



## Building Responsible Value Chains in Asia through the Promotion of Decent Work in Business Operations

### QUICK FACTS

**Countries:** Bangladesh, Cambodia, Viet Nam and Japan

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**Evaluation type:** Project

**Evaluation timing:** Final

**Administrative Office:** ILO Country Office for Bangladesh, Japan and Viet Nam, and CO-Bangkok (for Cambodia component)

**Technical Office:** Better Work branch (Governance), MULTI/RBC unit (Enterprises)

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**DC Symbol:** RAS/22/01/JPN

**Donor(s) & budget:** Government of Japan/ Ministry of Economy, Trade and Industry (METI); USD 6.8 million

*Key Words:* Better Work, Decent Work, Responsible Value Chains, Responsible Business Conduct, Human Rights Due Diligence, Garment value chains, Gender Equality, Social Dialogue; Bangladesh, Cambodia, Viet Nam and Japan. [Use themes as provided in i-eval Discovery](#)



**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 Independent Final Evaluation of the programme entitled “Building Responsible Value Chains in Asia through the Promotion of Decent Work in Business Operations” (Annex 1). The programme’s objective was to improve working conditions and the well-being of workers and support firms/companies in the specified sectors to make improvements in productivity and responsible business practices that sustain these gains. Originally designed as a 2-year Project, it was implemented by the ILO Country Office for Bangladesh, Japan and Viet Nam, and CO-Bangkok (for Cambodia component) since 1 April 2022 until 30 June 2024 following the approval of a three-months no cost extension for Bangladesh and Japan. It was financed by the Government of Japan/ Ministry of Economy, Trade and Industry (METI) with an amount of USD 6.8 million and it was implemented in Bangladesh, Cambodia, Japan and Viet Nam.</p>
<p><b>Present situation of the project</b></p>	<p>The Programmes has ended on 30 June 2024 including a three months no-cost extension for Bangladesh and Japan.</p>
<p><b>Purpose, scope and clients of the evaluation</b></p>	<p>The present evaluation’s purpose is to promote accountability to tripartite constituents, beneficiaries, ILO regional, country and headquarter offices and donor, as well as learning. The scope of the Evaluation covers all interventions from its inception to the completion of its extension phase, and geographically it covers all four countries involved. The evaluation also examines the programme’s performance in relation to all relevant ILO’s cross-cutting issues including gender equality (UN-SWAP criteria) and non-discrimination. The primary users of the evaluation findings are the programme management team and the ILO Country Office in Tokyo, Dhaka, Hanoi, and DWT/CO-BKK, the donor, ILO’s constituents, ILO technical backstopping units (MULTI/RBC, Better Work) and others.</p>
<p><b>Methodology of evaluation</b></p>	<p>The methodology includes a desk study of the relevant documents and primary data collection through online and offline interviews with 151 persons (69 female). The evaluation team consisted of five members, one international and four national evaluators. The international evaluator travelled to Cambodia and Bangladesh from 29 April to 10 May 2024. The participatory methodology further</p>



includes a critical reflection process by the key stakeholders in particular through five online stakeholder validation workshops (one global and four national) and the inputs by stakeholders to the draft report. Key deliverables are the inception report, the five PowerPoint presentations of preliminary findings at the five online stakeholder workshops, the draft report, and the present final report taking into consideration the feedback on the draft report.

## MAIN FINDINGS & CONCLUSIONS

The conclusions of the present final independent evaluation are below analysed according to the nine OECD/DAC Evaluation Criteria used throughout the evaluation report. With respect to the first evaluation criteria, **Relevance**, the Evaluation found that the METI programme had effectively responded to the policies, needs and priorities of the national stakeholders. This is evident in the Government of Japan's increased focus on business and human rights, exemplified by its 2020 National Action Plan (NAP) on Business and Human Rights (BHR) and 2022 Guidelines on Respecting Human Rights in Responsible Supply Chains. The programme was also well aligned with the current global trends related to BHR, HRDD and RBC.

On the **Validity of Design**, it was found that the LogFrame formed a well-balanced design with 3 Outcomes dealing with 1) support to Enterprises, 2) support to the Tripartite Constituents and 3) activities to increase the evidence base. The programme was designed based on BW's existing structure for providing enterprise-level services. However, Gender Equality is almost fully lacking in the LogFrame. The design further envisaged Japan, as the home country of large Japanese MNEs, to play an important role through the promotion of good practices of Japanese companies, including in their overseas operations and supply chains.

The **Coherence** of the programme is relatively high since it is embedded in the ILO/IFC's reputable BW programmes in Bangladesh, Cambodia and Viet Nam. The programme is also working with ILO-MULTI/RBC, especially for the electronics and automotive parts sectors in Viet Nam and Japan, and coherence is further enhanced as the programme cooperated with other ongoing programmes and projects.



Overall, the **Effectiveness** of the programme was found to be quite satisfactory. The self-assessment in the latest Progress Report states that as per 31 December 2023 12 out of 14 indicators are fully/mostly met (86%). While this is an important achievement, several qualifications were made, e.g., that actual dialogues between workers' and employers' organizations could have received more attention. On the one hand, several indicators were not on track, for example the organisation of joint multi-country workshops and trainings for employers' and workers' organisations of Bangladesh, Cambodia and Viet Nam, while on the other hand the programme also exceeded several output targets (numbers of participants in trainings and workshops, numbers of good practices). Two key achievements need to be highlighted. Firstly, the Jakarta event for Responsible Business, Human Rights, and Decent Work in September 2023 which provided an opportunity for dialogue between G7 members and Asian countries; significantly, it was highlighted in the G7 Trade Minister's Outcome Statement. Secondly, the Good Practices (GP) research and report developed jointly by ILO Japan and JETRO, with inputs from ILO MULTI/RBC, dealing with RBC and HRDD initiatives of Japanese companies operating in Bangladesh, Cambodia, and Viet Nam; positive feedback on this report was received from companies who participated in the interviews underlining the quality of the report. In general, many stakeholders underlined that the programme provided quality technical advisory on BHR/RBC/HRDD through many trainings, workshops and mutual learning, which helped them increase their awareness and knowledge. The programme encountered also several key challenges, in particular it took time to enhance the understanding of many stakeholders since the concepts of BHR/RBC and HRDD are relatively new to them. In addition, trade unions were reluctant at first thinking it is an employers' thing. There were also several success factors, such as the timing was right, and the embedding of the implementation into the ILO-BW structures.

With respect to the ultimate objective of the programme it was found that the conditions have been created which lay the basis for the possible achievement of the objective through sustained interventions. In several cases actual improvements took place in workers' conditions, and firms were indeed supported to make



improvements to be(come) more compliant; however, it was more difficult to assess whether actual improvements in productivity were realized. In terms of the comparison between the three target countries, there are many commonalities in the outcomes in these countries because the BW method and structures were used by all. Differences were found in the involvement of the trade unions, while the differences in terms of outcomes and outputs are discussed at length in the report. The programme was quite effective at stimulating interest and participation of the partners.

The ***Efficiency of Resource Usage*** was found to be satisfactory. Expenditures until mid-April 2024 amounted to almost 88% of the total budget. The budget category with the largest expenditures in each country is 'Staff Costs' (between 50 and 60%). The programme's value for money is relatively high in the three host countries given that the interventions are implemented by the already well-established BW Teams. The fact that no dedicated resources were reserved initially for interventions targeting gender equality should be a clear lesson learned. The funding and timeframe were comprehensive with a budget of USD 6.8 million and a two-year programme period to achieve a large part of the intended outcomes and outputs, although most stakeholders considered the timeframe to be relatively short.

Overall, the ***Management Arrangements*** were relatively effectively organized by ILO considering that the programme involves four different countries and a series of tripartite constituents and companies to be coordinated. The fact that the Japan component and overall coordination was managed by a dedicated team of just three staff persons compromised sometimes on time management and the quality of some products also because it was difficult to identify additional qualified staff. In the three host countries the programme's management benefited from the fact that Project Advisory Committees (PAC) were already established as part of BW. Annual progress reports were submitted according to the agreement with METI.

With respect to ***Impact Orientation***, it was found that to realize genuine impact in a new area like BHR/RBC and HRDD a longer-term



intervention is needed. Nevertheless, important inroads have been made towards impact, and stakeholders' awareness of and knowledge on BHR/RBC/HRDD have been significantly enhanced, while several stakeholders in each country are already replicating or scaling up interventions. The programme fostered a culture of collaboration and compliance among stakeholders, leading to several joint initiatives and the sharing of good practices. A change of mindset was also achieved among trade union leadership regarding BHR. The METI Programme has contributed to creating a more enabling environment for BHR/RBC and decent work through enhanced awareness and understanding.

With respect to **Sustainability**, it was found that capacity building of stakeholders has been quite extensive and as such has contributed substantially to create the enabling conditions for companies to translate their due diligence into positive and lasting change on the ground; at the same time, many stakeholders underlined that more and continued capacity building is required. There are several results of the programme that are expected to be sustainable not only because the programme was embedded in BW's regular activities. In Japan multiple stakeholders were connected and this sparked new collaborations on BHR/DD. Stakeholders also intend to continue certain programme activities, and national stakeholders are preparing to take over responsibilities from BW. Lastly, METI has provided funding for another joint project with the ILO under the same title which is important for sustainability although the three target countries from the present programme would have liked the cooperation with METI to be extended.

The *Exit or Sustainability Plan* of the programme in the PRODOC is in particular based on sustainability through BW while also four actions are proposed which are assessed in the report. The continuity of financial resources and resource mobilisation were as such not achieved, and for this it would be important if the METI programme could be put further on the map through a high-level Sustainability Workshop. While a programme period of two years may not have been sufficient time to instil genuine ownership in the relevant stakeholders, selected constituents have clearly made important steps, and the continued involvement of the ILO-IFC Global BW programme and MULTI/RBC is expected to be important,

while a first concrete step could be made by organizing under the METI programme a sustainability workshop.

**Cross-Cutting Issues:** With respect to *Gender Equality*, it was found that the design of the programme was lacking a clear gender focus, while Gender Equality perspectives are already fully integrated into the concepts of BHR/RBC/HRDD. During the implementation the Programme and BW Teams made substantial efforts to ensure that women were represented as much as possible in activities, and many of the staff members of the teams are women (cf. UN-SWAP). Several activities specifically designed to address gender equality were added, and the interventions benefited from BW's ongoing efforts and strategies on gender equality. Gender issues, including sexual harassment prevention at the workplace, were integrated into training courses. It is recommended that in any future intervention, a Gender Equality Strategy should be included. The Programme does not evidently address *other issues of social inclusion* of vulnerable workers, nor *disability inclusiveness*, or *non-discrimination*. ILO's normative mandate was central in terms of compliance with ILS principles. *Environment/Climate Change* did not receive sufficient attention. Lastly, the Programme enhanced *Social Dialogue* among employers' and workers' organisations and among international stakeholders through the forums/seminars organized. This contributed to advancing decent work and addressing human and labour right risks.

## RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES

### Main Recommendations

- 1) ***Continue the programmatic areas of capacity building and awareness raising of government officials, employers' organisations, trade unions and companies, around RBC standards and HRDD requirements to ensure sustained compliance. For awareness raising particularly to reach SMEs and informal sectors a "HRDD-Day" was proposed (mirroring national 'OSH-DAY' and 'Human Rights Day'). Enhancing the institutionalisation of tripartite-appointed national focal points to further promote the uptake of the MNE Declaration and facilitate national dialogues and actions would also benefit***



sustainability (which could perhaps be part of the new project funded by METI for 2024-2026).

- 2) **Enhance the specific attention for integrating RBC standards and HRDD processes into national policy and regulatory frameworks and legislation.**
- 3) **Enhance the regional cross-country sharing of experiences:** More exchanges between countries, especially between the four METI project countries would have been appreciated by stakeholders as part of enhanced exchanges of Good Practices and learning from concrete challenges of HRDD and RBC compliance. The involvement of the Embassies of Japan in the three target countries and of JETRO should be enhanced in order to raise awareness in the Japanese business communities outside of Japan.
- 4) **Put the METI programme further on the map with a high-level Sustainability Workshop in Japan** in the coming months if possible, presenting the Key Achievements and gaps as well as discussing the directions for the future with the tripartite constituents and the key development partners and donors interested in promoting BHR/RBC/HRDD.
- 5) **Expand the outreach efforts gradually to engage a broader spectrum of stakeholders, particularly towards enterprises of Tiers 2 and 3 including small and medium-sized enterprises (SMEs).** Since the new project by METI and ILO is not implemented in the three BW countries, this request from many stakeholders is directed to the respective governments and employers' organisations as well as to BW, specifically to raise awareness, and, as far as possible, to adapt and extend the assessment, advisory and training programmes to RMG enterprises across different tiers (2 and 3). Some stakeholders also suggested to expand to non-RMG export-oriented sectors.
- 6) **Include in any follow-up intervention a Gender Equality Strategy from the design stage onwards, including gender mainstreaming and continue activities targeted specifically at women and make sure to allocate dedicated resources to this Strategy.** More in particular explore further the pros and cons of the Gender Equality and Returns (GEAR) programme jointly with IFC. Specific attention was also requested for additional (ToT)



	<p><i>training on the prevention of sexual harassment in the workplace as this is still considered a relatively new area.</i></p> <p><b>7) Enhance in any follow-up intervention the engagement of Trade Unions including targeted capacity building.</b> Also consider (further) secretarial and/or human resources support for NCCWE in Bangladesh as the coordinating body for 13 Federations and for the Trade Union Contact Group in Cambodia (up to 25 federations). Include joint activities for workers' and employers' organisations (not only separate activities). Repeat the Good Practices Report for Trade Unions (International, Japanese, European and others). Explore the role of Trade Unions in those BW factories where Employers' Organisations (e.g., BGMEA in Bangladesh) are providing advisory and learning services.</p> <p><b>8) Match the Project Management more closely to the volume of work scheduled in any follow-up intervention to increase the efficiency and quality of the programme.</b></p> <p><b>9) Promote Multi-stakeholder relationships and organize stakeholder-wide workshops</b> to further enhance collaboration, mutual learning, and information exchange and dialogue. For example, ILO's proactive initiatives in Japan in connecting multiple stakeholders under the programme sparked new collaborations on BHR/RBC/HRDD and brought synergetic effects, and some of these collaborations are continuing voluntarily to expand BHR/RBC/HRDD-related initiatives (e.g., involving JTF, JEITA, Sharoushi Federation and JAPIA).</p> <p><b>10) Explore the continuation of the pilot intervention in the electronics sector in Viet Nam</b> as engaging businesses from this more highly skilled and competitive sector is, on the one hand, an important step to increase the impact of the BW programme on labour-intensive and capital-intensive sectors, and it provides an opportunity to enhance coordination with Japanese buyers in this sector, while on the other hand, several challenges are encountered (including severe competition from cheap products from China).</p>
<b>Main lessons learned and good practices</b>	<b>LL-1</b> – The approval processes of large multi-stakeholder events both by national governments and by ILO can take a considerable amount of time, so it is advisable to manage the expectations and



to be rather flexible especially because one must rely on the availability of the tripartite constituents.

**LL-2** – The garment sector can act as an example and learning ground for other economic (export) sectors.

**GP1**– It has been shown to be a Good Practice to embed the BHR/HRDD/RBC Programme in the ILO’s long-standing, reputable BW programmes in the target countries.

**GP2** – A Good Practice is the way responsibilities were transferred by Better Work Bangladesh (BWB) to the Employers’ Organisations in the Ready-Made Garment Sector in this country demonstrating the degree of ownership of these organisations and enhancing sustainability of the BW programme.