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## Phase I Final Independent Evaluation of EU-funded Better Work Programmes in Sri Lanka and Madagascar

### QUICK FACTS

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## BACKGROUND & CONTEXT

<p><b>Summary of the project purpose, logic and structure</b></p>	<p>The present evaluation report is mandated by the Terms of Reference (ToR) for the Final Independent Evaluation of the “<i>EU-funded Better Work Programmes in Sri Lanka and Madagascar</i>”. Better Work (BW) was established as a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group. The present programmes in Sri Lanka and Madagascar follow a slightly different approach than the traditional Better Work (BW) programmes which are based on intensive factory-level engagement. In Madagascar and Sri Lanka, Better Work has focused on engaging industry stakeholders and national partners to drive change, with targeted training on thematic topics for pilot factory workers and managers. This approach is a flexible and innovative type of Better Work. The programmes were implemented from September 2021 to June 2024 in Madagascar, and from February 2022 to June 2024 Sri Lanka. The programmes were managed by dedicated country BW teams under the guidance of BW Global.</p>
<p><b>Present situation of the project</b></p>	<p>The Programmes will end on 30 June 2024 (including a no-cost extension from June 2023 to June 2024).</p>
<p><b>Purpose, scope and clients of the evaluation</b></p>	<p>The present evaluation’s purpose is for accountability and learning for programme improvement. The scope of the Evaluation covers both BW programmes and covers all geographic areas involved in the two countries. The evaluation also examines the Project’s performance in relation to ILO’s cross-cutting issues including gender equality. The primary users are the EU, the BW global programme, and ILO management at the country, regional and HQ levels. Secondary users are the ILO constituents in both countries and other partners of the project.</p>
<p><b>Methodology of evaluation</b></p>	<p>The methodology includes a desk study of the relevant documents and primary data collection through 61 interviews with stakeholders conducted online and offline. In both countries national evaluators supported the international evaluator. The participatory methodology includes a critical reflection process by the key stakeholders in particular through the online stakeholders’ workshop and the inputs by stakeholders to the draft report. Key deliverables are the inception report, the preliminary presentation</p>

of findings at the online stakeholders' workshop, the draft report, and the final report.

## MAIN FINDINGS & CONCLUSIONS

The conclusions of the present final independent evaluation are below analysed according to the six evaluation criteria used throughout this report. With respect to the first evaluation criteria, ***Relevance and Strategic Fit (Coherence) of Interventions***, the Evaluation found that the two BW Programmes in Madagascar and Sri Lanka were highly relevant to the needs of the garment sectors in the two countries as well as to selected other sectors. The stakeholders interviewed all underlined the Relevance of the programmes. The BW programmes also clearly reflect the global trade environment, in particular Human Rights and Environment Due Diligence (HREDD) legislation. The two programmes were a result of the negotiations between the EU and BW which led to the decision to design innovative approaches in both countries as pilots. The approach was agreed to be more Constituents-focussed, than Factories-led, and the Contribution Agreement between the EU and ILO was signed in November 2019. The programme strategies and approaches have responded to the needs and priorities of most of the tripartite stakeholders as was established by BW during consultations although the Trade Unions in Sri Lanka complained at first about the lack of access to factories, but later participated as well, including several female-led unions. BW adapted quickly and flexibly to changed circumstances, for example, the start of the COVID pandemic in early 2020 halted the programmes for almost two years after which the necessary adaptations were made e.g., to include MHRDD in the programmes. The programmes also complement and fit with other ongoing ILO programmes and were aligned to ILO policies including the DWCPs, as well as to several SDGs (8, 5 and 1).

With respect to the second evaluation criteria, ***Validity of Intervention Design***, the Evaluation found that the design of the interventions did not follow the usual path within ILO to have a comprehensive PRODOC with a Logical Framework (LogFrame), but instead in both countries a brief Concept Note was developed. In Madagascar a LogFrame was developed with 3 Outcomes based on a Feasibility Study (June 2020), but in Sri Lanka a LogFrame was not

completed and instead five Strategic Themes were identified. Gender dimensions were considered adequately in the design and in the problem analysis. Apart from the fact that women make up most of the workers in the garment sectors in both countries, dedicated interventions were developed, such as GEAR.

In terms of ***Intervention Progress and Effectiveness***, the Evaluation found that in general the intended project results have been mostly achieved. A selection of the main achievements as derived from the interviews undertaken with the key stakeholders is provided in Section 3.3, while a full list of activities is included in Annex 9. Overall, it has been achieved by the two programmes that Better Work is now well-known in both countries and that the attention for compliance monitoring and for due diligence has increased substantially.

During the implementation of the programmes a number of different challenges were faced that sometimes led to delays, including COVID, country crisis/contexts, the limited timeframe and funding of the agreement, and the fact that the concepts of compliance and due diligence are new to many stakeholders. More specific challenges were identified by country in Section 3.3. The evaluation also identified certain pertinent success factors, such as BW followed the needs of the constituents through consultations, the programmes were timely, the efficient approach of BW to involve the private sector, the support from IFC, the strong national teams with the right expertise and commitment, and solid support from ILO Country Offices, DWT-Delhi and BW Global (Geneva and Bangkok) as well as from the EU. On the whole, the stakeholders interviewed were quite satisfied with the quantity and quality of the outputs produced.

Gender and non-discrimination were effectively mainstreamed in the implementation of programme strategies, in particular through activities dedicated to gender equality such as GEAR, through studies into the position of women in the garment sector, and through insisting on having sufficient women among trainees. Most stakeholders indicated that the programme management arrangements and communication were adequate to deliver the



results. Because of the limited staff and the limited programme period this was, however, not institutionalised for example through a project steering committee. The programmes collaborated regularly with at international and country level with IFC as the BW Partner (e.g., GEAR). Resource mobilisation was undertaken incidentally by the teams but could have been more systematic.

In terms of **Efficiency**, it was found that the resources have generally been allocated and used strategically to achieve programme results. In Madagascar, a BW Team of five persons was responsible for the implementation, while in Sri Lanka the team tried to use the funds efficiently by deliberately keeping the BW Team small consisting of only two members. The largest expenditure category in both countries is for programme staff (respectively 62% and 67%). All funds are expected to be almost all spent by the end of the project period. The yearly expenditures are pictured in Figure 1, and they started slowly because of the COVID Pandemic, after which most expenditures were made in both countries in 2023. Resources have also been allocated strategically to achieve Gender equality-related objectives, such as for GEAR, the work with female-led TU's in Sri Lanka, and two surveys related to women in the garment sector in Madagascar. The programme activities were cost effective considering the amount of funding, the limited size of the BW teams, the various types of cost-sharing and the substantial achievements. The funding and timeframe were overall not sufficient to achieve each and every one of the intended Outcomes and Results, although, as a whole, each of the two programmes was planned as a pilot and was indeed implemented as such.

In terms of **Impact Orientation**, it was found that a project duration of 2 to 2.5 years is quite limited for genuine impact of the programme outcomes to take place in working conditions and competitiveness along supply chains and/or leading to changes in the lives of final beneficiaries. At the same time the feedback from the tripartite constituents is largely positive indicating a kind of cultural or attitude change with respect to OSH and social compliance. In addition, BW has facilitated enhanced constructive dialogue between employers and employees around labour rights



and compliance, some tangible improvements in workplace conditions in the factories involved, and a heightened awareness of workers' rights among trainees. Thereby, the programme has made a contribution to increased compliance with labour standards (and possibly to enhanced productivity) in the participating workplaces. Several concrete examples of very specific impact on beneficiaries are discussed in Section 3.5. As regards enhanced gender equality several indicators show that GEAR had a concrete impact on beneficiaries in terms of gender equality, e.g., through promotion and salary increases.

With respect to the **Sustainability** of the BW programmes the evaluation has identified three elements. Firstly, the continued involvement of the tripartite constituents after the programmes end is key to the new, innovative BW approach. For example, some employers' organisations in both countries are planning to implement the respective ToT trainings themselves for their members, and also selected trade unions are including OSH in their awareness programs for their members. Secondly, several policy changes are sustainable, of which a prime example is the development of national guidelines on OSH committees in Sri Lanka. An example from Madagascar is that BW is working on a "Social Governance Action Plan" as part of the National Textile Strategy initiative (led by IFC and Ministry of Industrialisation and Trade, MIC). Thirdly, the possibilities for continued funding in a follow-up phase are being explored by the BW teams with the EU Delegations in the countries. In addition, the BW Sri Lanka Team is closely collaborating with several smaller projects in key areas. In Madagascar, enhanced cooperation with the French Development Agency (AFD) needs to be further explored. While some of the above sustainability strategies are promising they are not yet adequately ensuring a continuation of the outcomes and results in the two countries. A high-level sustainability workshop in each country could be beneficial for that.

The BW programmes have facilitated some degree of stakeholder ownership of programme approaches among selected ministries and employers' organisations. More sustained engagement is required, though, to possibly arrive at genuine ownership, including





budget allotments. Some promising more concrete results were achieved, for example in Madagascar both the MIC and one employers' organisation have shown an interest to disseminate training courses, and in Sri Lanka the Ministry of Labour (MoLFE) made OSH a priority in their plans. This Ministry and an employers' organisation have developed public trainings on promoting OSH committees for which BW has trained their representatives which creates revenue through which these trainings can be sustained and possibly expanded. The OSH Industry Advisor programme in Sri Lanka has been upskilling internal staff from constituents and supply-chain enterprises to promote OSH bipartite committees, whereas in a traditional BW programme such activities are directly carried out by external Enterprise Advisors of BW. For both countries ownership among the Trade Unions has much less developed. On the whole, it was found that ownership of the programmes' mission for sustained compliance has been enhanced by the programmes as knowledge and awareness were promoted by the activities conducted.

Compared to the traditional BW approach, the new approach focuses squarely on the constituents and their capacity building and engagement, and as a result ownership is the central issue in this approach. Therefore, the new approach could well be a better way to build Ownership than the traditional approach although in Madagascar and Sri Lanka much more sustained capacity building and engagement are required to arrive at genuine ownership. Comparing the two countries, it seems that Madagascar would be more in need of a more full-fledged BW approach than Sri Lanka in view of the lower capacities among the Malagasy constituents and the generally lower income-status of the country resulting in much less resources being available.

Comparing the new BW model with the traditional Better Work approach, it needs to be pointed out that the funding available at the outset was not sufficient for a full-fledged BW programme with many full-time enterprise advisors (up to 30 or so in certain countries). The benefit of a full-fledged BW is that the Team will be able to convince factories and brands to contribute directly to the funding by way of fees for services rendered. However, the present

pilot or innovative programmes (BW-Light) have nevertheless resulted in important achievements, and initial impact and sustainability. At the same time, it was also found that the programmes are not yet sustainable in the sense that they will be taken over by constituents once the funding ends. A more long-term intervention is required to build their capacity and generate the required commitment. The current programmes can certainly continue to operate in the new format if additional donor funding can be acquired. This applies to Madagascar with a relatively modest garment sector, but also to Sri Lanka. Various stakeholders have underlined during the interviews that continuity is essential.

Except for Gender Equality, which has been mainstreamed in this evaluation report following the UN-SWAP approach (cf. Section 2.2), the other ***ILO Cross-cutting Priorities*** are as follows. Disability inclusion and Environmental Sustainability did not receive specific attention by the two BW programmes. The normative context and the impact of International Labour Standards (ILS) have played an important role since compliance is one of the key issues in BW. In addition, OSH has been an important part especially in Sri Lanka stimulating the process of the ratification of the new Fundamental Conventions on OSH (C.155 and C.187). Social dialogue and constituent capacity development have been crucial in both BW programmes as was demonstrated in the course of the present report.

## RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES

### Main Recommendations

- 1) ***Maintain close contacts with the EU Delegations in Madagascar and Sri Lanka in a possible formulation and planning for a second phase.*** An important element in this phase will be the adherence to the new EU Corporate Sustainability Due Diligence Directive (CSDDD) which was agreed by the European Council last week and is expected to be endorsed by the European Parliament in April 2024. In the meantime, discuss with BW Global the possibility of ***a bridging fund*** from July 2024 to keep the momentum of the present BW Programmes in the two countries going until a new phase starts; this will only be possible if there are solid indications that



continued funding after the bridging period will indeed materialize.

- 2) ***Put the BW programme further on the map with an EU-funded high-level Sustainability Workshop in each country*** presenting the accomplishments as well as discussing the directions for the future with the tripartite constituents and the key development partners and donors. Involve high-level staff from these organisations in order to jointly explore the potential interest in and funding of the BW innovative approach (this should, among others, explicitly include the MTEFP, FMFP, AFD and CNIM in Madagascar and SDC, Japan and Canada in Sri Lanka). This would also be crucial for enhanced consultations for a follow-up phase. In order to sustain the interest and to enhance resource mobilisation, a schedule for regular follow-up meetings focusing on due diligence can also be discussed at this Workshop, for example continuing the breakfast meetings organised by BW Madagascar in 2022 on the garment sector.
- 3) ***Explore the possibility of including other sectors than garments in the BW Programmes or to enhance their inclusion in other projects*** as many stakeholders in Madagascar and Sri Lanka suggested. Examples are raffia and agri-business in Madagascar and the construction and plantation sectors in Sri Lanka. This can be further explored with BW Global.
- 4) ***Expanding into climate action related interventions such as just transition and green jobs.***
- 5) ***Expanding outreach efforts to engage a broader spectrum of stakeholders, particularly small and medium-sized enterprises (SMEs) and marginalized workers,*** to ensure inclusivity and maximize impact.
- 6) ***Deepening collaboration with trade unions, civil society organizations and other non-state actors to leverage their expertise and resources in advancing labour rights and social justice objectives.*** In particular, enhance the engagement with trade unions by paying further attention to workers – management relations, collective bargaining and Freedom of Association (FOA).
- 7) ***Maintain the attention for Gender equality including the dedicated activities in the area of women empowerment, in***



	<p><i>particular the Gender Equality and Returns (GEAR) programme jointly with IFC.</i></p> <p>8) <b><i>Strengthen monitoring and evaluation mechanisms to systematically measure the programme's impact on various stakeholders and inform evidence-based decision-making for continuous improvement.</i></b> For this it will be required to develop a complete Project Document (PRODOC) including a full Logical Framework against which progress can be measured.</p> <p>9) <b><i>Focus first on getting a second phase of the innovative (BW-Light) approach funded in Madagascar and Sri Lanka in order to really test this approach, before trying to replicate it in other countries.</i></b> Towards the end of such a second phase BW is advised to conduct a separate investigative exercise to make a comprehensive comparison of the two models (innovative and Traditional BW).</p>
<p><b>Main lessons learned and good practices</b></p>	<ul style="list-style-type: none"> <li>• <b>LL1</b> – The Better Work programmes replicated and adapted successful initiatives from other Better Work country programmes, such as the Gender Equality and Returns (GEAR), an initiative designed by IFC and focused on women’s empowerment and career opportunities and this programme has already shown concrete results for the beneficiaries such as promotion and salary increase.</li> <li>• <b>LL2</b> – Training on decent work conditions, social compliance and social dialogue has enhanced the interest of constituents to such a degree that several employers’ and workers’ organisations are now providing such training to their members/staff.</li> <li>• <b>GP1</b> – In both Madagascar and in Sri Lanka the capacity building and engagement of Bipartite Committees was a Good Practice enhancing decent work conditions, collective bargaining and productivity.</li> <li>• <b>GP2</b> - Adaptability and flexibility of the Project Team, of the ILO Country Offices and experts, of BW Global, as well as of the donor is critical.</li> </ul>