue of its strong presence in the female-dominated garment industry, BW is well-positioned to contribute to empowering women workers. It may do so not only by promoting compliance with labour laws, but also through broader initiatives in collaboration with both its customary stakeholders (employers and workers and their organizations, labour department) and non-traditional partners (NGOs, brands, and public health and social service providers).
- (4) In order to be effective as advisors and assessors, Enterprise Advisers need to know about a variety of topics that affect factory compliance and efficiency. For this, they receive basic training and coaching as part of the BW staff development strategy. In some key areas like OSH management systems, industrial relations, or gender, higher levels of expertise within the EA team is sometimes needed requiring additional training, more specialization and/or complementary services to convey industry good practices to factory managers and other stakeholders.
- (5) To strengthen workers' voices and bargaining power within bipartite committees and for trade unions to be more effective engaging in collective bargaining with employers, stronger trade unions are needed.
- (6) When there are overly stringent laws or regulations that significantly limit factory competitiveness or are otherwise impractical, few factories will comply and this may create additional issues or inconsistencies (such as the illegal use of short term contracts by factories in Indonesia to avoid laws that impose an extremely high cost on employers for laying off employees). This type of compliance issue is unlikely to be resolved at the factory level and needs to be taken into account in reporting on compliance by highlighting contextual factors that may make compliance difficult or impractical.

## **V. Conclusions**

### **5.1 Relevance and Strategic Fit**

**Relevance for key stakeholders:** The design and implementation strategies of BWV Phase II and BWI Phase II are relevant to the interests and priorities of the stakeholders, particularly the core strategies to support compliance in the garment industry. There are a number of similar perceptions among stakeholders in Indonesia and Vietnam about BW's relevance to their needs. These include the stakeholders' trust in ILO as the international labour standard setting body, the benefit to factories of a reduction in the number of audit requirements, the benefit to buyers of the audit plus advisory package or "complete solution" offered by Better Work and the relevance to government of a "self-complying" industry.

Some differences between perceived relevance emerged. In Vietnam, Better Work is particularly relevant to employer organizations' interests, given the importance of the garment export sector. The main reservation expressed is that BW does not reach further in the sector to cover more SMEs and extend to other parts of the country. In Indonesia, employer bodies, although supportive, have been less actively engaged in Better Work, perhaps because the garment industry is not as central to the

economy. Trade Unions find that Better Work serves their needs in both countries where BW and ILO programs have been important to building trade union capacity and increasing union representation in garment enterprises.

**Contribution to ILO DWCPs and UN development frameworks:** The objectives of BWV Phase II are closely aligned with those of the ILO Vietnam DWCP 2012-2016, and also with the One UN Plan. BWV has shared resources and jointly implemented activities with several ILO projects in Vietnam, especially the Industrial Relations project. In Indonesia Phase II of BWI was well-aligned with the ILO DWCP and to some extent with other UN development frameworks. Several ILO Country Program activities link and provide support to Better Work Indonesia and vice versa.

**National socio-economic development and gender strategies:** Both programmes are generally aligned with national social and economic development plans relating to job creation through the ILO DWCP. In both Vietnam and Indonesia BW contributes to more and better jobs for women, and the promotion of gender equality at work. This is aligned with the respective national gender equality strategies though linkage of the projects with national strategies is not explicit in the project designs.

**Comparative advantage of linkage with the ILO:** Under the second phases of BWV and BWI, the integration of Better Work within the ILO served the delivery of the policy influence component of mainly by strengthening the voice and involvement of ILO tripartite constituents in what had been mainly industry-driven social compliance initiatives in the garment sector. In addition, the credibility of the ILO and BWG among global brands was critical in BWV and BWI achieving scale, and hence their scope for influencing global value chain stakeholder behaviour and policies within the sector.

## **5.2 Delivery Progress and Response to the Mid-Term Evaluations**

**Progress of delivery and achievement of targets:** Both BWV and BWI achieved the majority of their delivery outputs and targets during their second phases. The scale of coverage of garment suppliers was substantially increased, reaching 50% of the large export garment factories in Vietnam and 30% of the export oriented sector in Indonesia. The projects also expanded geographically, extending in the North of Vietnam and to beyond Jakarta to Central and West Java in Indonesia. In both countries, BW also initiated small scale operations in the footwear sector.

**Response to Mid-Term evaluation recommendations:** A systematic response to the MTE recommendations was not taken up in Vietnam mainly due to the relatively short time remaining until the end of the project. The recommended review of Vietnam's specific PMP indicators was not undertaken; however BW global introduced improvements to the global indicators, (reformulation of some and removal of others), which brought some changes to those that are included in the PMP. Further improvement and mainstreaming in concert with the BWG monitoring and reporting system would be useful in the next phase. BWV's strategic expansion was aligned with the MTE recommendations, focusing on improving the depth of labour compliance services rather than further expanding the geographical coverage. The recommendations for articulating a clearer policy influence agenda and gender equality strategies were supported by the project management; however, these areas remain to be enhanced.

BWI, and where relevant, BWG pursued strategies that were consistent with, or responded to, many of the recommendations of the midterm evaluation. Notably, BWI expanded its communications strategy, with observed success; embarked on strategies to improve time efficiency and financial viability continuing into phase III, and proposed strategies to address concerns about how the transition of core services delivery to a national institution may affect program effectiveness, largely by maintaining a strong role for ILO/BWI at least during in the transition phase.

### **5.3 Effectiveness of Core Services**

**Impacts on labour standards:** In Vietnam and Indonesia, the BW programme has brought steady improvements in many aspects of labour standards compliance and working conditions in BW factories as demonstrated in the Tufts impact assessment. However, certain areas of compliance remain a challenge. In Vietnam, non-compliance is common in occupational health and safety issues, excessive overtime and compensation issues, while under the core labour standards, management influence persists in union activities. In Indonesia non-compliance around health care benefits and correct payments for overtime among other issues, is prevalent.

**Effectiveness of core service delivery:** In Vietnam and Indonesia, enterprise and industry stakeholders indicate that Better Work is providing a transparent and trusted compliance assessment and advisory service with the advisory services providing an added value of BW over traditional audit services. In both countries the adjusted model was introduced during phase II, aimed at establishing a less labour-intensive, more scalable model. This was fully rolled out in Vietnam by the end of phase II, with indications of increased ownership by factories for their improvement process. There are emerging signs that the adjusted model is accelerating compliance, and the upcoming compliance synthesis reports are expected to yield more empirical information.

BWV and BWI have taken different approaches to the formation of bi-partite committees as the main conduit for performance improvement plans. In Indonesia these are built on existing legally mandated workplace committees. In Vietnam, the committees are showing signs of growing independence from BWV, and gradually enabling workers' voice, although the influence of management within the enterprise trade union and therefore in the performance improvement committee still persists. In Indonesia, the stakeholders are generally positive about the role of the bi-partite committees to implement performance improvements; however the trade unions in particular would like to see additional pressure placed on non-complying suppliers through the buyers.

The training services provided by BW are well developed in both countries with varied take-up, depending on factories' willingness to pay for those which are fee paying. The supervisory skills training courses have been highly popular and also very effective in building the supervisors skills in communicating with the production workers without resorting to bullying or humiliating tactics. The SSTs also demonstrate spin-off benefits for participants beyond the workplace. The SSTs are considered a good practice in both countries with potential for incorporating gender issues such as sexual harassment awareness raising.

**Communications strategies:** During phase II both BWV and BWI introduced some innovative pilot communications campaigns to raise awareness and support behaviour change among workers and managers on occupational safety and workers' rights. These included the use of mobile phone SMS messaging on occupational health and safety in both countries, an animation film series for workers in Vietnam on a range of topics including healthy eating, healthy living and sexual harassment in the workplace for use in the workplace; and an occupational health and safety-themed rap song. Although these were not continued all the way through the project life these are promising approaches for future phases.



#### **5.4 Effectiveness of Contribution to Policy Development**

In Vietnam and Indonesia, BW objectives of contributing to an enabling policy environment for labour compliance in global supply chains were pursued organically as opportunities to influence policy debates arose. In both countries, BWs focus on compliance contributes to the ILO's capacity to exert influence on labour policy consistency and coherence, on its effective implementation, and to improve coordination among stakeholders in the global value chain. The capacity of the programs to influence national policy debates differed, with the ILO generally having a bigger voice in wider national policy discussions in Vietnam than in Indonesia. In both countries, the production of a body or research, synthesis reports and policy briefs has been used to good effect to raise awareness of compliance issues.

#### **5.5 Effectiveness in Promoting Gender Equality**

Because the vast majority workers in factories served by BWI and BWV are women, all core services can be viewed as contributing to women's interests and well-being to some degree. BWV and BWI have mainstreamed gender concerns into the delivery of core services through their assessment and advisory services related to compliance with national laws that protect women workers. Other ways the programs have promoted gender equality include by promoting women's participation and collecting gender disaggregated data across their activities and training programmes and as well as through implementing gender focused, ad-hoc mini-projects, some of which have potential for scaling up.

The evaluation suggested a number of ways that BW in Indonesia, Vietnam and elsewhere might continue to embed gender dimensions in the design of core and other interventions towards the empowerment of women factory workers beyond the programme's current focus on labour standards compliance. While the BW programmes can continue to mainstream gender equality strategies within the core services, they could seek alliances and linkages with NGOs and local service providers to increase women workers' access to financial and workers' rights education and legal services.

#### **5.6 Efficiency and Effectiveness of Human Resources**

As part of their strategies to improve the quality and efficiency of core services, both BWV and BWI have invested significant efforts toward developing staff skills. Both programs provide extensive training and staff development opportunities to its core enterprise advisor staff to enable them to fulfil the complex demands of providing the core assessment and advisory services. As the service delivery has evolved under phase II, with the introduction of the adjusted model, the diversity and depth of expertise among the staff has been enhanced through the allocation of technical focal points and through the provision of intensified training and on-the job mentoring. Nevertheless, enterprise advisors in Vietnam in particular could benefit from more intensive advisory skills training.

#### **5.7 Sustainability**

During their second phases, both BWV and BWI made significant progress towards sustainability. Both made good progress towards sustaining core services through income generation from BW factory registrations and buyer participants. With regard to institutional sustainability, BWV and BWI have made advances while pursuing different strategies. In Vietnam BW has strengthened its operational sustainability through enhancing and diversifying the skill sets of its staff. During phase II it increased national partner ownership and capacity to contribute to the delivery of programme component and has invested in sustainability scoping study to guide the model in next phase. In Indonesia, by the end of phase II, BWI had laid much of the groundwork for the establishment of a

national institution to deliver the programme, and an independent foundation to take on BW services will be launched in early 2017.

## **VI. Recommendations**

The following recommendations are directed to BW global, BWV and BWI and ILO, towards strengthening outcomes in the ongoing programmes in Vietnam and Indonesia. The majority of these recommendations may be considered for applicability in other Better Work country projects.

- 1. Review and mainstreaming of Better Work Global and BWV and BWI monitoring and evaluation systems:** BW Global should work with BW country projects including BWV and BWI to further streamline the global indicators within country-specific Performance Monitoring Plan indicators in the future or ongoing project phases, and should ensure that the global indicators designed to monitor the adjusted model are being utilised. BW Global should further guide country project teams in understanding the M&E system and the potential to adjust indicators and targets with appropriate justification during the life of the project.
- 2. Continue to enhance and differentiate core service delivery to meet different needs:** BWV and BWI should seek to maintain a close advisory relationship with enterprises through its hands-on advisory service, especially during factories' first years with the program, while differentiating the level of service and training options provided as factories advance. This differentiation may include:
  - Offering a more flexible choice of options in the advisory and training components that may be purchased. This may help to maintain membership among advanced factories, and improve resource efficiency.
  - Providing group-based advisory services on thematic topics to members in the same or adjacent industrial parks/export processing areas. This will be particularly effective if factories with similar levels of compliance performance and overlapping learning needs are matched and placed in cohorts that convene in periodic meetings.
- 3. Continue to build expertise focal points among the core service delivery team:** BWV and BWI should continue to develop expertise focal points and specialized units among the core team of EA team leaders and EAs, including assessment, advisory, industrial relations, occupational safety and health and gender; and provide specialized training to these individuals/teams where appropriate, while maintaining the enterprise advisors' focus on core service delivery. Further training on advisory issues should be provided to enterprise advisors in the form of seminars and case studies.
- 4. Enhance policy influence through compliance reporting:** BWV and BWI Compliance synthesis reports should be used strategically to inform ILO tripartite stakeholders, brands and consumer advocacy groups about compliance gaps in the respective countries export oriented garment factories, including highlighting positive trends more effectively. More generally, the program should move ahead with other public reporting initiatives that reinforce transparency in the sector. The program should look for strategies to amplify the visibility of the findings of its annual compliance synthesis reports.
- 5. Enhance policy influence strategy:** BWV and BWI should develop a more strategic approach for influencing the public and private sector by identifying together with the ILO DWCPs key policy issues, stakeholders and how to influence them. This may include for example, identifying emerging issues for advocacy in the ongoing labour law reform in Vietnam, and planning an

advocacy strategy. In Indonesia, the issue of reform on contracts was highlighted as important by several stakeholders.

- 6. Gender equality strategy:** BW in Vietnam, Indonesia and elsewhere should further embed gender dimensions in the design of core and other interventions to support women's empowerment as garment workers beyond labour standards compliance. Some innovative approaches that may be considered by BW programs to complement core services include:
- Forging strategic alliances with Women's rights NGOs for the organization of education programs in BW factories,
  - When opportunities arise, encouraging and providing input for company social responsibility or donor initiatives that empower women in communities around factories in collaboration with local authorities and/or development NGOs.
  - Facilitating access by women workers to financial services and education including savings groups.
  - Facilitating access by women workers to workers' rights education and legal defence services.
- 7. Worker education:** BWI and BWV and where relevant, other Better Work programmes, should continue and enhance the way it uses social media and other innovative forms of communication with workers on their rights and OSH issues. The following are some innovative ways it might do this:
- Organizing forums or producing audio and visual tools that inspire by example (versus the current focus on guidebooks and good practice narratives and case studies).
  - To reinforce gender dimensions of its communication strategy, consider developing a series of communication tools or outreach events that highlight successful women leaders, their initiatives and good practices.
  - Tools in digital formats may be diffused through the existing social media platforms, by factory management, in factory advisory sessions and in BW training activities. By developing the tools based on common issues identified in the annual compliance synthesis report, the program may capitalize on economies of scale to justify the investment in more advanced communication tools.
  - Use annual competitions and/or theme days like the one-day health events held by BWV and BWI for social mobilization.
  - Consider soliciting short term expertise in "behaviour change communication"<sup>62</sup> to identify strategies that may improve the effectiveness of core services, especially as BW moves away from assessment to factory driven improvement strategies.
- 8. Provide leadership skills training for managers using peer learning:** Since leadership skills and responsive management among management and worker representatives in factories play a critical role in producing compliance and productivity improvements, BWV and BWI may consider developing additional training and other capacity building approaches such as mentoring or coaching or "learning circles" that are geared towards improving leadership skills among factory managers, HR managers and worker representatives using peer learning approaches. Examples of how this might be implemented include:

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<sup>62</sup> An example of a firm in the region that specializes in social marketing and behaviour change strategies is 17 Triggers (<http://www.17triggers.com>) which is based in Cambodia. This is not an endorsement of this particular company; rather, the reference is given to illustrate the type of expertise that BWI may seek to implement this recommendation.

- Similar to supervisory training, offer training for senior management on responsive management techniques;
- Creating a network of factory managers and/or HR managers and holding quarterly lunches/events or networking events (like industry seminars but focused on the needs of particular types of factory management);
- Creating a Whatsapp group for HR managers and/or worker representatives.

**9. Trade union capacity.** ILO, BW country programs and trade union confederations should continue to strengthen trade union capacity to represent workers in garment factories. Even though the situation of trade unions is very different in Vietnam and Indonesia, this recommendation applies in both countries and may also apply to other BW country programs. Ways that this might be done include:

- Continue trade union capacity building, with focus on leadership development and basics of union roles and responsibilities for union representatives on the shop floor. Pay particular attention to developing women leaders.
- Consider facilitating a garment sector working group of trade union representatives from different trade unions (in Indonesia) or trade union leaders within particular regions (both countries) to agree on common agenda for improving labour conditions in garment sector.
- Support trade union campaigns (worker education campaigns and/or membership drives) that target workers in garment sector.
- Explore feasibility of negotiating sector level and/or regional/sector collective bargaining agreement, based on successful experience in Jordan.

#### **Vietnam**

**10. Maintain the strategic focus on compliance in the apparel sector in Vietnam.** In the forthcoming phase, given BWV's resource capacity and the unmet demand for BW services in the garment and footwear sectors, BWV should maintain its focus on these sectors and expand the geographic coverage of the sector, while exploring ways of influencing compliance among more SMEs in the supply chain. The latter could involve collaboration with ILO projects supporting SME development, BW enterprises sharing their experience in business forums; and pressure from larger firms on their suppliers to comply with national laws and international labour standards.

#### **Indonesia**

**11. ILO/BWI and/or APINDO should explore ways to create and strengthen sector and/or regional business associations/forums with which BWI may collaborate and share experiences.**

To capitalize on BW's relative importance within the garment sector and its relative importance to industry in some particular regions like central Java (and to compensate the limited size and importance of export oriented garments in the overall economy), ILO/BWI should explore how it can integrate with and/or foster new collective approaches to improving compliance and promoting productivity at the sectoral or regional levels. To the extent that APINDO is also interested in ways to strengthen its sectoral and regional associations, this may be an initiative on which they can find synergies and collaborate.

## Annexes

### Annex A. Terms of Reference

#### Terms of Reference Final Independent Cluster Evaluation Better Work Vietnam (Phase II) and Better Work Indonesia (Phase II)

<b>Project TC Codes</b>	<p><i>Better Work Vietnam:</i> VIE/14/01/NET VIE/12/06/MUL (Swiss contribution) VIE/12/06/MUL (Australia contribution) VIE/13/06/MUL (Australia contribution, staff costs) VIE/14/06/CAN VIE/13/07/IRL</p> <p><i>Better Work Indonesia:</i> INS/14/51/NET  INS/12/10/MUL (Dutch contribution) INS/12/10/MUL (Swiss contribution) INS/12/10/MUL (Australia contribution)</p>
<b>Administrative Unit in the ILO responsible for administrating the projects</b>	Better Work
<b>Technical Unit in the ILO responsible for backstopping the projects</b>	Better Work
<b>Duration of Phase II</b>	<p><i>Better Work Vietnam:</i> Jan 2013 – Dec 2016 <i>Better Work Indonesia:</i> July 2012 – Dec 2015</p>
<b>Budget of Phase II</b>	<p><i>Better Work Vietnam:</i> USD 9,627,611 <i>Better Work Indonesia:</i> USD 6,980,180</p>
<b>Type of evaluation</b>	Independent
<b>Timing of evaluation</b>	Final
<b>Duration of Evaluation</b>	October – December 2016

## Background and Justification

### Introduction to Better Work

1. Better Work – a collaboration between the United Nation’s International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group – is a comprehensive programme bringing together all levels of the garment industry to improve working conditions and respect of labour rights for workers, and boost the competitiveness of apparel businesses.
2. The ILO is devoted to promoting social justice and internationally recognized human and labour rights, pursuing its founding mission that social justice is essential to universal and lasting peace. The ILO brings together governments, employers and workers representatives of 187 member States, to set labour standards, develop policies and devise programmes promoting decent work for all women and men.
3. As a result of their participation with Better Work, factories have steadily improved compliance with ILO core labour standards and national legislation covering compensation, contracts, occupational safety and health and working time. This has significantly improved working conditions and, at the same time enhanced factories’ productivity and profitability.
4. Better Work was established in Vietnam in 2009 and in Indonesia in 2010, and the rationale for conducting a cluster evaluation of the second phases of the two projects is to conduct a comparative analysis of the second phases and conclude recommendations that are more applicable to the region.

### Better Work Vietnam

#### Country Context

5. When Better Work Vietnam (BWV) Phase II was established, Vietnam was one of the fastest-growing economies in the world and established itself as an important manufacturing base for labour intensive goods to international markets. The garment industry was the largest export industry in Vietnam and the biggest formal employer providing livelihoods for roughly two million workers. Vietnam’s apparel factories operated in an increasingly competitive market struggling with tough buyer requirements on quality, price, delivery time and compliance with legal standards, a significant labour shortage, and a renewed rise in sporadic wildcat strikes.
6. Presently, there have been improvement in current Labour Code and Law on Trade Union. A new Social Insurance Law came into effect in January 2016. The minimum wage is increased annually, and is negotiated through the tripartite National Wage Council, which comprises representatives from the government, VCCI (employers) and VGCL (Trade Union).

#### BWV within the ILO and UN framework

7. BWV Phase II is an integral part of the Vietnam **Decent Work Country Programme (DWCP) 2012-2016**, responding particularly to Country Priority 1, Outcome 2, for improved business environment, access to services and better working conditions for sustainable development. It is also linked to the **ILO’s Strategic Policy Framework 2010-2015** objective of creating greater opportunities for decent work and income for women and men by taking sector specific approach to decent work. In addition, the project responds to the identified need to promote investment and private sector development, preventive safety culture, competitiveness and productivity under the **ONE UN framework**. Furthermore, the project will contribute to the **Vietnamese Government’s socio-economic development strategy 2011-2020**, which seeks to promote sustainable economic development and competitiveness.

### *BWV Phase II Status and Milestones*

8. BWV is currently in its second phase (2013-2016), with a total budget of USD 9,627,611; funded by Switzerland, Australia, the Netherlands, Canada (capacity building for tripartite constituents, and child labour), Ireland, and USA (industrial relations and Trade Union Capacity Building).
9. BWV's work is carried out by a team led by an internationally recruited Chief Technical Advisor (CTA)/ Programme Manager and supported by a Technical Officer and 45 Staff. The BWV operational team is based in a project office in Ho Chi Minh City. The CTA reports directly to the Better Work Regional Manager (Asia) in Bangkok, with dotted line responsibilities to the ILO Vietnam Country Director, based in Hanoi.
10. The project uses a multiple-channel strategy to assess and report on factory-level compliance with ILO core and other international labour standards and national labour law. In order to make progress against areas of non-compliance, the programme offers technical advice, further complemented by training for management and workers. The project also assists in piloting ways to improve enterprise level industrial relations practices and supporting social partner institutions, and shares with policy makers the knowledge it gains through its operations with the aim of supporting development of evidence based labour market and industrial relations policies.
11. BWV Phase II immediate objectives are:  
Immediate Objective 1: Better Work Vietnam's assessment, advisory and training services allow factories participating in the programme to show leadership in adhering to national labour law and international labour standards and help drive change throughout the industry.  
  
Immediate objective 2: Better Work Vietnam has achieved greater impact by bringing lessons learned and knowledge of governance gaps into public and private sector policy debates, including those involving relevant business operating practices.  
  
Immediate objective 3: Better Work Vietnam expands the scope and depth of its services to increase its positive developmental and business impacts on workers, the industry, and the country.  
  
Immediate objective 4: The long-term viability of Better Work Vietnam activities is strengthened by, among other things, increasing cost recovery and the capacity of national staff to give broader and improved services, and take on greater management responsibilities and ownership for the programme.  
  
Immediate objective 5: The sustainability of Better Work Vietnam operations and programme results is achieved by increasing the capacity and ownership of local social partners.
12. BWV is currently the largest voluntary BW programme in operation reaching 417 garment and footwear factories in both the North and the South (status September 2016), covering more than half a million workers. Since 2009, BWV has assessed 370 factories, and has conducted more than 4,200 advisory visits to help factories improve their labour standards. BW's experience and practical insight from factories, particularly about Performance Improvement Consultative Committees (PICCs), is instrumental in shaping the current Labour Code. In the first half of 2016, BWV has worked closely with MOLISA to develop the Zero Tolerance Protocol for remediating violations related to Forced Labor, Child Labor, Sexual Harassment and Occupational Safety and Health.

### **Better Work Indonesia**

#### *Country context*

13. When BWI Phase II started, the largest contributor to the Indonesian Gross Domestic Product (GDP) was the manufacturing sector. The apparel factories, the third largest employer in the manufacturing sector (11%), had more than 500,000 workers in approximately 2,000 enterprises supplying both export and domestic markets. The industry was consisted of 78% female and, therefore, considered one of the highest female worker concentrations after the tobacco industry. Despite strong national economic performance, the Indonesian garment sector faced many challenges, ranging from falling global demand; stronger competition from Bangladesh, Vietnam and China; low level of investment and productivity; demand for labour standards compliance by the reputation-conscious international buyers and, hence, duplicate auditing. More importantly, at the enterprise level, workers suffered from job insecurity, including abuse of short-term contract, severance and back pay.

#### *BWI in the ILO and National Contexts*

14. BWI Phase II contributed to the ILO **Decent Work Country Programme (DWCP) 2012-2015**, particularly the DWCP Priority 2, sound industrial relations in the context of effective employment governance. It also contributed to the **ILO P&B outcomes for the Biennium 2010 – 2011**; Outcome 13 on application of a sector-specific approach to decent work and Outcome 14 on exercising of the right to freedom of association and collective bargaining and elimination of forced labour, child labour and discrimination in employment and occupation.
15. BWI Phase II supported the action plans of the **Indonesian Jobs Pact (IJP) 2011-2014**, especially on Industrial Relations and labour productivity. It was linked to several ILO Jakarta Office's activities in the areas of social dialogue, labour inspection, gender mainstreaming and occupational safety and health, as well as ILO projects such as Sustainability through Competitive and Responsible Enterprises (SCORE) project and Programme on the Elimination of the Worst Forms of Child Labour (IPEC).
16. In addition, BWI Phase II provided support to achievement of Outcome 3 of the **United Nations Development Assistance Framework (UNDAF) 2011-2015**, i.e. "institutional capacities strengthened to increase productive and sustainable livelihoods and decent work for the poor and vulnerable, young men and women". Furthermore, BWI Phase II contributed to Indonesia's **National Medium-Term Development Plan 2010-2014** which emphasized increasing the competitiveness of manufacturing industry and prioritized strengthening the industrial relations in the labour market.
17. BWI Phase II benefited the Ministry of Manpower and Transmigration (MoMT) and other relevant government agencies, the employers' organizations and enterprise managements (especially APINDO and API), workers' organizations/unions, enterprises, workers and international buyers.

#### *BWI Phase II Status and Milestones*

18. Better Work Indonesia (BWI) is being implemented in three phases over an eight-year period (2011-2018). The first phase took place from focused on the adaptation of the BW programme to the Indonesian context, on training programme staff and on piloting programme tools and services in 30 garment enterprises in the Greater Jakarta area. The second phase ran from July 2012 to July 2015 with the goal to further extend the programme in terms of number of participating factories and the impact of the programme's services. The third phase started in January 2016 and will run until



December 2018 with the objective to create a sustainable structure for the delivery of services, and help build the capacity of the national constituents.

19. The budget for BWI Phase II was USD 6,980,180. Donors of the BWI Phase II strategy were Switzerland, Australia, the Netherlands, and USA.
20. A Chief Technical Advisor (CTA) / Programme Manager and a Senior Advisor headed BWI project team, reported to the Better Work Global Director and the ILO Director for CO-Jakarta, and worked under guidance of the BW Global Operations Manager based in Bangkok. The BWI team also comprised a National Programme Officer, two Senior Enterprise Advisor, Enterprise Advisors, a Training Officer and finance and administrative support staff. The team had close collaboration with the ILO CO-Jakarta and the ILO technical specialists in the Regional Office for Asia and the Pacific.
21. The BWI Phase II Outcomes were:  
Immediate objective 1: Improved labour standard compliance in the targeted sector in accordance with international core labour standards and national labour law.  
Immediate objective 2: Established sustainable accesses by BWI stakeholders to Better Work tools and approaches, adapted to the Indonesian context.  
Immediate objective 3: Lessons learnt and knowledge about labour standard compliance and competitiveness in global supply chain are held in government policy discussions and contribute to international policy debates.
22. BWI Phase II, thus, endeavoured to improve labour standards compliance and to increase competitiveness of enterprises in Indonesia as part of the management of global supply chains by replacing audit duplication with BW's independent enterprise assessment; providing advisory and training services; building capacity of employers and union and promoting social dialogue; using lessons learned and knowledge from the BWI programme to influence policies; and establishing an independent national self-financing institution to continue BW core services delivery.
23. By end of phase II in July 2015, BWI had provided its services to 140 factories with 280,000 workers. The new service model introduced in July 2015 was adopted by approximately 50% of the BW registered factories by the end of 2015. BWI is also gradually transitioning to a national Foundation, which is expected to start operating on 1 January 2017.

## Evaluation Background

### *Evaluation Guidelines*

24. ILO considers evaluation as an integral part of the implementation of technical cooperation activities. As per ILO evaluation policy and procedures all programmes and projects with a budget over USD 5 million must have to go through ILO managed independent evaluations.

25. Evaluation for the purpose of accountability, learning and planning and building knowledge is an essential part of the ILO approach.
26. This final independent cluster evaluation should be conducted in context of criteria and approaches for international development assistance as established by:
  - The OECD/DAC Evaluation Quality Standard; and
  - <http://www.oecd.org/dac/evaluation/qualitystandardsfordevelopmentevaluation.htm>;
  - The UNEG Code of Conduct for Evaluation in the UN System
  - <http://www.unevaluation.org/document/detail/100>.
27. In particular, this evaluation will follow the ILO policy guidelines for results-based evaluation<sup>63</sup>; and the ILO EVAL Policy Guidelines Checklist 3 “Preparing the inception report”<sup>64</sup>; Checklist 4 “Validating methodologies”<sup>65</sup>; and Checklist 5 “Preparing the evaluation report”<sup>66</sup>.
28. Gender concerns should be addressed in accordance with ILO Guidance note 4: “Considering gender in the monitoring and evaluation of projects”<sup>67</sup>. All data should be sex-disaggregated and different needs of women and men and of marginalized groups targeted by the project should be considered throughout the evaluation process.

### *Better Work Evaluations*

29. The cluster evaluation of the second phases of BWV and BWI is expected to build on the available knowledge on Better Work through impacts assessments, midterm evaluations and sustainability studies.
30. To understand the impact of its work, the Better Work Programme commissioned Tufts University to conduct an independent impact assessment. Since the programme’s inception, Tufts’ interdisciplinary research team has gathered and analysed nearly 15,000 survey responses from garment workers and 2,000 responses from factory managers in Vietnam, Indonesia, Jordan, and Haiti. The analysis of these responses represents an in-depth evaluation of Better Work’s effectiveness in changing workers’ lives and boosting factory competitiveness.<sup>68</sup>
31. The BWV Programme received a mid-term evaluation in 2015. The main objectives of this evaluation were to assess progress made towards achieving the planned objectives of the project according to the log frame and respective monitoring indicators. The recommendations from the mid-term evaluation included, among others, revising the indicators; more consideration of how to influence what policy by what methods; and strategic expansion aimed to increase impact rather than numbers or geography, given BWV’s constrained resources. BWV has also conducted a sustainability scoping study. Finally, BWV has separately evaluated industrial relations interventions by USDOL.

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<sup>63</sup> <http://www.ilo.org/eval/Evaluationguidance>

<sup>64</sup> [http://www.ilo.org/global/docs/WCMS\\_165972/lang--en/index.htm](http://www.ilo.org/global/docs/WCMS_165972/lang--en/index.htm)

<sup>65</sup> [http://www.ilo.org/global/docs/WCMS\\_166364/lang--en/index.htm](http://www.ilo.org/global/docs/WCMS_166364/lang--en/index.htm)

<sup>66</sup> [http://www.ilo.org/global/docs/WCMS\\_165967/lang--en/index.htm](http://www.ilo.org/global/docs/WCMS_165967/lang--en/index.htm)

<sup>67</sup> [http://www.ilo.org/eval/Evaluationguidance/WCMS\\_165986/lang--en/index.htm](http://www.ilo.org/eval/Evaluationguidance/WCMS_165986/lang--en/index.htm)

<sup>68</sup> <http://betterwork.org/blog/portfolio/impact-assessment/#1474900139598-0c76ab6e-80c4>

32. BWI received a mid-term evaluation in December 2014. It included an assessment of BWI's progress towards achieving its objectives; the strengths and weaknesses of the project's approach, implementation, and monitoring system; and the effectiveness of stakeholder engagement in light of the programme's transition towards becoming an independent entity. The mid-term evaluation also recommended BWI to put more emphasis on strengthening its social dialogue element; scaling up the programme and increasing the efficiency of the service delivery, training and effectiveness; establishment of the Foundation; and cost recovery.
33. The evaluation should particularly focus on the interventions that the BWI and the BWV programmes have done in the area of gender. This is also to inform the overall Better Work Strategy for the next five years (2017-2022) in which gender will play an increasingly important role
34. A major contribution of the final cluster evaluation will be to consolidate previous knowledge, assess the extent to which recommendations were taken into consideration, evaluate mini projects that have been implemented beyond the projects' implementation plans and assess the particular impact of the projects on gender equality.
35. This is a cluster evaluation of two programmes. As such, it will look at both in an integrated analysis in one report (i.e. commonalities, the whole strategic and programmatic approach, common aspects and patterns, rather than on a detailed coverage of each project). While specific chapters can present results achieved by country, most of the report should be developed to findings and analysis that look at both programmes together. The report will compare and consolidate findings to add value through one analysis of two South East Asian countries.

### **Purposes of the Evaluation**

36. The main purposes of the final evaluation are:
  - a. Establish the relevance of the project design and implementation strategy in relation to the ILO, UN and national development frameworks.
  - b. Assess the extent to which the project has achieved its stated objectives and unexpected results, identifying the supporting factors and constraints that have led to them.
  - c. Assess the outcomes and impact of projects' activities on gender equality and how this complements national gender strategies.
  - d. Determine the implementation efficiency of the projects.
  - e. Assess the potential achievement of the programmes sustainability strategies.
  - f. Assess the extent to which recommendations of the midterm evaluations have been taken into consideration,
  - g. Identify lessons learned and potential good practice, especially regarding models of interventions that can be applied further;
  - h. Provide recommendations to project stakeholders to promote sustainability and support the completion, expansion or further development of initiatives that were supported by the project.
37. The primary audiences of the report are Better Work project management – both the BWI and BWV country project and Better Work Global, the ILO offices (Country Office Jakarta, Regional Office for Asia

Pacific), key national stakeholders as well as the project donors. Other audience for the report shall also include the PAC members and other stakeholders.

### **Evaluation Scope and Criteria**

38. The cluster evaluation will cover all interventions of the second phases of BWV and BWI, including especially the named “mini projects” such as gender equality awareness activities that have been implemented outside the logical framework of the projects.
39. The evaluation geographic area within countries is the Greater Jakarta area in Indonesia and Hanoi and Ho Chi Minh City in Vietnam.
40. It will be relevant to look on linkages of the evaluated projects with other Better Work projects and ILO and IFC interventions. Recommendations should then be made primarily to orient future activities of Better Work and of ILO as a whole.
41. The Midterm evaluations of the second phases of BWV and BWI and the impact assessment study of Better Work, will serve as reference points for the current cluster evaluation.

### **Evaluation Questions**

42. In line with established results-based management, the evaluation will focus on identifying and analysing results through addressing key questions on the achievement of immediate objectives of the projects through the indicators of the logical frameworks and unexpected results.

### **Relevance**

- How do the second phases of BWV and BWI address country needs in the thematic areas of Better Work?
- How do the programmes align with and support the ILO Decent Work Country Programs and UN development frameworks?
- How does the integration of Better Work and ILO serve the delivery of the policy influence component of BWV and BWI?
- How do gender targeted activities align with national strategies promoting gender?

### **Effectiveness**

- How effective were the projects in delivering core services? What were the internal and external factors affecting the delivery of core services?
- How did the adjusted assessment and advisory models in Vietnam contribute to effective delivery of core services?
- To what extent did the project take the recommendations of the mid-term evaluations into consideration?

### **Gender issues**

- How does the delivery of core services contribute or hinder to gender equality?
- How effective is the design/objectives of gender “mini projects”? To what extent have those mini projects met their stated objectives?
- To what extent these “mini projects” scaled up or “mainstreamed” into the regular Better Work programme, given the current resource limitations (and if they can’t, what other ways can be recommended to better mainstreamed gender into our regular work)?

- What types of indicators can be suggested for the next phase project design to strengthen the impact of BWV and BWI on gender equality?

#### **Efficiency of Resource Use**

- To what extent has the adjusted core services model contributed to improvements in time and resource allocation efficiency in Vietnam?
- Have project staff widened and diversified their skill sets both in terms of core service delivery and in supporting wider project activities?

#### **Impact**

- Assess the potential impact of the adjusted model in Vietnam on the compliance to international labour standards in beneficiary factories?
- Assess the contribution of BW on public and private sector policy debates in Vietnam and Indonesia?

#### **Methodology**

43. The evaluation is expected to use a mixed methodological approach and take advantage of the following tools:

- Desk review of documents: project documents, technical progress reports, work-plans, mission reports, Midterm Evaluations, Impact Evaluation, Sustainability Scoping Study, and other key documents produced by the project.

The desk review will suggest a number of initial findings that in turn may point to additional or fine-tuned evaluation questions. This will guide the inception report for the validation of the evaluation methodology.

- Analysis of project data and reports to assess the effectiveness and efficiency of BWV's and BWI's core services.
  - Field Mission to Vietnam (Hanoi and HTMC) to carry out:
    - Interviews with Chief Technical Advisers and project teams
    - Field visits to factories to assess the effectiveness, efficiency and impact of the new models
    - Interviews with national stakeholders.
    - Briefing with BW and ILO staff to assess collaboration and policy influence
  - Field Mission to Indonesia, to carry out:
    - Interviews with Chief Technical Adviser and project teams
    - Field visits to factories to assess the effectiveness, efficiency and impact of core services.
    - Interviews with national stakeholders.
    - Briefing with BW and ILO staff to assess collaboration and policy influence
  - Stakeholders Workshop in Hanoi and Jakarta at the end of the field work: to present and discuss the findings of the missions and collect complementary data with the BW teams, ILO country offices teams, national stakeholders, and donor representatives.
44. The selection of the field visits locations should be based on criteria to be defined by the evaluation team. Some criteria to consider include:
- Locations/factories with successful and unsuccessful results from the perception of key stakeholders. The rationale is that extreme cases, at some extent, are more helpful than averages for understanding how process worked and results have been obtained;

- Locations/factories that have been identified as providing particular good practices or bringing out particular key issues as identified by the desk review and initial discussions
- Representation of the main strategies or interventions used;

### **Main Deliverables**

45. The main outputs of the Evaluation shall be:
1. Inception Report
  2. Stakeholders Workshop
  3. Draft Evaluation Report
  4. Final Evaluation Report, including Executive Summary

The quality of deliverables will be assessed against the ILO Evaluation Checklists:

46. The Evaluation Report should be prepared in English, 30-35 pages, and include the following content:
- Title page
  - Table of contents
  - Executive summary
  - Acronyms
  - Background and project description
  - Purpose of evaluation
  - Evaluation methodology, limitations and evaluation questions
  - Project status and findings
  - Conclusions and recommendations
  - Lessons learnt and potential good practices
  - Annexes (list of interviews, overview of meetings, other relevant information)
47. This report will be circulated by the evaluation manager to BWI and BWV, ILO Country Offices and relevant stakeholders for their comments (including the donors). The comments will then be consolidated by the evaluation manager and sent to evaluation consultant(s) to be considered for the preparation of the final version of the report.

### **Management Arrangements and Work Plan**

48. The Evaluation Manager is responsible for the TOR and the selection and briefing of evaluation consultant(s). The evaluation consultant(s) will report to the evaluation manager and should discuss any technical, methodological or organizational matters with the evaluation manager. In-country management and logistics support will be provided by the CTA of the projects and the BWI and BWV teams.
49. The evaluation team will consist of the lead evaluator and the evaluator team member. The lead evaluator will conduct the field mission in Vietnam and will be responsible to integrate the inputs of the evaluator into the final evaluation report. The evaluator team member will conduct the mission in Indonesia. The lead evaluator will be required to deliver 31 working days and the evaluator team member 25 working days.
50. The final independent cluster evaluation submission procedure is as follows:
- a. The lead evaluator will submit a draft report to the evaluation manager.

- b. The evaluation manager will forward a copy to key stakeholders and consolidate comments received.
- c. The lead evaluator reviews the comments and submits the final report to evaluation manager, who will then officially forward to stakeholders.

51. The evaluation should strictly follow this work plan to submit the final report by the scheduled deadline:

		Evaluation Work Plan			
Task		Dates	Lead eval. No of days	Evaluator memb. No of days	Responsible Person(s)
Call for Expression of Interest		28 Sep			Evaluation Manager
Deadline for Expression of Interest		7 Oct			
Preparation of TOR		3-17 Oct			
Selection of Evaluation Consultant(s)		19 Oct			
Briefing with Evaluation Team Leader		24 Oct	1	0	
Evaluation	<i>Phase I</i> Desk Review & Inception Report	31 Oct - 4 Nov	5	4	Evaluation Consultant(s) with support from BW Teams
	<i>Phase II</i> Analysis of existing data and reports on Core Services	7 - 11 Nov	5	5	
	<i>Phase III</i> Field work and Stakeholders workshops	13 - 22 Nov - Vietnam 13 - 22 Nov Indonesia	10	10	
	<i>Phase IV</i> Draft of Evaluation Report	23 - 30 Nov	8	5	
	<i>Phase V</i> Stakeholders review and feedback Evaluation Manager review and consolidation of comments	1 – 9 Dec			
	<i>Phase VI</i> Final Evaluation Report	12 – 13 Dec	2	1	
Review of Final Evaluation Report by Evaluation Manager		14 – 16 Dec			Evaluation Manager
Review of Evaluation Report by ILO EVAL Unit		17 – 23 Dec			ILO Evaluation Unit
Approval of the Evaluation Report		1 Jan			

### **Expected competencies**

Selection of the consultant will be based on the strengths of the qualifications provided through an expression of interest for the assignment. Interested candidates should include details of their background and knowledge of the subject area and previous project, organizational and thematic evaluation experience relevant to this assignment.

- Applicants should have a minimum of eight years' experience conducting evaluations at the international level, in particular with international organizations in the UN system and World Bank Group. Previous experience with ILO evaluations is an advantage.
- Experience with the ILO mandate and its tripartite and international standards foundations, as well as previous knowledge and experience with the Better Work Programme would be an asset.
- Labour standards expertise and experience in the areas of labour standards compliance and/or corporate social responsibility.
- Consultants should have demonstrated knowledge of gender equality dimensions.
- Experience in Indonesia and Vietnam, and the garment sector is an advantage.
- Candidates should demonstrate excellent written and oral communication skills in English.

### **Confidentiality and non-disclosure**

All data and information received from the ILO and the IFC for the purpose of this assignment are to be treated confidentially and are only to be used in connection with the execution of these Terms of Reference. All intellectual property rights arising from the execution of these Terms of Reference are assigned to IFC and ILO according to the grant agreement. The contents of written materials obtained and used in this assignment may not be disclosed to any third parties without the expressed advance written authorization of the IFC and ILO.



## **Annex B. Inception Report**

### **INCEPTION REPORT**

**4 November, 2016**

**Evaluation Consultants: Ruth Bowen and Sandy Wark**

#### **1. Evaluation Background and Purpose**

The overall purpose of the Final Cluster Evaluation of Better Work Vietnam (Phase II) and Better Work Indonesia (Phase II) is to provide project management, ILO, BW global, donors and other stakeholders with an independent assessment of the experience and performance of the two projects and to consolidate findings from the two countries. As a cluster evaluation of the second phases of the two countries under the Better Work global programme, the evaluation will emphasise the consolidation and synthesis of findings from the two countries. This assessment is intended to be used to serve the purposes of accountability, learning and planning towards the overall Better Work Strategy. Per country project, the objectives are to assess the relevance of the design and implementation; the extent of achievement of objectives; implementation efficiency; potential success of the sustainability strategies and identify lessons learned and potential good practices regarding models of intervention, with a focus on gender issues. Recommendations of the evaluation will aim to provide guidance on strategies for further development of initiatives in Indonesia and Vietnam and for future strategies of Better Work, ILO and its stakeholders globally.

The evaluators note the following points based on the TOR and briefings with ILO staff that distinguish the scope and focus of this final evaluation:

- A significant amount of review material is available for both BWI and BWV. The evaluation will therefore build on the available knowledge from existing reviews in the form of mid-term evaluations, impact assessments and other studies, and utilise the field missions to focus on progress since the mid-term evaluations and specific focus intervention areas.
- The evaluation will particularly focus on gender interventions under Better Work Vietnam and Better Work Indonesia, as a key issue in the development of the Better Work strategy for the next five years.
- In the case of BW Indonesia, Phase II, the focus of the evaluation, concluded in December 2015, and Phase III commenced in 2016, therefore the findings cannot directly inform the design of Phase III, but may inform Phase III implementation strategies and orientations of Better Work globally.
- Sustainability assessment has largely been addressed by existing studies, including the Vietnam Sustainability Scoping Study, therefore the evaluation will note major findings of the existing studies and comment on progress towards achievement of the sustainability objectives.

#### **2. Activities to date**

**Team confirmation:** The selection of the team leader, Ruth Bowen, was confirmed on October 20th and confirmation of the team member, Sandy Wark, on October 27<sup>th</sup>.

**Team briefings:** The Evaluation Manager provided a briefing to the team leader on October 24 and the team consulted with the Better Work Programme Officer, Deborah Schmidiger on November 3.

**Review of TOR:** The evaluation team provided comment on the TOR questions.

**Desk review:** The evaluation team received the main review documents by 31 October and have completed the preliminary desk review.

**Methodology and question matrix:** Based on the purpose and specific questions provided in the TOR, the evaluation team completed a question and methodology matrix presenting questions by method for data collection and documentary and stakeholder sources. (See Annex A).

**Field work planning:** Discussions with BW Indonesia on the field work have commenced. The date of commencement and departure is yet to be confirmed pending contract finalisation. Field work planning for Vietnam is expected to commence in the week beginning 7 November, pending response from the Better Work Vietnam project team. Timely cooperation from the Better Work Vietnam team is sought for the field work to proceed within the proposed timeframe.

### **3. Approach**

**Evaluation criteria:** The methodology of this evaluation will adhere to the OECD/DAC Evaluation Quality Standard, the UN Evaluation Group Code of Conduct as well as the ILO evaluation policy guidelines. In line with the guidelines for results based evaluation, it will utilise the standard criteria of relevance, effectiveness, efficiency, sustainability and impact. Impact will be assessed based on analysis of existing data as well as stakeholder interviews.

**Gender sensitivity:** In accordance with ILO Guidance note 4, data collected will be sex-disaggregated and the different needs of girls and boys and men and women targeted by the project will be considered in the analysis of project strategies and results. Gender balance will be sought in the selection of interview and discussion participants in the evaluation process.

**Culture and language concerns:** The evaluation process will take culture and language of the project participants into account to ensure cultural sensitivity and participation of people from different language and cultural backgrounds. Interpreters will be recruited by BWV and BWI to assist in interpretation with interviewees in Vietnamese and Bahasa Indonesia respectively.

### **4. Methodology**

#### **4.1 Evaluation team**

The final cluster evaluation is conducted by an independent evaluation team comprising the Team leader responsible for oversight, field work in Vietnam and report submission; and a team member responsible for field work in Indonesia, analysis of Indonesia findings and contribution to the joint analysis. Both consultants will share the development of the methodology. The Team Leader is responsible for integrating the findings for both Vietnam and Indonesia in the report.

#### **4.2 Types and sources of data**

Evidence gathered for the evaluation will include both quantitative and qualitative data. The evaluation team will not conduct quantitative surveys but will analyse quantitative data on project results drawn from project reports and the monitoring and evaluation system. Data collected in the field will be primarily qualitative, drawing on the perceptions of a range of identified stakeholders, but will also draw on further quantitative data onto the extent that this is available.

**Sources of data:** Data will be drawn from project documents and reports and related literature, from observations and interviews with workers and management in project factories and from

consultations with a wide range of relevant stakeholders – including BWV and BWI project staff, ILO backstopping and Better Work Global staff, IFC, donors, tri-partite stakeholders (government, trade unions and employers’ organizations), PACs and buyer representatives. Comparison of different stakeholder perspectives and other data sources will enable triangulation of evidence to strengthen the validity of conclusions.

In the case of Better Work Indonesia, Phase II was completed in December 2015, therefore interviews need to be held with persons with experience under Phase II. The evaluation team notes that findings will be dependent on stakeholders’ accurate recall of experience under Phase II, which may pose a limitation to the analysis.

### **4.3 Methodology for data collection**

In response to the key evaluation questions provided by the TOR, the evaluation team has developed a methodology matrix to guide the collection of data. This matrix provides the interpretation of the question and types of evidence to be gathered per evaluation question, the key documents to be consulted, and the stakeholders to be met during the field missions to Indonesia and Vietnam. The Methodology Matrix is included at Annex A. In addition to the key questions listed in the TOR (25 October), a number of other issues have been raised by the IFC and other stakeholders. The methodology remains flexible to include consideration the effectiveness of the collaboration between BW and SCORE; policy interventions through WBG interventions as well as the ILO, and consideration of the impact of payment of buyers’ orders on workers’ wages and potential industry financing needs via the IFC.

Stakeholder interviews will take the form of individual interviews or focus group discussions. These will be guided by semi-structured interview and focus group discussion guides.

The evaluation team proposes some minor adjustments to the questions, as highlighted in red text in Annex A.

As guided by the TOR, the field work will focus on gathering stakeholder perspectives to complement the findings of existing studies and project reports (TPRS, mid-term evaluations and Tufts University Impact Study).

### **4.4 Stakeholder and factory selection criteria**

#### **Stakeholder interviewees**

The selection of interviewees per stakeholder group will be purposive and will follow guidelines provided by the evaluation team to the project staff designated responsibility for arranging meetings. In order to assess the effectiveness of the mini-projects (gender and other non-core projects), interviews will include persons who have participated in or directly benefited from the non-core services and mini-projects.

#### **Factory visit selection criteria**

Given the relatively short duration of the field visits, 3 to 4 factories participating in the core service model in Indonesia and the adjusted model in Vietnam will be selected to visit. Factory visits will include focus group discussions with small groups of workers (suggested 6-8 workers), and with managers/owners. Members of PICCs should be included. The factory selection criteria are as follows:

- Factory/s with exemplary performance/compliance

- Factory with average performance
- Factories with mature length of participation in the programme (duration to be defined in consultation with project management)
- Representation of south and north in Vietnam
- Factories in the greater Jakarta area in Indonesia (to be confirmed)

#### 4.5 Stakeholder workshops

Depending on the feasibility of conducting national stakeholder workshops in each country, workshops will be conducted by the evaluators at the end of each field mission. The workshops will present preliminary findings of the evaluators and garner feedback on specific questions, lessons learned and future strategies. In the case of Indonesia, the project team have indicated that it will be difficult to convene the national stakeholders on 21<sup>st</sup> or 22<sup>nd</sup> November given the proximity to the impact evaluation results dissemination meeting to be held on 17<sup>th</sup> and a donor visit on the 22<sup>nd</sup> November. It is proposed that the multiple stakeholder discussion could be conducted as part of the planned tripartite meeting on 17<sup>th</sup> November; while the evaluator’s findings could be presented to the ILO and Better Work team in a de-briefing and feedback session prior to her departure.

#### 5. Workplan

Phase	Dates	Task	Responsible	Deliverable/date
I	31 Oct-4 Nov	<ul style="list-style-type: none"> <li>• Briefing with evaluation manager</li> <li>• Logistics briefing with project teams</li> <li>• Desk review</li> <li>• Contract finalisation</li> <li>• Inception report</li> </ul>	Evaluation team Evaluation Manager	Inception report: 4 Nov
II	7-11 Nov	<ul style="list-style-type: none"> <li>• Analysis of existing data and reports on Core Services</li> <li>• Finalise field work itinerary</li> <li>• Arrange meetings with interviewees</li> <li>• Send invitations to stakeholder workshop participants and arrange workshop logistics</li> <li>• Briefing with other BWG staff</li> </ul>	Evaluation team Better Work teams	
III	13-23 Nov	<u>Vietnam field work:</u> 13 – 22/11 (incl. travel) Workshop on 21 or 22 Nov in Hanoi – location to be confirmed. <u>Indonesia field work</u> 12-23/11 (Incl travel)	Evaluation team Better Work teams	

Phase	Dates	Task	Responsible	Deliverable/date
<b>IV</b>	23-30 Nov	Draft of evaluation report Indonesia findings provided to TL by 27 Nov	Evaluation team	Draft report: 1 December
<b>V</b>	1-9 Dec	Stakeholders review and feedback Evaluation Manager review and consolidate comments	Evaluation Manager	Consolidated comments provided to consultants by 11 December
<b>VI</b>	12-13 Dec	Report revision in response to comments	<b>Consultants</b>	Final evaluation report: 13 December

## 6. Report Outline

The proposed structure of the evaluation report is as follows:

Table of contents

Executive summary

Acronyms

- Background and project description
- Evaluation purpose and methodology
- Findings
- Conclusions
- Recommendations
- Lessons learned and emerging good practices

Annexes

Annex A: Terms of Reference

Annex B: Methodology Matrix

Annex C: Project Performance Data

Annex D: Lessons Learned

Annex E: Emerging Good Practices

Annex G. List of Persons Interviewed

Annex H. List of Documents Consulted

<b>Annex A. Methodology Matrix</b>			
<b>Evaluation Question</b>	<b>Approach/Methodology/Sample Questions</b>	<b>Relevant Desk Review Documents</b>	<b>Stakeholders to Interview</b>
<b>Project Relevance</b>			
<p>1. How do the second phases of BWV and BWI address country needs in the thematic areas of Better Work?</p>	<ul style="list-style-type: none"> <li>• Assess how well the project strategies and implementation respond to country needs and priorities in the thematic areas including: working conditions in the sector, compliance with core labour standards and national law, labour relations, and improved productivity and competitiveness.</li> <li>• Identify country needs from document review, including project document, evaluations, and triangulate with stakeholder views.</li> <li>• To understand relevance of Theory of Change review key project documentation, interview people involved in setting strategy.</li> <li>• Focus on specific needs, requirements, priorities from different stakeholder perspectives to assess continuing relevance of the design under implementation.</li> </ul> <p><u>Sample questions:</u>                      What are/have been the major challenges facing Vietnam/Indonesia’s garment and footwear Industries? How well did the BW strategy under Phase II support your goals for improving labour relations, increasing productivity and complying with international and national labour standards?</p>	<ul style="list-style-type: none"> <li>• Project Document</li> <li>• Project logical framework</li> <li>• PMPs</li> <li>• TPRs</li> <li>• Various assessment reports – including MTEs</li> <li>• BW Theory of Change document</li> </ul>	<ul style="list-style-type: none"> <li>• Government – Labour ministries</li> <li>• Main Trade Unions</li> <li>• Employers organizations</li> <li>• International buyers and Brands</li> <li>• Project Management</li> <li>• ILO Country Program Director</li> <li>• Consultants</li> <li>• BW regional and global staff</li> </ul>

	<p>What have been the major challenges and opportunities facing your organization in relation to promoting good labour-management relations, facilitating social dialogue among social partners, improving working conditions and enhancing productivity?</p> <p>Did (and if so how) the project provide assistance to address these? What project activity was the most relevant to your needs? Which was the least relevant?</p>		
<p>2. How do the programmes align with and support the ILO Decent Work Country Programs and UN development frameworks?</p>	<ul style="list-style-type: none"> <li>Review DWCP and current portfolio of projects in Vietnam and Indonesia and respective UN development frameworks.</li> <li>Analyse synergies. Synergies may be found in shared objectives, meeting capacity building needs of key stakeholders, complementary funding for research and other activities, geographic targeting, etc.</li> </ul> <p><u>Sample Questions:</u> What other ILO programs were ongoing in the phase II of this project. Were any of these particularly complementary? If so, how?</p>	<ul style="list-style-type: none"> <li>Decent Work Country Program of Indonesia and Vietnam</li> <li>UNDAF or other UN development frameworks (One UN in Vietnam)</li> </ul>	<ul style="list-style-type: none"> <li>ILO Country Directors</li> </ul>
<p>3. How does the integration of Better Work and ILO serve the delivery of the policy influence component of BWV and BWI?</p>	<p>Review and identify Better Work Indonesia and Better Work Vietnam policy objectives. Identify/analyse ways that Better Work and ILO integration facilitate (or hinder) the specific policy objectives of BWV and BWI? Possible ways integration may serve policy objectives include:</p> <ul style="list-style-type: none"> <li>Leveraging pressure from foreign buyers, brands, trade partners, national stakeholders to influence reform</li> </ul>	<ul style="list-style-type: none"> <li>Project document</li> <li>Midterm reviews</li> <li>TPR</li> <li>Impact Study</li> <li>Other reviews</li> </ul>	<ul style="list-style-type: none"> <li>CTAs</li> <li>ILO Country Directors</li> <li>Government</li> <li>Employers' organizations</li> <li>Trade Unions</li> </ul>

	<ul style="list-style-type: none"> <li>• Capitalizing on synergies with program and ILO objectives</li> <li>• Facilitating access to decision makers, other stakeholder groups, to factories</li> </ul> <p>Compare and contrast opportunities, strategies used and outcomes in Vietnam and Indonesia.</p> <p><u>Sample questions:</u> What were the main strategies used in the policy influence component of BWV and BWI?</p> <p>From your perspective, to what extent has delivery of the BW programme through the ILO’s organizational structure helped or hindered policy change?</p> <p>Have and if so how have BW reports such as thematic reports, factory compliance synthesis and/or the impact evaluation report affected the policies of: the labour administration, trade unions, professional associations, buyers in areas such as <i>OSH, Gender, Contracts, Wages and Hours, Child Labour, Forced Labour, FOACB.</i></p>		
<p>4. How do gender targeted activities align with national strategies promoting gender equality?</p>	<p>Identify the gender targeted activities undertaken by the project in the target factories or beyond, and the national stakeholder strategies promoting gender equality in the workplace.</p> <p>Review the project documents and evaluation studies to analyse of the contribution and consistency with national strategies.</p> <p>Triangulate available review findings with social partner and other stakeholder perceptions on the</p>	<ul style="list-style-type: none"> <li>• MOLISA gender strategies</li> <li>• SEDP Vietnam</li> <li>• Project Document</li> <li>• Project PMP &amp; logframe             <ul style="list-style-type: none"> <li>• Tools developed by BWV and BWI to address gender issues</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Government gender equality departments</li> <li>• CTA</li> <li>• Country Director</li> <li>• Trade Unions</li> <li>• Employers Organizations</li> </ul>



	<p>alignment and synergies between project and national stakeholder strategies.</p> <p>Interview project management and social partners about the alignment of the project with national strategies (intended and actual).</p> <p>Compare and contrast Vietnam and Indonesia.</p> <p><u>Sample questions:</u>                  What are the main national stakeholder strategies to promote gender equality in the workplace? (government, trade unions, employers)</p> <p>What are the main project activities that have specifically addressed gender in the workplace?</p> <p>To what extent did the project align with and/or contribute to the government and social partners' strategies on gender equality in the workplace?</p>		
<b>Project Effectiveness</b>			
<p>Note: Question added corresponding to purpose b).</p> <p>5. To what extent did the project achieve its objectives? Were outputs produced and delivered as per the work plan?</p>	<ul style="list-style-type: none"> <li>• Review project reports against the PMP for all indicators and performance targets for the main objectives/outputs per country.</li> <li>• Identify any unexpected results.</li> <li>• Were there any intended outputs not delivered?</li> <li>• Present as an overview and provide detailed analysis for the key TOR questions below through stakeholder interviews.</li> </ul>	<ul style="list-style-type: none"> <li>• PMP reports</li> <li>• TPRs</li> </ul>	<ul style="list-style-type: none"> <li>• CTAs and senior staff</li> <li>• Social partners</li> <li>• BWG</li> </ul>
<p>6. How effective were the projects in delivering core services? What were the internal and external factors</p>	<p>Review progress and effectiveness (quality) in delivering BW core services (assessment, advisory and training) based on PMP indicators. (Vietnam IO 1; Indonesia IOs 1 &amp;2)</p>	<ul style="list-style-type: none"> <li>• Project Document</li> <li>• Project PMP</li> </ul>	<ul style="list-style-type: none"> <li>• CTAs</li> <li>• BW Teams/M &amp; E staff</li> <li>• Beneficiary factories – workers and managers</li> </ul>

<p>affecting the delivery of core services?</p>	<p>Analyse outcomes using complementary quantitative and qualitative information from progress reports and stakeholder interviews.</p> <p>Analyse internal factors affecting performance: Examples of internal factors may include: staffing levels, staff skills, performance of STAR, performance of communication/marketing strategy, successful implementation of decentralization (Indonesia). To assess contextual factors influencing progress and effectiveness review progress reports, MTEs and background material on major social, economic, and political events in Vietnam and Indonesia.</p> <p><u>Sample questions</u></p> <p>Please provide an overview of challenges in the country operating environment during project implementation period. E.g. legal framework changes in Vietnam; has there been political and economic stability? Effect of elections and political changeover (Indonesia)?</p> <p>What were the main variables in the Garment Sector in Vietnam/Indonesia during the project life and did these affect core service delivery?</p>	<ul style="list-style-type: none"> <li>• Project initial work plan and annual work plans</li> <li>• Project TPRs</li> <li>• BWV/BWI impact assessment</li> <li>• Various BWV/BWI Assessments</li> </ul>	<ul style="list-style-type: none"> <li>• Brands/Buyers</li> <li>• PAC members</li> </ul>
<p>7. How did the adjusted assessment and advisory models in Vietnam contribute to effective delivery of core services?</p>	<p>Describe the differences between the original assessment and advisory model and the adjusted model.</p>	<ul style="list-style-type: none"> <li>• Project document</li> <li>• MTE</li> <li>• Tufts Impact study</li> </ul>	<ul style="list-style-type: none"> <li>• CTA</li> <li>• EAs</li> <li>• Factory workers</li> <li>• Factory managers</li> <li>• PAC/social partners collaborating in</li> </ul>

	<p>Review MTE findings, impact study findings on the specific benefits or disadvantages of the adjusted model.</p> <p>Interview stakeholders to assess the extent to which the adjusted assessment and advisory models improved the <i>delivery of services</i> in terms of relevance and quality of services.</p> <p><u>Sample questions:</u> What do you see as the benefits and disadvantages of the adjusted model compared with the former model? E.g. the quality of services provided; relevance to needs, level of ownership? (ask separately about efficiency and impact)</p>		<p>implementation</p> <ul style="list-style-type: none"> <li>• Buyers</li> </ul>
<p>8. To what extent the project has acted upon the recommendations of the midterm evaluation.</p>	<p><b>Vietnam:</b> Assess the follow-up to MTE recommendations: 1) revision of indicators; 2) improvement to policy influence strategy; 3) strategic expansion for greater impact. See also the recommendations of the sustainability scoping study and project response.</p> <p><b>Indonesia:</b> Assess the project follow up during the project life and into Phase III design on the MTE to recommendations: 1) strengthening the social dialogue element; 2) scaling up the programme and increasing the efficiency of service delivery, training and effectiveness; 3) establishment of the Foundation and 4) cost recovery. Review project reports and triangulate with stakeholder interviews.</p> <p><u>Sample questions:</u></p>	<ul style="list-style-type: none"> <li>• MTEs</li> <li>• Phase II project document and workplan</li> <li>• TPRs</li> </ul>	<ul style="list-style-type: none"> <li>• BWV/I CTA</li> <li>• M&amp; E staff</li> <li>• PAC members</li> <li>• BWG representatives</li> <li>• IFC</li> </ul>

	<ul style="list-style-type: none"> <li>• How did the project/BWG respond to the MTE recommendations? What were the challenges?</li> </ul> <p>Specific questions for <u>Indonesia</u></p> <ul style="list-style-type: none"> <li>• Did BW Global streamline data collection systems on 35 KPI?</li> <li>• Did BW Global strengthen its communication and outreach strategy? Did the project maintain and build on good practices identified in the MTE?</li> <li>• How did the project address the perceived/real trade-off between investing in bipartite committees and addressing compliance issues through social dialogue versus more direct and possible quicker strategies?</li> <li>• How did the project address issues related to the transition to the foundation in regards to maintaining the value added of the ILO connection (access to factories, clout)</li> <li>• How did the project adjust its core service delivery model to be less labour intensive and/or more financially viable?</li> <li>• What strategies did the project implement to improve the efficiency (mainly time efficiency) of service delivery by EAs?</li> <li>• What strategies did the project implement to increase interest and participation in fee-for-service trainings?</li> </ul> <p>Specific questions for <u>Vietnam</u>:</p> <ul style="list-style-type: none"> <li>• Did BWV support all the recommendations of the MTE? Were any recommendations not supported and for what reason?</li> <li>• Did the project build on good practices</li> </ul>		
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	<p>identified in the MTE?</p> <ul style="list-style-type: none"> <li>• Were the project indicators revised to increase correlation with the BWG performance indicators/KPIs, in coordination with BWG?</li> <li>• What changes have been made to the logframe outputs and indicators?</li> <li>• Did BWV improve the media strategy to promote BW approach?</li> <li>• Has BWV clarified its aims on gender equality?</li> <li>• Has the Code of Practice on sexual harassment been implemented in BW factories?</li> <li>• How has the policy influence strategy been developed since the MTE, and with what degree of success?</li> <li>• MTE suggested that further geographical and scale expansion, as well as environment sector coverage may exceed resources and impact depth/quality. What strategy has BWV pursued in terms of expansion, including scale, location, sector and environment? With what results?</li> </ul>		
<b>Gender Issues</b>			
<p>9. How does the delivery of core services contribute to or hinder gender equality?</p>	<p>Assess any gender dimensions of core services (assessment, advisory services, training). Assess outcomes related to KPI on gender, based on the impact assessment Assess based on stakeholder feedback. Assess internal and external constraints/challenges to the promotion of “gender equality”</p> <p><u>Sample questions:</u></p>	<ul style="list-style-type: none"> <li>• Project TPRs</li> <li>• Impact assessment</li> <li>• Synthesis reports on compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Worker focus groups</li> <li>• Trade union leaders</li> <li>• Factory managers</li> </ul>

	<p>For example how did the project core services address:</p> <ul style="list-style-type: none"> <li>• Sexual harassment in the workplace</li> <li>• National laws/good practices around maternity leave, breastfeeding, women’s health</li> <li>• Equal pay for equal work</li> <li>• Promotion and training opportunities</li> <li>• Women’s access to promotion/leadership positions</li> </ul> <p>What were the outcomes of the strategies used by the project as part of core services?</p>		
<p>10. How effective is the design/objectives of gender “mini projects”? To what extent have those mini projects met their stated objectives?</p>	<p>Assess design of gender “mini projects” and influence of design on effectiveness indicators.</p> <p>Assess internal and external constraints/challenges to effectiveness of implementation.</p> <p>Review the documented design of mini projects and reports on effectiveness in meeting objectives against any indicators set.</p> <p>Interview project staff and factory stakeholders on the effectiveness of implementation.</p> <p><u>Sample questions:</u> From your perspective how effective has the (xxx) mini-project been in meeting objectives? What constraints or challenges were encountered and how did the project respond?</p>	<p>Mini project information sheets, work plans, budgets and progress reports (if available)</p>	<ul style="list-style-type: none"> <li>• CTA and project staff</li> <li>• Factory stakeholders – workers and management</li> <li>• Participants in additional training projects</li> </ul>
<p>11. To what extent can these “mini projects” be scaled up or “mainstreamed” into the</p>	<p>Assess mini project scalability and relevance to BW core services:</p>	<p>Mini project information sheets, work plans,</p>	<ul style="list-style-type: none"> <li>• Project teams</li> <li>• PAC/Social partners</li> </ul>

<p>regular Better Work programme, given the current resource limitations (and if they can't, what other ways can be recommended to better mainstreamed gender into our regular work)?</p>	<p><u>Sample questions:</u>                  Did mini-projects deliver results valued by stakeholders?                  What resources/inputs are required for “mini project” implementation and how could they be mainstreamed into the general approach?</p>	<p>budgets and progress reports (if available)</p>	
<p>12. What types of objectives, strategies, and indicators can be suggested for the next phase project design to strengthen the impact of BWV and BWI on gender equality?</p>	<p>Review other project experience on gender equality in garment sector workforce and develop recommendations and suggestions.</p>	<ul style="list-style-type: none"> <li>• Literature on gender equality strategies in the garment sector</li> </ul>	<ul style="list-style-type: none"> <li>• BWI and BWV project teams</li> <li>• BW Global/BW regional representatives</li> </ul>
<p><b>Efficiency of Resource Use</b></p>			
<p>13. To what extent has the adjusted core services model contributed to improvements in time and resource allocation efficiency in Vietnam?</p>	<p>Review available progress reports, MTE and impact study and triangulate with interviews with project staff, backstopping staff and factory stakeholders.</p> <p><u>Sample questions:</u></p> <ul style="list-style-type: none"> <li>• Please comment on the time allocation of the EAs to assessment and advisory services under the adjusted model compared with the original model?</li> <li>• Does the adjusted model require fewer or more resources to implement?</li> </ul> <p>What lessons have been learned?</p>	<ul style="list-style-type: none"> <li>• MTE</li> <li>• TPRs</li> <li>• Impact study</li> </ul>	<ul style="list-style-type: none"> <li>• CTA and project management</li> <li>• EAs who have implemented both models</li> <li>• Factory managers who have implemented both models</li> <li>• Social partner implementers</li> </ul>
<p>14. Have project staff widened and diversified their skill sets both in terms of core service delivery and in supporting wider project activities?</p>	<p>To assess project strategies to widen and diversify skill sets of EA (example, through assessing gaps, identifying good practices, professional development, piloting new services, hiring new staff/consultants, etc.) and the outcomes.</p>	<ul style="list-style-type: none"> <li>• Project TPRs</li> <li>• Reports on professional development</li> </ul>	<ul style="list-style-type: none"> <li>• Project Management</li> <li>• Project staff</li> <li>• Geneva “backstopping”</li> <li>• EAs</li> <li>• Other key staff</li> </ul>

	<p>Are there any difference between Indonesia and Vietnam? Are there good practices that may be generalized to other countries?</p> <p><u>Sample questions:</u>                  What kind of training do EAs get when hired? Were any changes made to induction training in Phase II?                  What other professional development opportunities were offered to EA and other key service delivery staff?                  What incentives are offered to EA and other key service deliver staff to invest in professional development? Is there a policy on employee professional development?                  Are there gaps in skill sets that have been identified by the project? What has it done to address these gaps?</p>	<p>activities (if available)</p>	<p>(example person responsible for communication activities)</p>
<b>Impact</b>			
<p>15. Assess the potential impact of the adjusted model in Vietnam on the compliance with international labour standards in beneficiary factories?</p>	<p>Review the current compliance situation and indications of projected compliance beyond the project life in targeted factories and assess how features of the adjusted model for assessment and advisory services have contributed.</p> <p><u>Sample questions:</u>                  What areas of compliance are most evident among participating factories? What areas are weakest?                  How have the features of the adjusted model increased impact on compliance?</p>	<ul style="list-style-type: none"> <li>• Impact Study</li> <li>• TPRS</li> <li>• Other impact and case studies</li> </ul>	<ul style="list-style-type: none"> <li>• BWV team</li> <li>• Workers focus groups</li> <li>• Factory owners/managers</li> <li>• PAC</li> <li>• MOLISA and social partners (VGCL and VCCI)</li> </ul>
<p>16. Assess the contribution of BW on public and private</p>	<p>To determine, assess project contribution to public and private sector policy arena/debates on topics including;</p>	<ul style="list-style-type: none"> <li>• TPRs</li> <li>• Activity reports</li> <li>• National and</li> </ul>	<ul style="list-style-type: none"> <li>• PAC/social partners</li> <li>• CTA/Project Management</li> </ul>



<p>sector policy debates in Vietnam and Indonesia?</p>	<ul style="list-style-type: none"> <li>• Fundamental principles and rights of work (especially FOA, CB, non-discrimination)</li> <li>• National labor law</li> <li>• Labor law compliance</li> <li>• Competitiveness of Garment Sector</li> <li>• Productivity of Garment Sector</li> <li>• Certification</li> <li>• Gender in the Workplace</li> </ul> <p>Compare and contrast Vietnam and Indonesia. Are there differences in the projects' success in influencing public and private sector policy debates? How may these differences be explained?</p> <p><u>Sample questions:</u></p> <ul style="list-style-type: none"> <li>• From your perspective, how has BW influenced/assisted policy development on labour relations, productivity, country industry competitiveness etc.</li> <li>• What strategies/forums did the project use to influence public and private sector policy debates?</li> <li>• What were the priority policy issues raised by the project? What were the main outcomes?</li> </ul>	<p>International Press</p> <ul style="list-style-type: none"> <li>• MTEs/Impact study</li> </ul>	<ul style="list-style-type: none"> <li>• BW Geneva officer</li> <li>• BW regional manager</li> <li>• Regional specialists</li> </ul>
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## Annex C. Interview Guides

### Annex C. Interview Guides

#### Better Work Vietnam

##### Question guide for BWV project management

1. Have there been any changes in the context and stakeholder needs? How has BW responded?
2. How has the project complemented or worked together with other ILO projects?
3. Design and logframe – How are the PMP indicators used and reported? Were any changes made in response to the Mid-Term Evaluation recommendations?
4. What suggestions do you have for improvements to the indicators, including performance of the adjusted model?
5. Please explain the process of transition from the original service delivery model to the adjusted model. To what extent has BWV applied the adjusted model – i.e. what proportion of currently registered factories?
6. The adjusted model was introduced to make efficiency savings (tailored advisory) and encourage compliance through increased ownership – what efficiencies, if any have they observed? How did the adjusted model contribute to effective service delivery?
7. Can improvements in compliance be observed and be attributed to the adjusted model?
8. Have there been any internal (staffing levels, staff skills, communication/marketing strategy, project) factors affecting the delivery of core services? Any external factors?
9. In what ways, if any, does the delivery of core services integrate gender issues? e.g. labor law application, supervisor skills training, women's access to PICCs – how do you ensure women are represented? Any challenges to women's participation?
10. How would you describe the effectiveness of the gender projects (health, sexual harassment training)? What other gender issues are you aware of, and how can BW assist?
11. Following MTE recommendation, did the project sharpen its vision of what policy areas are targeted, who to influence and how?
12. What policy issues has the project contributed to?
13. How do you think the integration of BWV within ILO serves policy objectives?

##### *Questions on PMP Data*

1. Outputs and PMP indicators – following MTE, were any indicators changed in response to the MTE or as a result of BWG changes? When were changes made and why?
2. Immediate Objective 1.1: What is the current number of registered factories? How was the end of project target set?
3. Output 1.1 Indicators:
  - a. No. of compliance assessment reports: How to interpret the indicator – is the number expected to increase or decrease in each reporting period?
  - b. No. of advisory visits in the reporting period: On track to meet the end of project target?
  - c. Average Factory non-compliance rates: Why are the targets for 2015 and 2016 higher than the baseline of 24%? Non-compliance was higher than the target in

2015, not yet available for 2016. What rate is anticipated for 2016? What factors have supported or hindered compliance, and in what compliance clusters? (Output 1.1)

4. Output 1.2 Indicators: Please explain the targets and results for the average number of days per EA dedicated to assessments.
5. Output 1.3: Average number of days per EA for advisory services. How is it calculated? Why is it higher (28) than the planned target of 8?
6. Output 1.3: Please comment on the PICC indicator results – 30% with a functioning PICC, 55% facilitating their own meetings
7. Output 1.4: Training participants – Is BW expecting to reach target of 17,000? Why is proportion of women participants (target and actual) lower than the proportion of women workers?
8. Output 1.5: How successful is the process of transferring QA of assessment and advisory visits to national staff?

#### Focus Group Questions for Enterprise Advisors

1. When did you join BWV? What work did you do previously?
2. What are your main challenges as an enterprise advisor? (e.g. advisory services, performing assessments, reporting).
3. How well do you think you were prepared for your job? Was the training adequate? Were there training activities that were particularly effective or less effective?
4. What strategies did the project implement to improve your efficiency? What more could be done?
5. Are there particular compliance issues that particularly affect the rights of women workers? What strategies/activities have you implemented to address these?
6. How do you perceive the role of trade unions in promoting compliance in BW factories? How have you collaborated with trade unions?
7. What are your recommendations for improving BW's effectiveness.

#### General Interview Guide – MOLISA, VCCI, VGCL

1. What have been the major challenges and opportunities facing Vietnam's garment and footwear industries in the last 4 years? How does BW help address these?
2. What have been the major priorities and needs from your organization's perspective to ensure good working conditions and adherence to labour standards, promote good labour relations, and promote the growth and position of the garment industry?
  - How has BWV responded?
  - What project activity was most relevant to your needs?
  - What was least relevant?
3. Has the project had an influence on policy debates or development in the areas of labour law, labour relations in the garment sector, industry adherence to international labour standards? What strategies did BW and ILO use and what were most effective? Given that BW is under the ILO's umbrella, has this helped in the policy development arena? If so, how?
4. What are your organization's strategies to promote gender equality in the world of work? Has the project strategy been similar or different? To what extent has the project contributed?

5. Can you comment on your role in the PAC, and the PAC's role in the project?
6. Could you comment on BW's progress and delivery of the intended activities?
7. Are you familiar with the core services that BWV provides?
8. What are the benefits or disadvantages of the BW new model of providing assessment services? What are the benefits or disadvantages of the current way of providing advisory services?
9. Has the adjusted model led to increased efficiency in resources?
10. How effective is BW's approach to supporting compliance with national and international in the enterprises?
11. How do the core services (assessment, advisory and training) respond to gender needs?
12. Was there discussion of the MTE recommendations? What was the response?
13. How have the core services of BW addressed gender issues in the workplace?
14. Effectiveness of special projects on gender issues?
15. How has BW helped advance policy on working conditions, labour standards and productivity?
16. What strategies are being pursued towards sustainability?

Key Questions for MOLISA Representatives (modified per department)

1. What are the major issues facing Vietnam's garment and footwear industry from MOLISA's perspective? Have the issues changed? How does Better Work's strategy address them?
2. What are/have been the government's major priorities/needs regarding adherence to labour law and labour standards in the garment industry, labour relations and promoting the position of Vietnam's garment industry?
3. How has BWV responded?
4. What project activities were most/least relevant to your needs?
5. Has the project contributed to policy development? If so, how?
6. What role has the Project Advisory Committee played? How have the parties collaborated?
7. Could you comment on the benefits and disadvantages of Better Work's package of services to enterprises, especially the "adjusted model".
8. What are the Government's strategies to promote gender equality in the workforce, particularly in manufacturing? To what extent have the project activities contributed to gender equality in the garment industry? (Core services/special projects)
9. In what areas has BWV helped to build government capacity? (i.e. monitoring, labour inspection, industrial relations and social dialogue, guidance on working conditions).
10. Could you comment on the scope and coverage of BWV?
11. What recommendations do you have for the future approach and sustainability of BWV?

Question guide for BWV buyers

1. How long have you been working with BW?
2. Why did you become a partner of BW? What are the benefits to you?
3. Do you request or encourage your suppliers to join BW?
4. What is the advantage/disadvantage of BW's link with the ILO?
5. From a buyer perspective, what are the challenges to improve the compliance of your suppliers?
6. How relevant are BW's services in addressing these challenges?
7. How do you compare the BW approach with those of other service providers?
8. How satisfied are you with the results to date?

9. Do you have any recommendations to improve BW's services?

Factory Managers/PICC Members

1. What are the major challenges and opportunities facing Vietnam's garment industry?
2. When did your factory join the BWV? Why did you decide to join?
3. How relevant are the BWV services to meeting your needs?
4. Can you describe the process of BW advisory and assessment services to your factory?
5. What changes have you made as a result of the advisory and assessment process?
6. Do you have a management-worker improvement committee (PICC)? How effective has it been in solving issues? Who facilitates the Committee meetings?
7. Do you find the initial self-diagnosis process alongside advisory services a useful approach? Can you compare the former and new approach of BWV? (where relevant)
8. What more could BW do to support you in improving compliance/ productivity?
9. What areas of compliance are most challenging for you?
10. What activities has BW supported to promote women workers' rights, opportunities and well-being? What were the results?
11. What more might enterprises do to serve particular needs of women workers?
12. Do you have any suggestions to improve BWV's services to factories?

Focus Group Discussion guide - Workers/PICC Members

1. Background on their jobs, how long with the factory
2. Awareness of the BW program
3. Role in the BW program
4. Satisfaction with the BW service/relationship with EAs
5. For PICC members – how does the PICC operate? How is it formed? What are the benefits?
6. What sorts of issues are discussed by the PICC and with what results?
7. Levels of satisfaction with working conditions and factory compliance (scale of 1-10)
8. Trade union activity in the enterprise
9. Gender issues: Promotion opportunities, training opportunities, special provisions for women's health available, experience and needs relating to other issues affecting women in the workplace, including sexual harassment
10. Recommendations for improvement to PICCs, BW services

## **Better Work Indonesia**

### Question guide for BWI project management

#### *Evaluation questions on PMP data*

1. Please explain why EAs are spending more days than planned carrying out assessments. Is this an achievement or a problem to be resolved? Output 1.2
2. Are the outcomes that more EA time was spent on assessments (see above) and less time on advisory services linked? How do you explain? Change in strategy? Output 1.2 and 1.3
3. The midterm evaluation reported that initially the update for training was low. This appears to have changed in phase II. To what do you attribute the change? Output 1.3
4. The number of factories with functioning workplace cooperation committees (OSH + LKSB) is less than targeted. What are the main challenges experienced by EA in regards to "activating" these committees? Output 1.3
5. Was/How was the star system improved during phase II? Output 1.4
6. What were the main marketing and communication strategies used by the project in phase II. Which do you think were the most successful and why? Output 1.5
7. To what do you attribute the greater than expected revenue in 2014 and 2015? Output 2.6
8. To what do you attribute the significantly greater % of cost recovery (actual vs target)? Output 2.6
9. Please indicate what country policies BW set out to change. What was the policy that changed during the period July-Dec 2015? IO3

#### *Evaluation questions on Mid Term Evaluation follow-up*

1. Did BW Global streamline data collection systems on 35 KPI?
2. Did BW Global strengthen its communication and outreach strategy? Did the project maintain and build on good practices identified in the MTE?
3. How did the project address the perceived/real tradeoff between investing in bipartite committees and addressing compliance issues through social dialogue versus more direct and possible quicker strategies?
4. How did the project address issues related to the transition to the foundation in regards to maintaining the value added of the ILO connection (access to factories, clout)
5. How did the project adjust its core service delivery model to be less labour intensive and/or more financially viable?
6. What strategies did the project implement to improve the efficiency (mainly time efficiency) of service delivery by EAs?
7. What strategies did the project implement to increase interest and participation in fee-for-service trainings?

### Question guide for BWI Enterprise Advisors

8. What are your main challenges in regard to advisory services? Performing assessments?
9. How well do you think you were prepared for your job? Was the training you received adequate? Were there training activities that were particularly effective? Less effective?
10. What strategies did the project implement to improve your efficiency? What more can/should be done?

11. What are your perceptions of the national foundation that is to be created to take over core service delivery?
12. Are there particular compliance issues that are particular to the rights of women workers? What strategies/activities have you implemented to address these?
13. How do you perceive the role of trade unions in promoting compliance in BW factories? How have you collaborated with trade unions?

Question guide for BWI buyer partners

1. How long have you been working with BWI?
2. What made you become a partner of BWI?
3. From a buyer perspective, what are the challenges to improve the compliance of your suppliers?
4. How relevant are the strategies proposed by BWI in addressing these challenges?
5. How do you compare the BW approach with the one you used formally?
6. How satisfied are you with the results to date?
7. Do you think the service provides good value for money?

Question guide for Trade Union representatives

1. In what ways has your trade union been involved in the BW program in Indonesia?
2. From a trade union perspective, what are the most significant areas of non compliance in the garment industry today?
3. How relevant are the strategies proposed by BWI in addressing these challenges?
4. How effective have BWI been in addressing these challenges?
5. How effective have BWI been in supporting the role of trade unions in promoting compliance?
6. How effective have BWI assessments and advisor services been in addressing issues related to freedom of association in BW factories?
7. How effective are BWI strategies to build the capacity of trade unions in garment industry?
8. What strategies has your trade union implemented to respond to the particular needs of women workers? What efforts has your trade union made to increase the number of women trade union leaders? What are the main obstacles?

Question guide for Employers

1. How long has your factory been involved in the BW program in Indonesia?
2. What made you become a client of BWI?
3. From the factory management perspective, what are the most significant areas of non compliance in the garment industry today?
4. What are the main challenges experienced by employers to improve compliance?
5. How relevant are the strategies proposed by BWI in addressing these challenges?
6. How effective have BWI been in supporting the role of employers in promoting compliance?
7. How effective have BWI assessments and advisory services been in addressing compliance issues?
8. How effective have BWI strategies to promote workplace cooperation to improve efficiency and compliance?
9. Have BWI services provided good value for money?

## **Annex D. List of Documents Reviewed**

### **Vietnam**

ILO Technical Cooperation. Better Work Vietnam Project Document. 1 January 2013

BWV Performance Plan Dated February 2015 and M&E Indicators

BWV Technical Progress Report (SECO) Jan -June 2013

BWV Technical Progress Report (SECO) July - December 2013

BWV Technical Progress Report (SECO) Jan - June 2014

BWV Technical Progress Report (SECO) July to December 2014

BWV Technical Progress Report (SECO) Jan - June 2015

BWV Technical Progress Report (SECO) July to December 2015

BWV Technical Progress Report (SECO) Jan - June 2016

Technical Cooperation Final Progress Report Better Work Cambodia-Better Work Indonesia-Better Work Vietnam. Australian Contribution. October 2015

ILO BWV Canada Contribution. Technical Cooperation Final Progress Report. June 2016

BWV 7<sup>th</sup> Compliance Synthesis Report. July 2014

BWV Thematic Synthesis Report on Fire Safety. December 2014

BWV 8<sup>th</sup> Compliance Synthesis Report. July 2015

BWV Thematic Synthesis Report on Compensation. December 2015

BWV Phase II Mid-Term Evaluation. 28 August 2015.

Proposal to Human Resources and Skills Development Canada. October, 2014

Performance Monitoring Plan Report (SECO) February 2014

Performance Monitoring Plan report (SECO) Jan- June 2015

Performance Monitoring Plan Report (SECO) July-December 2015

Performance Monitoring Plan Report (SECO) Jan-June 2016

BWV Guide to the Vietnam Labour Code (online)

Child labour Age verification guidance (Vietnamese)

Health education leaflets (Vietnamese)

Socialist Republic of Vietnam. Vietnam Labour Code, 2013

Gender Equality Law. 2006

Centre for Industrial Relations Development. PICC Effectiveness Study. August 2015.

O'Brien & Associates. Independent Evaluation. USDOL's Technical Cooperation Portfolio Promoting Workers' Rights in Vietnam. Final Report. 10 December 2015 US Department of Labor



David Williams, Beatrix Vahl, Ariana Rossi. Realizing Women's Rights at Work in Vietnam. The case of the garment industry and the role of Better Work Vietnam. September, 2015

MOLISA, Tong Lien Doan, VCCI. Code of Conduct on Sexual Harassment in the Workplace. May 2015.

One Plan. 2012 – 2016 between the Government of SRV and the United Nations of Vietnam

### **Indonesia**

BWI Final Prodoc Phase II

BWI Guidelines on the Prevention of Workplace Harassment, Guide for Employers

BWI – Phase II Independent Mid-Term Evaluation 15 December 2014

BWI Technical Progress Report Australian Contribution Final Progress Report June 2015

BWI Technical Progress Report (SECO) July to December 2013

BWI Technical Progress Report (SECO) Jan - June 2014

BWI Technical Progress Report (SECO) July to December 2014

BWI Technical Progress Report (SECO) Jan - June 2015

BWI Technical Progress Report (SECO) July to December 2015

PMP Indonesia SECO Q3-Q4 2015 final

Dupper Ockert and Colin Fenwick, The interaction of Labour Inspection and Private Compliance Initiatives: A case study of Better Work Indonesia, *Paper presented at the Regulating for Decent Work Conference, Geneva, July 2015*

### **Better Work Global**

ILO/IFC. Progress and Potential: How Better Work is Improving Workers' Lives and Boosting Factory Competitiveness. A Summary of an Independent Assessment of the Better Work Programme. 2016.

Tufts University Labour Lab. The Impact of Better Work. A Joint Program of the International Labour Organization and the International Finance Corporation.

Better Work. The Better Work Service Model

Marzia Fontana and Andrea Silberman. Better Work Discussion Paper Series No. 13. Analyzing Better Work Data from a Gender Perspective: A Preliminary Exploration of Worker Surveys with Focus on Vietnam. 2013.

Generic Zero Tolerance Protocol

Better Work Performance Monitoring and Reporting. An Updated Approach. Wamiq Umaira and Michelle Davis. May 2015.

Policy Brief. Women, Work and Development – Evidence from Better Work.

### **Other**

International Finance Corporation. Investing in Women's Employment. 2013.

## Annex E. List of Persons Interviewed

### ILO Vietnam staff

1. Mr. Chang Hee Lee, Director, ILO Vietnam

### Better Work Vietnam staff

2. Ms. Nguyen Hong Ha, Chief Technical Advisor, Programme Manager
3. Mr. David Williams, Technical Officer
4. Mr. Pham Quoc Thuan, Enterprise Advisor Team Leader - Advisory
5. Ms. Hoan Thi Thanh Nga, Enterprise Advisor Team Leader - Assessment
6. Ms. Nguyen Thi Thanh Thuy, Training Officer
7. Ms. Truong Thi Phuong Tu, Enterprise Advisor
8. Ms. Nhu Mach Tien, Enterprise Advisor, Monitoring and Evaluation
9. Ms. Nguyen Ngoc Ha, Enterprise Advisor, HCMC
10. Ms. Nguyen Thi My Dung, Enterprise Advisor Team Leader, Buyer Communications
11. Ms. Lien, Enterprise Advisor Team Leader for the North
12. Mr. Chau Quoc Hung, Enterprise Advisor
13. Ms. Do Duc Hanh, Enterprise Advisor
14. Mr. Nguyen Duc Tien, Enterprise Advisor
15. Ms. Luu Thi Minh Huyen, Enterprise Advisor
16. Ms. Hoang Cam Van, Enterprise Advisor
17. Mr. Nguyen Cong Trang, Enterprise Advisor

### Government representatives

18. Mr. Huynh Tan Dung, Chief of Labour Inspectorate, Ho Chi Minh City DOLISA
19. Ms. Nguyen Van Hanh Thuc, Deputy Chief Inspector, HCMC DOLISA
20. Ms. Le Kim Dung, Director, International Relations Department, MOLISA
21. Mr. Le Xuan Thanh, Deputy Director General, Wage Department, MOLISA
22. Mr. Nguyen Tien Tung – Chief Labour Inspector, MOLISA

### Trade Union representatives

23. Mr. Nguyen Phi Ho, Ho Chi Minh City Federation of Labour
24. Mr. Mai Duc Chinh, Vice President, Vietnam General Confederation of Labour

### Employers' Organizations

25. Ms. Bui Thi Ninh, Head Bureau for Employers' Activities, VCCI, HCMC
26. Ms. Tran Lan Anh, Head of Bureau for Employers' Activities, VCCI
27. Ms. Mai Hong Ngoc, Deputy Manager, Bureau for Employers' Activities, VCCI

### Donor representative

28. Mr. Do Quang Huy – National Programme Officer, Economic Development Cooperation, Swiss Cooperation Office for Vietnam

### Buyer Representatives

29. Mr. Pham Duc Minh, Social and Environmental Sustainability Manager SE Asia, Esprit
30. Mr. Luong Xuan Cuong, Sustainability Manager, Nike

## **Factory Managers and HR Managers**

31. Ms. Nguyen Thi Hoan, HR Manager, Jeng Meng
32. Ms. Nguyen Vo Thu Ha, HR Manager, NB Blue
33. Mr. Thinh Duc Luong, HR Manager, EXCEL
34. Ms. Nguyen Thi Phuong Linh, HR Department staff, MIDO
35. Ms. Dinh Thi Hong Thinh, Enterprise Chairperson, MIDO

## **Factory Workers**

### Jeng Meng

36. Nguyen Thi Huong
37. My Nu
38. Nguyen Thi Thao
39. Nguyen Thi Cam Tien
40. Nguyen Kim Dep
41. Le Thi Thu Trang
42. Truong Thi Ngoc Huynh
43. Hoang Thi Cam
44. Nguyen Thi Kim Quy
45. Tran Thi Bich Linh (Workplace nurse)

### NB Blue

46. Tran Cam Tu
47. Nguyen Thi Hong Nhung
48. Vo Thi Thuong
49. Le Thi Kim Thoa
50. Le Thi Van

### EXCEL

51. Nguyen Thi Thu Huyen
52. Do Nhu Quynh

### Mido

53. Nguyen Thi Que – Line supervisor
54. Le Thi Thanh – PICC member
55. Pham Thi Tuyet Mai – PICC member
56. Ta Thi Hai Chau – Line supervisor
57. Dinh Thi Thanh – Line supervisor

## **ILO Indonesia staff**

1. Francesco D’Ovidio, ILO Country Office Director
2. Michiko Miyamoto, ILO Country Office Deputy Director
3. Julia Lusiani, National Program Officer, Gender focal point

## **Better Work Indonesia staff**

1. Maria Joao Vasquez, Chief Technical Advisor
2. Mohamad Anis Agung Nugroho, Operations Manager
3. Shelly Woyla Marlaine, Training Officer
4. Fajar Azhima, Enterprise Advisor Team Leader, IR and TU focal point
5. Olivia Krishanty, Senior Enterprise Advisor
6. Dwi Utami, Enterprise Advisor

7. Nur Syamsiyah D. Purnamawati, Enterprise Advisor
8. Muci, former National Program Officer
9. Devki Zanna, Administrative Assistant
10. Focus group of EA participating in November monthly meeting
11. Pipit Savitri, Communication and Partnership Office

#### Trade Union Representatives

##### Meeting with DPP-KSPSI

12. Helmy Salim
13. H. Harun
14. Sugito
15. Ryarufyain
16. Idris
17. Suranri
18. Mitra

##### National Level Trade Union Representatives

19. Buya Fauzi, SPN
20. Helmy Salim, DPP-KSPSI
21. Kusmin , SPN
22. E. Kustandi, KSPSI
23. Ari Joko, Garteks
24. Elly Rosita, Garteks
25. Mitra, SP.STSK-SPSI

##### Factory level representatives participating in West Java Workplace Cooperation training

- |                    |                    |                                |
|--------------------|--------------------|--------------------------------|
| 26. Ahmad Ijazi    | PT HS Apparel      | SPTP (Enterprise Level Unions) |
| 27. Sugiarto       | PT HS Apparel      | SPTP (Enterprise Level Unions) |
| 28. Sodikin        | PT C-Site Texpia   | Garteks                        |
| 29. Asep           | PT C-Site Texpia   | Garteks                        |
| 30. Asep Ridwan    | PT Hansoll-Hyun    | SPN                            |
| 31. Aie Nining     | PT Hansoll-Hyun    | SPN                            |
| 32. Iyat Supriatna | PT Crevis Tex Jaya | SBSI                           |
| 33. Heryansyah     | PT Crevis Tex Jaya | SPTP                           |

#### Employer Associations Representatives

NONE

#### Garment Factory Managers and HR Managers

34. Julioyori, PY CTPUIS TH Jaya (West Java)
35. Dany Agu, PT Hansoll-Hyun (West Java)
36. ND Komalasari Malla, PT Gacuong Global (West Java)
37. Manager of PT Mulia Cemerlang Abadi (Greater Jakarta)
38. HR Manager of PT Mulia Cemerlang Abadi (Greater Jakarta)

#### Factory Workers

39. Focus group of 6 women workers attending advisory session on breastfeeding in PT Mulia Cemerlang Abadi

**Ministry of Manpower**

40. Ms. Andalussia, Directorate of Labour Inspection
41. Ms. Dyahtanti, Directorate of Labour Inspection
42. Ms. Dwi Ferthasari, Directorate of Labour Inspection

**Buyer/Brand Representatives**

43. Nuraniza Puh BBH
44. Gita Fast Retailing/UNIQLO

**World Bank Indonesia**

45. Massimiliano Cali, Senior Economist Trade & Competitiveness
46. Irfan Mujahid, Consultant Trade and Competitiveness
47. Tazreen Fasih, Senior Economist, Education Global Practice

**Better Work Global/ILO/IFC**

1. Deborah Schmidiger, BW Work Global Programme Officer
2. Ms. Maria Soledad Requejo, International Finance Corporation/World Bank Group

## Annex F. Performance Monitoring Plan Results

## Better Work Vietnam as of June 2016 reporting

Indicator	Baseline Jan-2013	Indicator Performance (Actual against planned as of June 2016)
<b>Immediate Objective 1: Better Work Vietnam's assessment, advisory and training services allow factories participating in the programme to show leadership in adhering to national labour law and international labour standards and help drive change throughout the industry.</b>		
Total number of factories registered in the reporting period (M&E indicator)	181	End target : 331 Target 2016:425 Actual June 2016:392 Actual Nov 2016: 431
Total number of workers in the programme	202,000	End target: 331,000 Target 2016: 529,301 Actual June 2016: 516,766 Actual Nov 2016: 590,519 (cumulative) 80% women
<b>Output 1.1 BWV core services are maintained and effective in influencing compliance with national and international labour standards</b>		
No. of compliance assessment reports completed in the reporting period	135	End target: 759 Target 2016: 250 Actual June 2016:115 Actual cumulative June 2016: 984
Average number of days between an assessment visit and the factory's receipt of the final report	29	End target: 20 Target 2016: 24 Actual June 2016: 18.70
Number of advisory visits in the reporting period	N/A	End target:2,000 Target 2016: 600 Actual June 2016:303 Cumulative actual June 2016: 4,582
Average factory non-compliance rate calculated by BWG <sup>69</sup>	24%	End target: N/A Target 2015: 30% Actual 2015: 47% (latest available)
<b>Output 1.2 A new assessment services model is implemented</b>		
Average number of days per EA dedicated to factory assessments	4	End target: 3.5 Target 2016: 7 Actual June 2016: 6.71
<b>Output 1.3 A new advisory services model is implemented</b>		
Average number of days per EA dedicated to advisory services Note: Revised formula. It is now a function of the number of factories and the number of EAs, assuming one visit per factory per 6 months requires 2.5 days.	12	End target: 8 Target 2016: 30 Actual June 2016: 28
Number of factories with a functioning PICC	54	End target: 231 Target 2016: Actual June 2016: 118 (30% factories)

<sup>69</sup> Better Work organises reporting into eight areas, or clusters, of labour standards: four of the clusters cover fundamental rights at work and four cover basic conditions at work. Each of the eight clusters is divided into its key components, known as 'compliance points'. The non-compliance rate is reported for each sub-category, or compliance point, within a cluster. A compliance point is reported to be non-compliant if one question within it is found to be in non-compliance. Better Work calculates the average non-compliance rates for all participating factories in each of these same sub-categories.

Indicator	Baseline Jan-2013	Indicator Performance (Actual against planned as of June 2016)
Percentage of factories that are facilitating their PICC meetings	10	End target: 70% Target 2016: Actual June 2016: 55%
<b>Output 1.4 Training services are adjusted and strengthened to include implementation in collaboration with local training partners as part of a service package that includes assessment, advisory and training</b>		
Number of participants in Better Work Training in the reporting period	-	End target: 17,708 Target 2016: 420 Actual June 2016: 495 Cumulative total 33,950
Percentage of women participants in training	N/A <sup>70</sup>	No end target set Target 2016: 60% Actual June 2016: 58%
<b>Output 1.5 Quality Assurance mechanisms are strengthened and handed over to national staff</b>		
Number of assessment visits subject to quality assurance	-	End target: 108 Target 2016: 44 Actual June 2016:19 Cumulative total:76
Number of advisory visits subject to quality assurance	-	End target: 129 Target 2016: 14 Cumulative total: 92
Number of assessment QA visits carried out by national staff	-	End target: 108 Target 2016: 44 Actual June 2016: 19; Cumulative total: 70
Number of advisory QA visits carried out by national staff	-	End target: 129 Target 2016: 44 Actual June 2016: 8; Cumulative total:59
<b>Immediate Objective 2: Better Work Vietnam has achieved greater impact by bringing lessons learned and knowledge of governance gaps into public and private sector policy debates, including those involving relevant business operating practices.</b>		
<b>Output 2.1 Lessons learned are used for influencing policy debates</b>		
Number of press releases or similar communications issued by BWV designed to influence policy debates	N/A	End target: 3 Actual: 4 cumulative June 2016
Number of country policies changed as a result of Better Work's activities and facilitation	N/A	End target: 3 Target: N/A June 2016: N/A 1 claimed: compulsory social dialogue provision in 2012 Labour Code, inspired by PICC experience, but prior to Phase II.
<b>Output 2.2 Communication methods outside the framework of regular monitoring visits and training activities are used to access and engage workers more directly and apply to programme interventions the knowledge they can contribute</b>		
Number of workers who receive direct communication from the programme via SMS	1,500	End target: 7,600 Target 2015: 20,000 Actual June 2015: 4,538 No activity in 2016
Number of workers who participated in annual BWV safety event	-	Planned: 12,400 Actual: 11,694 (June 2015) No event in 2016
<b>Output 2.3 Collaboration with other ILO project activities in areas of labour standards and industrial relations is strengthened with a view to helping inform policy discussions</b>		

<sup>70</sup> A life of project target for women participating in training was not set as it would be considered positive discrimination according to the final TPR for Australian contribution.

Indicator	Baseline Jan-2013	Indicator Performance (Actual against planned as of June 2016)
Number of ILO and IFC projects with whom BWV is actively coordinating	4	End target: 4 June 2016: 3 (IR project, labour inspection project, Environmental project with IFC)
<b>Immediate Objective 3: Better Work Vietnam expands the scope and depth of its services to increase its positive developmental and business impacts on workers, the industry and the country</b>		
<b>Output 3.1 The possibility of expanding Better Work services to the north of the country is explored</b>		
Number of factories in the North registered in the Programme	0	End target: 10 Target June 2016: Actual June 2016: 102
<b>Output 3.2 BWV services are adapted and piloted with a view to identifying the size of factories in which BWV services are most likely to have an effect that optimizes overall programme impact</b>		
Number of factories that pilot the new service model	N/A	End target: N/A Actual: Piloted 5 in Feb and March 2015. Began rolling out in all factories in May 2015
<b>Output 3.3 The possibility of expanding assessment, advisory and training services to the footwear industry is explored</b>		
Number of footwear factories registered in the programme	0	End target: N/A Actual June 2016:13
Number of assessments carried out in footwear factories	0	Footwear factories joined in 2015. By June 2016, 9 of 13 footwear factories had been assessed.
<b>Output 3.4 The possibility of expanding factory services to include environmental criteria is explored</b>		
Number of environmental assessments carried out	0	The environmental project is implemented by IFC
<b>Immediate Objective 4: The long-term viability of Better Work Vietnam activities is strengthened by, among other things, increasing cost recovery and capacity of national staff to give broader and improved services, and take on greater management responsibilities and ownership for the programme</b>		
Percentage of cost recovery	38	End target: 40% Target June 2016: Actual June 2016: 24%
Total programme revenue in the reporting period (27)	577,616	End target: N/A Actual June 2016 total programme revenue :411,567
Per worker cost of the programme		End target: 7.16 Target June 2016: 6.73 Actual June 2016: 3.29
<b>Output 4.1 The commitment, engagement and revenue to the programme from buyers participating in the programme is increased.</b>		
Percentage of international buyers registered with BWV not duplicating BW assessments	N/A	End target: N/A Not reported since 2014
<b>Output 4.2 The commitment, engagement and revenue from participating factories is increased</b>		
Number of factories that unrolled from the program	N/A	End target: Not more than 1% per year Actual June 2016: 2%
<b>Output 4.3 Capacity of the staff to take on broader and improved services in the area of industrial relations and social dialogue, as well as other substantive areas, is strengthened</b>		
Number of staff participating in EA training sessions	18	Target June 2016: 35 Actual June 2016:35
<b>Output 4.4 Management capacity of national staff is strengthened</b>		
Percentage of management positions held by national staff	73%	End target: 78% Actual June 2016: 83% 5/6 management positions
<b>Immediate Objective 5: The sustainability of Better Work Vietnam operations and programme results is achieved by increasing the capacity and ownership of local social partners (HRSDC project)</b>		



Indicator	Baseline Jan-2013	Indicator Performance (Actual against planned as of June 2016)
<b>Output 5.1 The labour inspectorate of the MOLISA and Departments of Labour Invalids and Social Affairs (DOLISA) is engaged and collaborating with BWV, sharing experiences and know how.</b>		
Government demonstrates active support for encouraging industry participation (incentives or subsidies, legislation) and/or promotes BWV in government strategy (competitiveness, labour inspection policy)	No	End target: Yes Actual June 2016: Yes
MOUs in place that describe the nature and scale of cooperation (could include zero tolerance protocol and cap building exercises)	No	End target: Yes Actual June 2016 :Yes
MoLISA inspectors receive additional capacity building from BWV aligned and coordinated with the ILO ILAB MoLISA needs assessment	No	End target: Yes Actual June 2016: Yes
<b>Output 5.2 VGCL and FoLs are strengthened to support their collaboration with pilot initiatives that develop the abilities of enterprise, district and provincial unions and their officials to communicate, organize and collectively bargain.</b>		
Number of trainers from district and federation unions trained by the project in delivering union and PICC training	7	End target: 54 Will be delivered in second half of 2016
Number of enterprises participating in the union training and the union members trained	N/A	End target: 541 enterprises/1080 members Actual June 2015: 227/994
Percentage of PICC union members able to raise ideas of workers at their factory during PICC meetings and liaise with the trade union on these issues	50	End target:75% Actual June 2015: 63%
<b>Output 5.3 The capacity of VCCI and other organizations of employers and business, and their members, are strengthened so as to have a greater impact on working conditions improvements in enterprises both within BWV and on a broader scale</b>		
No. of joint events with VCCI	0	End target: 6 Target June 2016: 2 Actual June 2016: 1
Factory focus group is expanded to be representative of all participating provinces, meets quarterly, and provides constructive feedback to the programme.	No	Target June 2106: Yes Actual June 2016: Yes
No. of factories returning BWV feedback survey	1	Planned:75 Target 2016: N/A Actual 2016: N/A
<b>Output 5.4 The governance of BWV continues to be strengthened and gradually transferred to a local entity to ensure local ownership and programme sustainability (Not reported in the June 2016 PMP)</b>		

## Better Work Indonesia as of December 2015 reporting

Indicator	Baseline Jun-2012	Indicator Performance (Actual against planned per year)
<b>Immediate Objective 1: Improved labour standard compliance in the targeted sector in accordance with inter-national core labour standards and national labour law.</b>		
Average factory non-compliance rate	0	Planned 2013: 40 Actual 2013: 42%  Planned 2014: n/a Actual 2014: 40%  Planned 2015: 35 Actual 2015: 38%
Average compliance effort	0	Planned 2013: 2.5 Actual 2013: 2  Planned 2014: n/a Actual 2014: 6  Planned 2015: 8 Actual: 6 (June 2015)
Percentage of factories implementing recommended changes	100	Planned 2013: 100 Actual 2013: 100  Planned 2014: 100 Actual 2014: 100  Planned 2015: 70% Actual 2015: 75%
<b>Output 1.1 Enterprise assessment methodology and tools adapted and tested.</b>		
Compliance Assessment Tool (CAT) is adapted and tested (yes/no)	No	Planned: Yes Actual: Yes
<b>Output 1.2 Enterprise assessment services socialized and implemented.</b>		
Number of compliance assessment reports completed in the reporting period	0	Planned 2013: 70 Actual 2013: 66  Planned 2014: 90 Actual 2014: 93  Planned 2015: 150 Actual 2015: 112
Number of days per EA dedicated to factory assessments	0	Planned 2013: 20 Actual 2013: 23.5  Planned 2014: 19 Actual 2014: 67  Planned 2015: 56 Actual 2015: 91
<b>Output 1.3 Advisory and training services to support remediation are provided.</b>		
Number of advisory visits in the reporting period	0	Planned 2013: 450 Actual 2013: 780  Planned 2014: 480 Actual 2014: 821

Indicator	Baseline Jun-2012	Indicator Performance (Actual against planned per year)
		Planned 2015: 1200 Actual 2015: 979
Number of days per EA dedicated to advisory services	0	Planned 2013: 48 Actual 2013: 80 Planned 2014: 40 Actual 2014: 100  Planned 2015: 80 Actual 2015: 67
Number of participants in Better Work training in the reporting period	0	Planned 2013: 900 Actual 2013: 1133  Planned 2014: 600 Actual 2014: 892  Planned 2015: 800 Actual 2015: 854
Percentage of women participants in training	0	Planned 2013: 70% Actual 2013: 66.5%  Planned 2014: 75% Actual 2014: 62.5%  Planned 2015: 75% Actual 2015: 78%
Number of factories participating in BW training courses in the reporting period	0	Planned 2013: 75 Actual 2013: 60  Planned 2014: 40 Actual 2014: 120  Planned 2015: 60 Actual 2015: 86
<b>Output 1.4 Bipartite cooperation institutions are established and performing in participating enterprises on a regular basis, as required.</b>		
Number of factories with a functioning PICC	-	Planned 2013: 75 Actual 2013: 60  Planned 2014: 80 Actual 2014: 78  Planned 2015: 80 Actual 2015: 44
<b>Intermediate Objective 2: Established Sustainable Accesses by BWI stakeholders to Better Work Tools and Approaches, adapted to the Indonesian Context.</b>		
A local institution is delivering BWI core services (yes/no)	No	Planned 2015: Yes Actual: No
<b>Output 2.1 Cooperation framework for institutional cooperation is established.</b>		
Number of joint activities with labour authorities/national institutions	0	Planned 2013: 6 Actual 2013: 8  Planned 2014: 6 Actual 2014: 4

Indicator	Baseline Jun-2012	Indicator Performance (Actual against planned per year)
		Planned 2015: 8 Actual 2015:8
<b>Output 2.2 Governance and consultative structure for BWI are in place and functioning.</b>		
Number of PAC meetings in the reporting period	0	Planned 2013: 4 Actual 2013: 3  Planned 2014: 2 Actual 2014: 2  Planned 2015: 2 Actual 2015: 2
<b>Output 2.3 Capacity of tripartite constituents to support the programme is enhanced.</b>		
Tripartite constituents endorse sustainability plan and have defined role in localized organization (yes/no)	No	Planned 2015: Yes Actual 2015: Yes
<b>Output 2.4: STAR information system becomes operational in Indonesia.</b>		
Number of users subscribed to the STAR system.	0	Planned 2013: 15 Actual 2013: 16  Planned 2014: 20 Actual 2014: 34  Planned 2015: 50 Actual 2015: 65
Number of enterprise reports consulted in the STAR system.	0	Planned 2013: 30 Actual 2013: 66  Planned 2014: 60 Actual 2014: 52  Planned 2015: 150 Actual 2015: 191
<b>Output 2.5: Communication and marketing strategy is designed and implemented.</b>		
Number of mentions of BW included in reports by other policy actors	0	Planned 2013: 1 Actual 2013: 0  Planned 2014: 1 Actual 2014: 0  Planned 2015: 1 Actual 2015: 1
Number of marketing and communication materials developed in the reporting period.	0	Planned 2013: 20 Actual 2013: 21  Planned 2014: 15 Actual 2014: 15  Planned 2015: 2 Actual 2015: 2
<b>Output 2.6 BWI financial model in place and operational</b>		
Total programme revenue in the reporting period	0	Planned 2013: 250,000 Actual 2013: 245,156

Indicator	Baseline Jun-2012	Indicator Performance (Actual against planned per year)
		Planned 2014: 280,000 Actual 2014: 492,232  Planned 2015: 500,000 Actual 2015: 727,462
Percentage of cost recovery	0	Planned 2013: 10% Actual 2013: 9.6%  Planned 2014: 14% Actual 2014: 26%  Planned 2015: 30% Actual 2015: 72%
<b>Intermediate Objective 3: Lessons Learnt and Knowledge about Labour Standard Compliance and Competitiveness in Global Supply Chain are held in Government Policy Discussions and Contribute to International Policy Debates.</b>		
Number of country policies changed as a result of BW's activities and facilitation	0	Planned 2013: 1 Actual 2013: 0  Planned 2014: 0 Actual 2014: 0  Planned 2015: 1 Actual 2015: 1
<b>Output 3.1 Assess the need of reviewing legal and policy framework to address gaps identified through enterprise assessments.</b>		
<b>Output 3.2: Monitoring and evaluation tools are adapted and implemented, as a means toward tracking and documenting lessons learnt.</b>		
<b>Output 3.3: Knowledge sharing system in place and lessons learnt and experience acquired from BWI disseminated.</b>		
Number of conferences with BWI participation to share results and lessons learned	0	Planned 2013: 1 Actual 2013: 1  Planned 2014: 2 Actual 2014: 2  Planned 2015: 2 Actual 2015: 1