



International Labour Office

**Improving industrial relations in Cambodia's garment sector
Project Code CMB/13/03/MUL**

pring

**Final Internal
Project Evaluation**

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**For the International Labour Office
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Acronyms

The following acronyms are used in this paper:

AC(F)	Arbitration Council (Foundation)
BFC	Better Factories Cambodia
CAMFEBA	Cambodia Federation of Employers' and Business Associations
CTA	Chief Technical Adviser
DO	Development Objective
DWCP	Decent Work Country Programme
DWT	Decent Work Team
DWT	Decent Work Team
EA	Enterprise Adviser (of BFC)
GMAC	Garment Manufacturers Association in Cambodia
H&M	Hennes & Mauritz AB
ILO	International Labour Office/Organization
IO	Immediate Objective
IR	Industrial relations
M&E	Monitoring and evaluation
MoLVT	Ministry of Labour and Vocational Training
MoU	Memorandum of Understanding
MRS	Most representative status (of trade union)
NPC	National Project Coordinators
PICC	Performance Improvement Consultative Committee
PM	Programme Management
prodoc	Project Document
PSC	Project Steering Committee
ToC	Theory of Change
ULP	Unfair Labour Practice
UNDAF	United National Development Assistance Framework

Acknowledgments

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1 Project background

1. This is the report of a final internal evaluation of the project entitled *Improving Industrial Relations in Cambodia's Garment Sector* (CMB/13/03/MUL).¹ This revised version of the report includes clarifications made in response to questions posed by the clients on the versions delivered in February and May 2017.

2. This chapter of the report briefly describes the context and intervention logic of the project. It includes information on intended contributions from ILO departments and stakeholders and on funding and organizational arrangements, as well as a brief overview of the project's implementation, including a summary of project objectives and activities.

1.1 Context of the Project

3. The garment, textile and shoe industry is Cambodia's largest manufacturing industry and its principal source of foreign currency. In 2015, the industry employed approximately 646,000 workers in around 700 factories. Over 85% of these workers were female. 78% of Cambodia's export value (approx. \$12.6 billion in 2014) is generated by the production of textiles, footwear, and headwear.² Given the strategic importance of the industry, a good industrial relations (IR) environment is very important. Furthermore, the maintenance of labour regulation and practices that conform to international standards is important for reputation sensitive buyers. The ILO has worked with its constituents in Cambodia for almost twenty years to develop and improve the labour and IR environment generally and particularly within this critical and challenging sector.

4. Institutions playing important roles in the garment industry and the project include:

- The trade unions
- The employing enterprises
- The employers' organizations
- The Ministry of Labour and Vocational Training (MoLVT)
- The Arbitration Council

1.2 Funding arrangements

5. The project was funded by the Swedish International Development Cooperation Agency (Sida) and H&M with an overall budget of US\$ 773,505. In-kind contributions from the Swedish trade union IF Metall have also been provided. The project began in June 2014 and carried on until the end of May 2017.

¹ ILO projects with budgets between US\$ 500,000 and US\$ 1 million must undergo an internal evaluation. Internal evaluations follow a formalized evaluation process, are managed by ILO staff members, and are conducted either by independent consultants or by independent ILO officials who have not been involved in the design, management or backstopping of the project. In this case, the internal evaluation has been conducted by an independent consultant. International Labour Organisation – Evaluation Unit 2013a. *Guidance Note 9: Internal Evaluation for Projects*, Available at: http://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_167056.pdf.

² <http://atlas.media.mit.edu/en/profile/country/khm/>

1.3 Organizational arrangements

6. The project recruited its National Project Coordinator and Finance and Administrative Assistant in early 2014 and started operations soon after. It was based in the ILO project office in Phnom Penh. The ILO Country Office for Thailand, Cambodia and Lao PDR provided financial and administrative backstopping support to the project, facilitating financial transactions, contracts, and the procurement of equipment. The Decent Work Team in Bangkok provided technical backstopping with occasional assistance from ILO Headquarters in Geneva.

1.4 Project objectives and intervention logic

7. A single overarching development objective was not specified in the project document. Rather, two ‘broad objectives’ were to be pursued:

- promoting sound IR through genuine collective bargaining; and
- strengthening the regulatory and policy framework governing IR and collective bargaining.

8. The project’s theory of change relates improvements in the IR environment to interventions at the factory, industry and national level. Interventions involved the use of tools to improve (a) respect for the rule of law in the IR field; (b) the capacity of the IR actors in developing IR outcomes; (c) legislation, regulation and their implementation. See Figure 1 below.

Figure 1: Project ToC



9. The project’s ‘logical framework’ relates the project’s objectives to the theory of change, identifying the intended outputs and activities as well as the indicators to be used to evaluate whether objectives have been achieved (see Annex VI). The framework specifies three immediate objectives:

- IO1: By the end of the project, participating enterprises will have seen improvements in enterprise level dialogue and IR and an increase in collective bargaining agreements.

- IO2: By the end of the project, the garment industry will have experienced an increase in collective bargaining agreements and an improved IR environment as a result of greater adherence to the industry Memorandum of Understanding (MoU)³.
- IO3: By the end of the project, procedures and records for union registration/most representative status certification will be maintained, and conciliators at central and provincial level more capable of resolving disputes and promoting collective bargaining.

10. The original logical framework contained 5 outputs for IO1, 3 for IO2, and 3 for IO3.⁴ Some consolidation seems to have taken place in early 2014, reducing outputs to 3 for IO1, 1 for IO2, and 3 for IO3. In some cases this reduction reflected the shifting of outputs to the level of activities; in others, it reflected consolidation by way of a loosening of the 3-level (enterprise/sectoral/national) framework in such a way that outputs originally focused on the sectoral level were reoriented to the enterprise level. These changes were substantive in some cases but not in others, as discussed further below.

1.5 Overview of project interventions and implementation

1.5.1 Project interventions

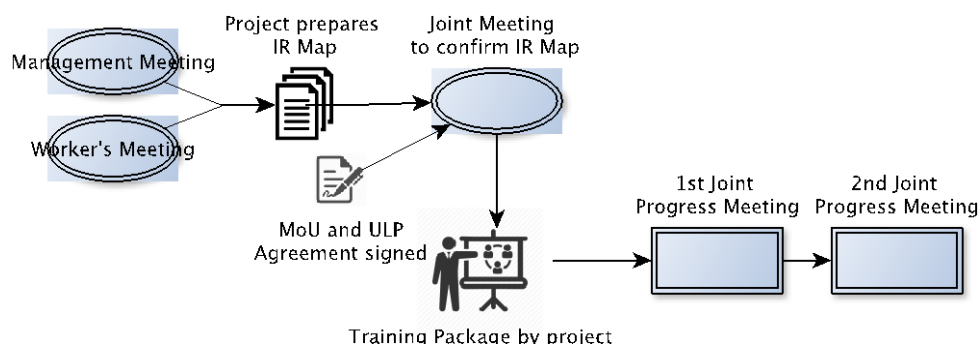
11. The project document specified different interventions at enterprise, sectoral and national levels. Figure 2 illustrates the design of project interventions at the **enterprise level**. The principal features of this factory level work included:

- the development of a detailed description of the factory IR environment – an ‘IR Map’ – based on information provided separately by each of the social partners;
- the confirmation of the IR Map in a bipartite meeting;
- the signing of an enterprise-level replica of the garment sector MoU and a pledge not to engage in unfair labour practices;
- the use of the IR Map as a snapshot of the situation before further project interventions rather than as a proposed or agreed action plan or set of targets for improvement;
- leveraging the opportunity presented by bipartite factory-level training on IR-related skills development to build relationships between the social partners;
- the development of progress reports in bipartite meetings 3 months after the close of training and again at 6 months on from the first progress report;
- the close of the intervention cycle after the second progress report.

³ In 2010, the garment sector employers’ organization GMAC and the 6 largest union confederations in the industry signed the ‘Memorandum of Understanding on Industrial Relations in the Garment Industry’. The main elements of the MoU were that unions agreed to follow legal procedures prior to taking strike action and employers agreed to accept binding arbitration as a means to resolve rights disputes.

⁴ Covered by an agreement between the ILO and Pulse Trading Far East, Ltd (H&M), dated 11 November 2013. See the original at Annex VI compared with subsequent at Annex VIII.

Figure 2: Operation of project design, factory level



12. The project document specified that participating factories were to be those supplying brands/buyers that were project partners. In the event, H&M was the only relevant project partner, sourcing goods from all the participating factories. H&M was intended to be instrumental in “attempt[ing] to convince [owners of identified factories] of the importance of participating in the project.”

13. Factories were to enter the project in a staggered fashion. In the event, a total of 26 factories in four batches of 6 or 7 at a time participated in the project between mid-2014 and early 2017.

14. Intervention at the **sectoral level** centred on the promotion and implementation of the Garment Sector MoU. As envisaged in the project document, this was done through promotional meetings on the employer and worker sides. In 2014, 744 workers’ representatives and 95 management staff members participated in such meetings.⁵ However, the MoU expired on 2 January 2015 and has not been renewed or renegotiated despite promotional efforts, including an assessment of its impact (see below).

15. As set out in the project document, intervention at the **national level** was to fall into two areas: training for MoLVT officials in conciliation methods and IR policy development; and support for the updating and improvement of the Ministry’s database on union registration and ‘most representative status’ certification. The training on conciliation methods was carried out as planned. Work on IR policy development was focused in particular on the development of the new Trade Union Law. Consultative workshops and expert consultations were held promoting legislative and regulatory frameworks for sound IR and comments were provided on draft legislation. Work on the database, however, was put on hold almost immediately because of the possibility that the pending Trade Union Law would change the registration and certification rules. A database intended to hold information about regulatory compliance cannot be designed unless the nature of that regulation is known. Designing a database on the basis of rules that are likely to be changed in the near future carries a risk that the work involved will have to be redone. Once the law was passed, work did not restart because of questions about the new law’s conformity with ratified international standards.⁶

⁵ Details in 2014 Annual Report, p. 8-11.

⁶ See discussion at the 2016 International Labour Conference. Also http://www.ilo.org/asia/info/public/pr/WCMS_466553/lang--en/index.htm, <http://thedi diplomat.com/2016/04/the-trouble-with-cambodias-new-law-on-trade-unions/>, etc.

1.5.2 Project implementation

16. Project implementation began in the second quarter of 2014. Project staff prepared and carried out the IR Mapping processes in the initial batch of factories, publicized the Garment Industry MoU, and supported the technical review of a draft Trade Union Law. Ten key performance indicators (KPIs) were developed which were ultimately approved by the Project Steering Committee for use at 3- and 6-monthly intervals during the project's life. Model enterprise-level MoU and ULP agreements were developed and promoted. Training courses were delivered in Batch 1 factories starting at the end of 2014 and continuing into 2015. The project helped to facilitate a 3-month extension of the Industry MoU through to 2 January 2015. It also facilitated a technical review by the ILO of the draft Trade Union Law.

17. The project implemented its enterprise level interventions according to plan throughout 2015, 2016, and into 2017, taking a total of 26 factories through IR Mapping, training, and Progress Reviews.⁷ 24 out of 26 factories signed the MOU and ULP agreements.

18. At the sector level, the project supported raising awareness of the MoU among trade union members at the end of 2014. In the light of the MoU's expiration at the start of 2015, consultations were facilitated during the first half of 2015 to develop an enforcement method that might lead to a new agreement. Through face-to-face meetings with participating factories and bipartite workshops, the project promoted the use of enterprise level MoUs and ULP agreements as it became clear that the prospects for a new industry-wide agreement were poor. An attempt was made to promote these industry-wide, with the help of a "quick impact assessment" that might see whether the MoU had had a positive impact on number of strikes and use of binding arbitration for rights disputes.⁸ The Assessment was presented to the PSC in March 2016. In August 2016 GMAC officially took its "final position" that it did not intend to renew the industry MoU in the absence of support from its members.

19. In February 2015, the project conducted its first conciliation training for government officials in Phnom Penh. Other training in the provinces followed: an entry-level course in June 2015 and an advanced course in early 2017.

20. After its initial support for consultations and technical inputs on the Trade Union Law in late 2014 and early 2015, the MoLVT continued processing the law, which eventually came into force in 17 May 2016.

21. See Annex III for a yearly timeline of project activities, showing the relatively even distribution of activities over the years.

⁷ See Figure 2: Operation of project design, factory level

⁸ It was concluded that "Therefore, it can be reasonably concluded that there was indeed no real impact on the increase/or decrease in the strikes in 2015 – the year without MOU." On the other hand, the Assessment found that there had been an increase in non-binding rights disputes awards after the MoU expired. Progress Report for 12 December 2015-10 March 2016.

2 Evaluation background

22. Drawing on the terms of reference (ToR) provided by the ILO, this chapter sets out the purpose and scope of the evaluation, its clients and special focus areas and the operational sequence of the evaluation. It also identifies the evaluator and evaluation manager.

2.1 Purpose of the evaluation

23. The project document specifies that a final internal evaluation of the project will be carried out once the project is completed. The purpose of the evaluation as set out in the ToR is “to review progress against the expected project deliverables and outcomes and to propose modifications and lessons learned to inform the design of a next phase of this project. In so doing it will identify the achievements, good practices and lessons learned from the project.” The ToR further specifies that the evaluation should:

- a) assess the continued feasibility of the project design, particularly for the garment factory phase of the project, especially given the expected increase in factories covered; and
- b) consider options for sustainability of improved IR in the country beyond the end of the project.

24. The knowledge and information obtained from the evaluation will be used as a basis for improvements to the design and management of current and future ILO activities in Cambodia. The ToR specifies that a set of practical recommendations aimed at improving aspects for the second phase of the project be included in the evaluation report.

2.2 Scope of the evaluation

25. The evaluation covers all project activities undertaken up to 30 December 2016.

26. The ToR specifies that the evaluation should focus on:

- a) the progress of the project against output and outcome targets;
- b) the extent to which management arrangements are appropriate to achieve desired results and outcomes in a timely, effective and efficient manner;
- c) the level of engagement with and satisfaction of project constituents and direct beneficiaries;
- d) the quality of operational work planning, budgeting and risk management;
- e) lessons learned and good practices; and
- f) prospects for the model to improve IR in the participating factories and in the garment sector more broadly, beyond the expected end of the project.

2.3 Clients of the evaluation

27. Clients and users of the evaluation are:

- a) the Project team;
- b) the Development partners;
- c) the ILO Country Office for Thailand, Cambodia and Lao PDR, ILO HQ and the Decent Work Team within the ILO Regional Office for Asia and the Pacific in Bangkok;

- d) MoLVT;
- e) workers and employers' organizations; and
- f) the participating factories.

2.4 Operational sequence of the evaluation

28. The evaluation began with a brief document review, followed the preparation of an Inception Report, agreed by the Office. A 10-day mission to Phnom Penh and 1 day mission to the ILO Office in Bangkok were undertaken. Interviews and site visits were conducted during these missions. Document review and report writing followed, punctuated by remote interviews carried out by Skype, as listed in Annex II.

2.5 Evaluator

29. David Tajgman, Consultant and Evaluator, was assigned the task of preparing this evaluation. The evaluation manager was John Ritchotte, ILO DWT Bangkok.

3 Methodology

30. This chapter of the report sets out the main evaluation criteria, the evaluation questions and a description of the evaluation methods and data collection instruments used.

3.1 Evaluation criteria

31. Overall, this evaluation follows ILO guidance for internal evaluations.⁹ The evaluation questions reflect the OECD Development Assistance Committee's core evaluation criteria: relevance, effectiveness, efficiency, impact, and sustainability.

3.2 Evaluation questions

32. The following evaluation questions were proposed in the evaluation's Inception Report and accepted by ILO:

- 1) To what extent has the project design – including its three levels of intervention and strategy of policy advice and capacity building – been relevant to achieving the intended immediate objectives? (section 4.1)
- 2) To what extent has the project been effective in delivering outputs and planned activities? (section 4.2)
- 3) To what extent has the project used resources efficiently in delivering its outputs and activities? (section 4.3)
- 4) To what extent have project outputs and activities had the impact intended by project design?
 - i. To what extent has there been improvement in enterprise level dialogue and IR in participating enterprises, and in particular an increase and/or improvement in collective bargaining? (subsection 4.4.1)
 - ii. To what extent has there been an increase in collective bargaining agreements and improved IR environment in the garment industry, as a result of greater adherence to the industry MoU? (subsection 4.4.2)
 - iii. To what extent have procedures for and the maintenance of records for union registration/MRS certification improved? (subsection 4.4.3).
 - iv. To what extent are conciliators at central and provincial level more capable of resolving disputes and promoting collective bargaining? (subsection 4.4.4).
- 5) To what extent are project results likely to be sustainable beyond the end of the project? (section 4.5)
- 6) To what extent is the project design feasible for achieving its intended results in any future project, given the expected increase in participating factories? (section 4.6)

⁹ International Labour Organisation – Evaluation Unit 2013b. *Internal Evaluation for Projects*, Available at: http://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_167056.pdf, International Labour Organisation – Evaluation Unit 2013a. *Guidance Note 9: Internal Evaluation for Projects*, Available at: http://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_167056.pdf.

- 7) To what extent are IR outcomes of participating factories better than those of relevant non-participating factories? (section 4.7)

3.3 Evaluation methods and instruments

33. The evaluation methods included document review, interviewing against evaluation questions and the collection of overall ratings by key stakeholders. In addition, conciliators who had participated in project training were surveyed.

34. The following stakeholders were identified in the project document and determined to be relevant to the evaluation:

- participants in project interventions at the enterprise level: management personnel and union officers;
- participants in project interventions at the national and sectoral levels: the MoLVT, GMAC and trade union federations and confederations;
- partners in the project including the Swedish Embassy and Hennes & Mauritz (development partners) and IF Metall (a partner assisting in implementation of selected activities);
- Better Factories Cambodia, the Arbitration Council Foundation, and the American Center for International Labor Solidarity.

3.3.1 Relevance of methods and instruments

35. The methods and instruments were found to be relevant in the implementation of the evaluation.

3.3.2 Sources of information

36. Data used for the evaluation was collected from the following sources:

- documents, including: the project document with its logical framework; 10 quarterly project progress reports;¹⁰ financial records taken from the project's 2014 and 2015 Annual Reports and an analogous document for 2016; minutes from 10 PSC meetings;¹¹ factory-level training event participation lists, etc.;
- semi-structured interviews with key stakeholders (see Annex II);
- semi-structured interviews with project personnel and project-supporting ILO officials; and
- field visit to participating factories.

37. Stakeholders were asked to give an overall rating of the effectiveness of different aspects of the project. A representation of questions and results are found in Annex IV.

38. The collection methods, as appropriate to the data sources, included a review of documents, interviews (face to face and telephonic),¹² and on-site observations.

¹⁰ 1 January – 12 June 2014; 12 June – 10 September 2014; 10 September – 11 March 2015; 12 March – 11 June 2015; 11 June – 11 September 2015; 11 September – 11 December 2015; 12 December 2015 – 10 March 2016; 10 March – 9 June 2016; 9 June – 21 September 2016.

¹¹ 12 June 2014; 10 September 2014; 18 December 2014; 12 March 2015; 11 June 2015; 11 September 2015; 11 December 2015; 10 March 2016; 9 June 2016; 21 September 2016; and final in January 2017.

¹² See Annex II.

3.4 Limitations

39. The resources available to conduct the evaluation placed a limit on data sampling. In the event, 10 out of 26 participating factories were visited. In the light of constraints related to language and internet access, it was decided not to pursue possible internet surveying of other factories' managements and/or workers; the purposive sampling used was considered adequate. It was not always possible to meet with the management personnel, workers or workers' representatives who were *most* knowledgeable about the project, i.e. those having participated to the greatest extent in project activities. In a few instances, business confidentiality was vaguely asserted or implied. This made it difficult/impossible to access information that might have been useful for triangulation of evidence. In some instances, data was not available, for example, about the types of disputes handled by the MoLVT or data on strikes specifically within the garment and apparel manufacturing sector.

40. As can be seen in Figure 2 below, the project prepared an 'IR Map' for each participating factory followed by the development of a training package. Progress was monitored 3 months after the delivery of training and then again after a further 6 months. IR Maps/training packages for the first batch of 6 factories were drawn up early in the project, which meant that the project last formally monitored the situation in these plants during the third quarter of 2015. As a result, not only are project records now out of date in relation to IR developments in the participating factories, but in some cases key informants lacked a clear memory of events, these having taken place in late 2014/early 2015. A related limitation is the fact that at any given moment during the project's life, the batching of factories hides information about factories not yet entered into project activities. Thus, project documentation from early 2015 contains no data about factories that entered the project only in mid-2016. This is relevant, for example, to the counting of collective agreements or grievance procedures in place during the life of the project.

41. The aggregation of data can be deceptive in terms of cause and effect in the area of IR. This is because IR at the enterprise level is unique. Thus even though aggregated data may shows progress in a majority of enterprises, it should be borne in mind that the experience of enterprises not within the majority will be very different.

4 Main findings

42. This chapter sets out the main findings of the evaluation. The chapter addresses each of the OECD/DAC evaluation questions: relevance, effectiveness, efficiency, impact and sustainability.

4.1 Relevance

43. This section looks at the relevance of the project. It sets out findings about the extent to which the objectives and design of the project were consistent with the requirements of participants and relevant to country needs, global priorities and partners' and donors' policies.

4.1.1 National development priorities and DWCP

44. The project was aligned with priority 8 of the 'Development of Labor Market' subcomponent of the 3rd strategic priority ('Private Sector Development and Employment') of the Government's Rectangular Strategy Phase III and the National Strategic Development Plan 2014-2018.¹³ It further meets challenges identified in the NSDP.¹⁴

45. The project was aligned both with the ILO's Decent Work Country Programme (DWCP) for Cambodia for 2011-2015¹⁵ and that for 2016-2018.¹⁶ During the first and second periods, the project was aligned with the Country Priority 1, "Improving industrial relations and rights at work." During the first period, the project aligned with Outcomes 1.1,¹⁷ 1.2,¹⁸ and 1.3.¹⁹ During the second, it aligned with Outcomes 1.1²⁰ and 1.2.²¹

¹³ "Strengthening harmony in industrial relations between workers, employees and employers through adoption of the law on trade unions, updating the labor law, strengthening adherence to work discipline and professional ethics, institutional strengthening and coordination for implementation of labor dispute prevention and resolution mechanism as well as the mechanism to prevent and address labor protests, strengthening capacity and role of labor inspectorate in dispute mediation and resolution; and establishment of labor courts." Royal Government of Cambodia 2014. *National Strategic Development Plan 2014-2018*, Available at: http://cdc-crdp.gov.kh/cdc/documents/NSDP_2014-2018.pdf, at pp. 170-173 (English translation)

¹⁴ Including the "[l]ack of effective training for labour inspection officials." (p. 56). See further discussion in report.

¹⁵ International Labour Office 2010. *Decent Work Country Programme Cambodia (2011–2015)*, Available at: <http://www.ilo.org/public/english/bureau/program/dwcp/download/cambodia.pdf>.

¹⁶ International Labour Office 2016. *Kingdom of Cambodia Decent Work Country Programme (DWCP) 2016–2018*, Available at: http://ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_533564.pdf.

¹⁷ "Professional and technical capacities of social partners strengthened"

¹⁸ "Improved mechanisms and processes for dispute resolution"

¹⁹ "Social Dialogue is both more effective and more widely employed, including collective bargaining agreements and their enforcement"

²⁰ "Professional and technical capacities of social partners strengthened"

²¹ "Improved laws, mechanisms and processes, particularly in the garment sector, for industrial relations, dispute prevention and resolution and wage setting." See pp. 23/24.

46. The project was also aligned with UN Development Assistance Framework (UNDAF) 2011-2015 Outcome I – Economic Growth and Sustainable Development,²² and with UNDAF 2016-2018 Outcome 1: Sustainable, inclusive growth and development.²³

4.1.2 Project design

47. Eighty per cent (80%) of respondents (28) to the over-all ratings survey indicated that the project design had been relevant to the project objectives. Seventeen per cent (17%) of respondents (6) said it had been somewhat relevant and just under 3 per cent (1 respondent) said it had been very irrelevant.

4.1.3 Relevance to other ILO projects

48. This project is relevant to the ‘Better Factories Cambodia’ (BFC) project, which is part of the joint ILO/International Finance Corporation ‘Better Work’ programme. Almost all the participating factories were subject to BFC assessment, which among other aspects of workplace compliance covers freedom of association and collective bargaining.²⁴ At least half were also already clients of BFC advisory services at the start of their participation in project activities. BFC advisory services include the facilitation of a ‘performance improvement consultative committee’ (PICC) as well as training on workers’ rights and responsibilities, negotiation skills for managers and workers, and workplace cooperation.²⁵ Some of these courses include content similar to that offered by the IR project but a course specifically dealing with collective bargaining is not offered.²⁶ The project initially purchased some training services from BFC, but was prevented by administrative rules from continuing this practice.²⁷ The project document refers to BFC PICCs as a one potential means of

²² United Nations In Cambodia 2010. *United Nations Development Assistance Framework 2011-2015*, Available at: <http://www.unfpa.org/undaf-cambodia-2011-2015>.

²³ United Nations In Cambodia 2015. *United Nations Development Assistance Framework (UNDAF) 2016-2018*, Available at: https://www.unicef.org/about/execboard/files/Cambodia_DPDCPKHM3_UNDAF_2016-18_LV23.pdf.

²⁴ Based on comparison of participating company names with those listed in BFC 33rd Synthesis Report. There are 3 cases – all Batch 4 factories – where the company name does not appear on the BFC list (Hong Da Knitting, Ji-An Knitting, Yong Seng Knitting Garment Factory). In 2 cases, the factories do appear on H&M’s published supplier list. In principle, under law all factories producing for export are subject to BFC assessment.

²⁵ Better Factories Cambodia 2016. *Better Factories Cambodia: Garment Industry 33rd Compliance Synthesis Report*, Available at: <http://betterwork.org/blog/portfolio/better-factories-cambodia-2016-compliance-synthesis-report/>, p. 8. It is noteworthy that the BFC document says “negotiations” when in fact a course on collective bargaining or negotiation as such is not offered, by contrast to those provided by the IR project.

²⁶ The BFC offerings in 2017 are (courses with similarities to the IL project are in italics): Human Resource Management (HRM), Compensation and Benefit, Occupational Safety and Health, *Labour Law Training*, Chemical Management, Safe Workplace Arrangement/Good House Keeping, Problem Solving, *Workplace Cooperation*, *Effective Communication*, *Freedom of Association*, Electrical Safety /Fire Safety, *Making bipartite Committee well-functioning*, Machinery Safety, Disciplinary Action & Termination Procedures, Supervisory Skills Training (SST), Leadership Skill, SST ToT (Training of trainer). Better Factories Cambodia 2017. *Factory Pricing 2017, Advisory, Training & Assessment Services*, Available at: <http://betterfactories.org/cambodia/wp-content/uploads/2013/02/Factory-Pricing-Advisory-and-Training-25-01-2017.pdf>.

²⁷ It appears that the IR project wanted to buy services on a daily basis from BFC, but BFC preferred the IR project to shift funds to the BFC for standard work months.

monitoring the implementation of enterprise MoU and ULP agreements.²⁸ However, evidence from key informants suggests that in practice this option was not taken up.

49. The project document called for close collaboration with BFC, including the invitation to BFC to nominate a representative to join the Project Steering Committee as an observer.²⁹ In practice, BFC made factory assessment results available to the project staff as background information for preparing the IR Maps³⁰ and the project purchased some BFC training services. A BFC representative was not in fact invited to join the PSC – according to the project NPC and the Bangkok Decent Work Team this was simply an oversight – but the NPC and the BFC Chief Technical Advisor (director) were in contact with each other during relevant periods.

50. The relationship between BFC and the project is discussed further below in conclusions.

4.1.4 Relevance to development partners

51. The project is aligned with the ILO/H&M global agreement on sustainable global supply chains in the garment industry.³¹ The project figures prominently in H&M's Sustainability Report 2015, particularly with reference to the promotion of collective bargaining,³² and is consistent with Sida's results strategy for development cooperation with Cambodia 2014-2018, in particular the strengthening of democracy and gender equality, greater respect for human rights and freedom from oppression.³³ The project is also aligned with the Global Framework Agreement between H&M, IndustriALL Global Union and IF Metall.³⁴

4.2 Effectiveness

52. Evaluation criteria related to effectiveness refer to the extent to which the project's objectives have been or are expected to be achieved. The concept of effectiveness also applies to the extent to which the project's management capacities and arrangements supported the achievement of results. In this case, the project's logical framework identified 3 immediate objectives and 7 principal outputs. Project documentation, particularly Annual Reports but also Progress Reports, shows that the concrete activities related to each output

²⁸ "Implementation of these agreements will be monitored through (a) the existing workplace mechanisms (such as PICC set up for BFC reporting and implementation purposes); (b) BFC monitoring; and (c) regular contact by project with workers and employers at the workplace."

²⁹ Prodoc Section 1 Background and Justification and Section 3.1 – Institutional Arrangements.

³⁰ It is understood with explicit agreement of the factories.

³¹ http://www.ilo.org/pardev/information-resources/news/WCMS_306151/lang--en/index.htm (accessed 22 February 2017).

³² H & M Hennes & Mauritz AB 2016. *H & M Conscious Actions - Sustainability Report 2015*, Available at: http://sustainability.hm.com/content/dam/hm/about/documents/masterlanguage/CSR/2015%20Sustainability%20Report/HM_SustainabilityReport_2015_final_FullReport.pdf. pp. 29, 51, 55, etc.

³³ Swedish International Development Cooperation Agency 2014. *Results strategy for Sweden's international aid in Cambodia 2014 – 2018*, Available at: <http://www.regeringen.se/land--och-regionstrategier/2014/08/uf201451156udasol/>.

³⁴ H&M Hennes & Mauritz GBC AB, IndustriALL Global Union & Industrifacket Metall. 2015. *Global Framework Agreement (GFA) on compliance and implementation of International Labour Standards at Suppliers of H&M Hennes & Mauritz GBC AB*. Available at: http://www.industriall-union.org/sites/default/files/uploads/documents/GFAs/HM/hm_gfa2016_eng.pdf, paras. 19-25.

were adjusted periodically (23 activities as of March 2015 vs. 20 as of March 2016), to take into account achievements and changing circumstances.

4.2.1 Delivery and quality of outputs

53. Quarterly project progress reports show that the delivery of outputs and activities at the **enterprise level** went largely according to plan:³⁵

- participating enterprises were identified *through participation and consultative process*³⁶ (emphasis added) (Output 1.1);
- IR mapping of participating factories was carried out as planned (an activity, but originally Output 1.2), with the initial batch of factories and with each new batch;
- enterprise level agreements mirroring the industry MoU and an agreement on ULPs were signed in 24 of the 26 participating factories (Output 1.2);
- enterprise training, including on collective bargaining, was delivered (Output 1.3);

54. 1219 individual participants attended at least one project training course. The method used for tabulating course attendance as reported in the Quarterly Progress Reports aggregates individual participants across courses. It is thus possible for an individual who attended all 6 courses to count in those tables as 6 participants.³⁷ This tabulation was mirrored in Annual Reports, where accumulated totals of 1,214 (TU) and 1,030 (management) were given in 2015, for example.³⁸ (See further discussion below.)

55. Evaluations of the quality of training were made at the end of each enterprise level course and reported to the PSC. The same format was not always used, making it difficult to merge and analyse the responses of the participants. Participants were asked about the relevance of the materials/content and about the clarity of presentation, and to evaluate the quality of the training in comparison with other courses they had attended. Quarterly project reports give generally positive indications of the results of these questionnaires, with broad quantitative justifications.³⁹

56. Informants were asked about the quality of the Progress Review interventions and their effectiveness as a means of prompting improved IR. Responses were inconsistent with respect to the informants' understanding of the purpose of the two Progress Review meetings. There was no consensus on whether the purpose of the meetings was to hear the observations of the project team presenter, to work to improve a situation, to set a goal, or to pursue some other purpose. By contrast, informants appeared to understand rather better the function of PICCs and BFC training, recognising that PICCs are mechanisms for improving

³⁵ Outputs 1.1, 1.2, 1.4, 1.5

³⁶ The original, signed prodoc stated "Participating enterprises are identified through participatory process."

³⁷ Progress Report for 10 September 2014 - 11 March 2015, p. 6-7; Progress Report for 11 June - 11 September 2015, p. 7; Progress Report for 11 September - 11 December 2015, pp. 7-8; Progress Report for 10 March – 9 June 2016, p. 8.

³⁸ At p. 17 of the Annual Report.

³⁹ At the 11th PSC meeting (11 January 2017), the statement was made: "Between 87% and 100% of participants rated the training materials/ contents to be relevant or very relevant/important; between 84% and 96% of participants found that clarity of the presentation/or quality of trainer, to be clear or very clear/ or very good; between 71% and 100% of participants rated the training to be better or excellent in comparing with other training they received in the past including the general organization of the training."

performance, initially against specific assessment criteria and subsequently against self-identified improvement objectives.

57. As already noted, the delivery of most **sector level** outputs was effectively prevented by the non-renewal of the industry Memorandum of Understanding. However, Outputs 2.1 and 2.2, which concerned sectoral level training on industrial relations, collective bargaining and gender issues,⁴⁰ were converted to enterprise level outputs and incorporated into Output 1.3. They were effectively delivered.

58. Two of the three **national level** outputs were delivered according to plan. Conciliator training was delivered (Output 3.2); and training and tripartite discussions on IR policy development (Output 3.3) took place in line with national political developments. However, Output 3.1, support to improve MRS certification and registration procedures and databases, was ultimately not delivered because of delays in the enactment of the new Trade Union Law and subsequent questions about the compliance of this law with international labour standards (see also paragraph 15).

4.2.2 Extent to which objectives have been achieved

59. The achievement of the project's **enterprise level** objectives was monitored via ten Key Performance Indicators (KPIs). The data in Table 1: KPI results is taken from the last Project Progress Report available to the evaluator (for the period 9 June – 21 September 2016) and the PowerPoint presentation given to the PSC on 11 January 2017 where more up-to-date figures were presented.

⁴⁰ 2.1: Training on collective bargaining concepts, techniques and procedures provided to union officials at confederation and federation level, and to management. 2.2: Basic IR and gender training conducted, and outreach materials for union officials and employers on MOU developed.

Table 1: KPI results

KPI		Target	Result	Objective met?
1	# (%) of factories with registered MRS union/or coalition of quasi-MRS unions	25 (100%)	11 (44%)	
2	# of CBA covering terms and conditions of employment negotiated between unions and management (any increased income will be measured)	25	12	
3	# (%) of strikes that follow legal procedures	>90%	1 (33%)	
4	# of AC awards, and (%) of its compliance with AC awards on rights disputes that are implemented by both unions and management	100%	2 (100%)	<input type="checkbox"/>
5 ⁴¹	Participating factories experience a reduction in worker turnover	Reduction of 2.36%	Reduction of 1.03%	
	Participating factories experience a reduction in unauthorised absenteeism	Reduction of 1.19%	Reduction of 0.5%	
6	Increased # (%) of women elected to union positions in the enterprise level unions	>65%	105 (49%)	
7	Increased number of factories with well-functioning/improved grievance procedures	25	15	
8	# of and increased % of grievances resolved through well-functioning/improved grievance procedures	>75%	114 (100%) ⁴²	<input type="checkbox"/>
9	Increased number of union members trained in IR related matters (disaggregated by sex)	Increase	2,067 (F:1,233, M:834) ⁴³	<input type="checkbox"/>
10	Increased number of management staff trained in IR related matters (disaggregated by sex)	Increase	1,793 (F:942, M:851) ⁴⁴	<input type="checkbox"/>

60. When viewed alongside the objectives they are intended to achieve (see Annex VII), the KPI results give a mixed but generally positive impression of the project's overall effectiveness. KPIs show that project goals were fully met in four areas. While goals were not fully met in other areas, there was nevertheless positive movement on KPIs 1, 2, 3, 5, 6, and 7. As many of the targets were extremely ambitious this must on balance be counted as a success. Particularly noteworthy are the increased number of factories in which grievance procedures were introduced or improved and the very high success rate of those procedures. What is more, other measures of the achievement of the project's enterprise level goals – whether participating enterprises have seen improvements in enterprise level dialogue and IR and an increase in collective bargaining agreements – are more favourable. Of 31 management and trade union/worker respondents to the broad survey at participating factories, 58% (18) said enterprise level dialogue and IR had improved a great deal as a result of the project, while 42% (13) said it had somewhat improved. Anecdotal data, recorded in factory progress reports as well as during interviews, gives a generally positive impression of improvement over the life of the project.

61. External factors appear to have affected the effectiveness of enterprise level project interventions as measured against the established KPIs. With regard to KPIs 1, 2, and 3, the

⁴¹ The data set for indicator 5 are derived batch-wise and are incomplete.

⁴² This figure was taken from the PowerPoint presentation give to the PSC on 11 January 2017.

⁴³ See text accompanying footnote 37. These figures were taken from the PowerPoint presentation give to the PSC on 11 January 2017.

⁴⁴ See text accompanying footnote 37. These figures were taken from the PowerPoint presentation give to the PSC on 11 January 2017.

new Trade Union Law set exacting requirements for achieving most representative status, as well as for which workers' organizations can negotiate CBAs and the circumstances in which a strike can lawfully be called (although as discussed elsewhere, there has been a general downturn in strike activity). KPIs 5 and 6 are inherently affected by multiple factors. KPIs 7, 8 and particularly 9 and 10 are more within the likely scope of project intervention.

62. The project's **sectoral level** objectives were focused on the promotion of the industry MoU. Undoubtedly, then, the expiry and non-renewal of the MOU in January 2015 was a disappointing outcome. However, the project worked with its participating factories to develop and promote an enterprise-level MoU, following the logic that its existence would contribute to the social partners' willingness to negotiate a CBA. Participating factories did, in some cases, establish CBAs, but others did not. Exactly what factors contributed to the emergence of a CBA is not clear. In several cases, the multiplicity of trade unions present and the absence of a MRS union was used to explain the absence of a CBA; in other cases, a CBA was agreed, despite this same context.⁴⁵ More positively, the work that was put into developing relationships at the sectoral level contributed to the emerging possibility of a sectoral collective bargaining agreement that would incorporate elements of the industry-wide MOU such as binding arbitration for right disputes, plus additional issues to be negotiated. In mid-2016 the employers' organization GMAC requested assistance from the Project to help with the organization of meetings with a selected number of union confederations. Since then, the ILO has been facilitating and providing support to the bargaining process based on the consent of the parties. At the time of writing, an initial formal meeting between the employer and worker sides is planned for November 2017.

63. At the **national level**, the project ran 3 training courses for Government officials with conciliation functions. The participating officials reported in the evaluation survey that the training provided was helpful in their successful resolution of disputes through conciliation between the disputing parties. Among participants in Phnom Penh ($n=22$), 55% agreed somewhat with the proposition that they were more confident in their conciliation abilities as a result of the course; 45% agreed completely with this.⁴⁶ This compares with 30% and 70% respectively for officials attending in the provinces.⁴⁷ Of those in the province reporting any success whatsoever in resolving disputes through conciliation ($n=91$), 60% gave a response to whether they had been helped by training. Seventy-eight (78%) of these said they had been helped, and another 18% said that they might have been helped. Four per cent (4%) said they had not been helped.⁴⁸ In Phnom Penh, 68% said they had been helped, 23% said they might have been helped, and 9% said they had not been helped by the training.

64. With regard to support for maintenance of databases for the registration of trade unions and MRS certification, and assistance with regulations on these matters, waiting for the enactment of the Trade Union Law delayed activities in the first instance. Once the new law was promulgated, unresolved issues relating to its compliance with ratified international standards meant that work in this area could not begin. No activities took place.

⁴⁵ For example, Berry with 4 unions, no MRS, as of May 2016; Vanco, 2 unions, no MRS, as of July 2016.

⁴⁶ $n = 22$

⁴⁷ $n = 63$

⁴⁸ In explanation of "no help", the respondent said that he was more confident as a result of training but that there were very few disputes to which conciliation efforts could be applied.

4.2.3 Effectiveness of monitoring performance and results

65. As indicated above, the project systematically monitored the 10 KPIs and levels of participation in and participant reaction to enterprise-level training. This data was made available to the PSC. The project also monitored concrete outcomes of IR in participating enterprises, including the existence and operation of grievance procedures, the existence of collective bargaining agreements (CBAs) and the presence of bipartite social dialogue institutions, like PICCs, OSH committees and other similar bodies. The monitoring was thorough and systematized using almost the same format throughout. This made it possible to aggregate gross data like the existence or not of a CBA, grievance procedure and so forth. However, expository prose was used for much of the detail of reporting, particularly on the factory-level IR situation. This made aggregation and comparison of finer data difficult, for example the content of CBAs, the context of negotiation, the use made of grievance procedures etc.

4.3 Efficiency in project management and resource use

66. Evaluation criteria related to efficiency refer to how well resources and inputs (funds, expertise, time, etc.) are economically converted into results.

4.3.1 Use of financial resources

67. Examination of project accounts shows an even pace of spending, and reasonable distribution among the different objectives. When spending is aggregated over all three years of the project, we see that fifty-seven per cent (57%) of funds were allocated to project management (PM), including personnel costs, programme support costs, travel, etc. Twenty nine per cent (29%) of funds were used to meet direct costs relating to IO1, while IO2 and IO3 gave rise to costs amounting to 6% and 8% of funds respectively. See Figure 3, below.

68. In terms of phasing, the use of funds for PM over the three years has been fairly constant. Resources used for IO1 were greatest in 2016, paying for most of the work that was done by the project at the enterprise level in that year, after gearing up during 2015. Virtually no resources were expended on work relating to IO2 or IO3 in 2016, reflecting the expiration of the sectoral MoU in 2015 and the impossibility of carrying on work on union registration and MRS certification. See Figure 5 and Figure 6 below.

Figure 3: Spending by IO, and Project Management costs overall

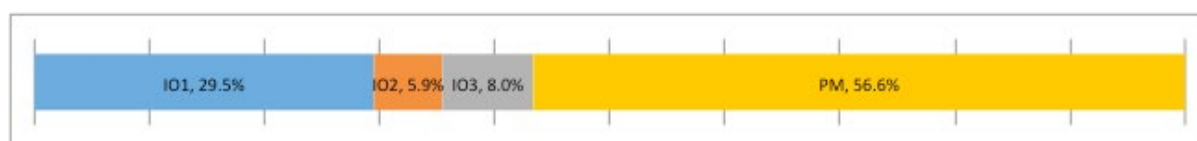


Figure 4: Proportional spending per IO and PM each year

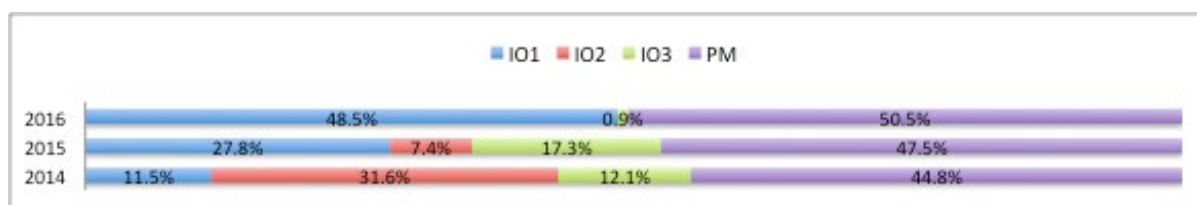


Figure 5: Absolute yearly spending on each IO and PM

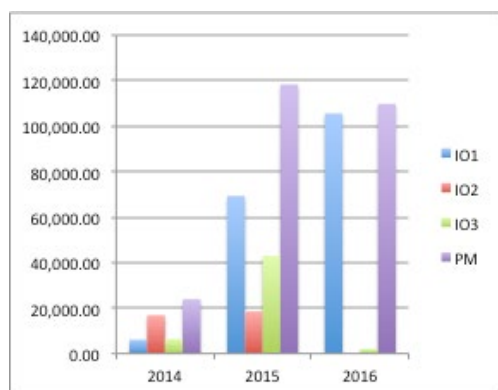
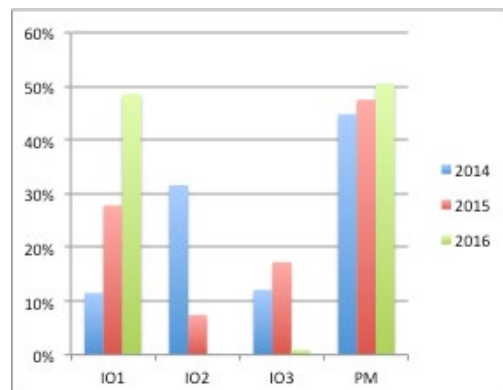


Figure 6: Proportional spending on IO and PM, compared between years



4.3.2 Use of human and technical resources

69. In getting things done, the project has drawn on human resources and technical materials from within the ILO, nationally and internationally through the employment of consultants, IF Metall and BFC. ILO expertise was drawn from the DWT in Bangkok as well as from Headquarters in Geneva, particularly for expert advice and inputs on legislation and policy making. National consultants developed and conducted much of the enterprise-level training, with international consultants contributing, developing and conducting the conciliation training for government officials. The NPC and a technical specialist shared with another ILO project did the work of IR Mapping and Progress Reviewing.

70. BFC inputs appear largely to have occurred at the start of the project and in instances where factory level information was accessed to inform the IR Mapping process. BFC training and trainers were used on occasion, but there was no systematic use made of these products. It appears that some coordination was needed to ensure that BFC did not provide training similar to that provided by the IR project near the time that the IR project provided it.⁴⁹ See further discussion below.

4.3.3 Efficient use of resources for targeted actors

71. Enabled by the project's excellent records, it has been possible to determine that resourced interventions have only partially hit their targets. It was intended that the full cycle of 6 training courses be attended by critically appropriate management personnel and workers' representatives. In the event, 235 (19%) persons attended all 6 courses, 145 (12%) attended 5, 134 (11%) attended 4, 151 (13%) attended 3, 185 (15%) attended 2, and 369 (30%) attended just 1 course. More detailed figures are provided in Annexe IX.

72. In respect of the enterprise level training, it had been assumed by the project team that additional female attendees had been added to attend the gender and equality course and that this might affect the data. This was not, in fact, the case. Among those participants who had attended only one course there was no concentration in the gender and equality course. Furthermore, it was found that attendance generally depended on the factory and not the

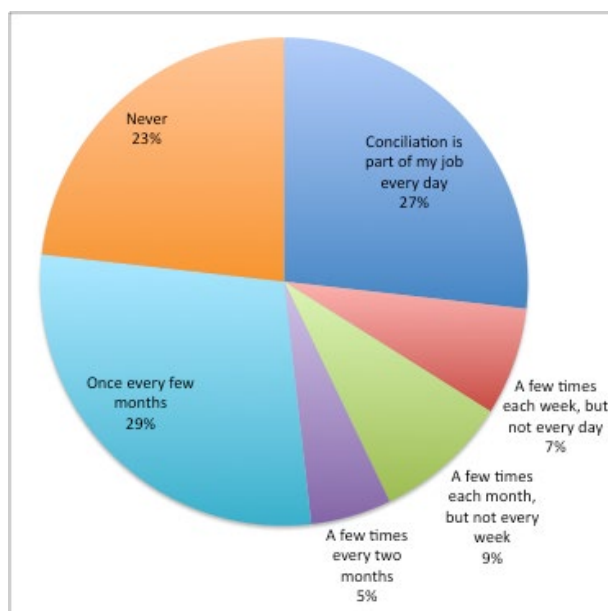
⁴⁹ Recall that BFC provides training only to factories purchasing advice services, and then only selected training as agreed with the factory.

course; that is to say that factories were at fault for failing to send the full group of attendees to all of the courses. It was not the case that any particular course subject failed to attract the intended audience.

73. Similarly, it was intended that government conciliators in the provinces attending an advanced course in conciliation would previously have attended the entry-level course given by the project. This was the case for just over half (53%, $n = 108$) of the participants. Furthermore, it was intended that the government officials who attended the courses on conciliation would be those who actually took part in conciliation. However, responding to a question about the frequency with which they engaged in conciliation in their job, more than half of the conciliation course attendees reported either that conciliation was never part of their job, or they were involved in conciliation only once every few months (see Figure 7). Nevertheless, it must be conceded that there is movement in responsibilities within the MoLVT and thus it is possible that a participant whose duties do not currently involve conciliation might well be required to fulfil this role in the future.

74. See generally Annex IX.

Figure 7: Frequency with which you conciliate in your work, attendees at the course in the provinces



4.4 Impact of project interventions

75. Evaluation criteria related to impact refer to whether project activities are having the desired consequences. Unintended consequences of project interventions are also taken into account.

4.4.1 Impact of interventions aimed at improving enterprise level dialogue and IR in participating enterprises, and in particular an increase and/or improvement in collective bargaining (Enterprise IO)

76. Enterprise level project activities have unquestionably had desirable impacts. The clearest and most credible impact at the enterprise level is the transfer of knowledge and skills. Experiential training methods were often used. Participants reported in interviews and surveys that they had acquired new knowledge and skills. Participants also reported that they

benefited from the opportunity for communication, interaction and improved mutual understanding that is one of the collateral advantages of spending several days together involved in training exercises.

77. Despite the high quality and effectiveness of the training, its *impact* within enterprises was nevertheless limited because of the paucity of institutional opportunities for participants to use the skills and knowledge acquired in relational settings. A number of informants suggested that skills and knowledge acquired in project training were applied where circumstances had given actors the space to use them, for example where local management had been encouraged or given latitude to develop industrial relations through setting up management systems or dealing with grievances. It was also reported that BFC PICCs worked better where the IR project was present. However, other informants pointed to cases of local management having its ‘hands tied’ from above (by factory owners) and workers’ frustration at not having had the opportunity to use what they had learned in project training.

78. Training does seem to have an impact on individual behaviour in many cases. Informants repeatedly reported impact in the shape of the ‘better behaviour’ of line supervisors who participated in training. The supervisors in question were often the non-Cambodian managers frequently accused of being the cause of many worker grievances in Cambodia. Other informants reported that workers became more reasonable in requests and demands on account of being more knowledgeable of their rights and responsibilities in the workplace.

79. The project team was asked to mediate IR matters in the case of 4 participating factories. Services outside of the facilitation of two progress meetings were not foreseen in the project document. In these cases, the NPC was called and asked to serve a mediation function. In the case of two of these factories, BFC had been providing advice services.

80. An unintended project impact was an increase in the influence of the buyer (H&M) on factory management. The project design linked the selection of participating factories to their status as H&M suppliers. This was the common factor among participating factories; no other buyers were involved in the project, although the participating factories were producing for others.⁵⁰ Many informants – management representatives, workers and workers’ representatives – remarked that factories engaged with the project because of buyer pressure rather than any unforced recognition that participation was in the interest of the enterprise. Factory management’s perception of this interest ranged from the buyer “insisting” on their participation, to acknowledging that the buyer “was watching” for participation. One important informant suggested that H&M needed to do more to *convince* its suppliers that improvements in industrial relations were in its interest.⁵¹

⁵⁰ The precise character of supplier interaction with the buyer in this instance – whether the factory volunteered after H&M expressed its interest in having them do so, or whether a condition was set or perceived is not critical to this observation. Comparison with buyer influence in the case of BFC is useful, where assessment services are required for export licensing, and advisory services are not *organically* linked – like the IR project – to one particular buyer.

⁵¹ It is doubtful whether the business case (a justification for doing something on the basis of its expected commercial benefit) for change in operational IR practices could be persuasive at all without suppliers’ taking enlightened actions in relations with workers and workers’ representatives – and those actions actually yielding results seen by the supplier to be beneficial. While there is evidence that buyers’ expression of support for the project and enlighten actions by the supplier have leveraged supplier engagement with the project, the buyers’ advocacy of the benefit of enlightened action may hardly be convincing. This is particularly so where experience in Cambodia suggests unpredictable – perhaps even arbitrary – results from industrial relations.

81. The fact that participating factories experienced the influence of H&M as commercial pressure rather than as a convincing business case illustrates a further possible unforeseen impact substantiated by evidence: the making of ‘weak’ collective agreements in response to buyer requirements. While not necessarily objectionable in light of the absence of home-grown practice and arguable need to ‘start somewhere’, there is evidence that the collective agreements struck in the context of the project either were not the result of substantive collective *bargaining*, containing provisions that are at or below legal requirements, or are very light in terms of content. The evaluation received comments from the Arbitration Council, BFC, GMAC, and the project team representatives suggesting that this could be seen in some collective agreements.⁵² These observations seem to be confirmed by a study carried out for the project after its completion. The study assessed whether the different provisions in the existing agreements are below the legal standard, at the legal standard or improve on the legal standard. The report of the study shows that the content of the CBAs signed in participating factories is in most cases little more than a restatement of existing law. As the report puts it, “The vast majority of CBA provisions are determined to be ‘AT LAW’.”⁵³ Nevertheless, the project’s strong promotion of the conclusion of a CBA, coupled with publicly expressed and commercially rewarded buyer interest in the same,⁵⁴ and the broadly accepted view of the existence of a CBA as a “stabilizer of industrial relations”,⁵⁵ may have had an unintended impact, particularly in an environment where the rule of law, i.e. enforcement of labour law provisions against ULP, is weak.

4.4.2 Impact of interventions aimed at increasing collective bargaining agreements and improving the IR environment in the garment industry, as a result of greater adherence to the industry MoU (Sector IO)

82. To the limited extent that project interventions at the sectoral level were able to take place as planned, the assessment of their impact is very difficult. While there may well be an indirect relationship between the sector level MoU, the emergence of improved IR and the making of collective agreements, it is not possible to assess the impact of the presence – and

When it comes to the role of the buyer in arguing the “business case” for law-abiding, ILS respecting, and enlightened industrial relations perhaps the only persuasive thing that can be done is conditioning custom on project-supported relation-building engagement in the hope that enlightened actions are taken that give participating suppliers the benefits they seek. The business case in these circumstances may be most persuasively made through convincing publication of real positive examples.

⁵² See also paragraph 85.

⁵³ Hwang, Hans S., 2017. *CBA Mapping Report: Collective Bargaining in Cambodia’s Garment Industry*, (unpublished report carried out for the ILO project on Improving Industrial Relations in Cambodia’s Garment Industry).

⁵⁴ “In 2011, we made a major shift in the way we assess compliance with this requirement in our audit programme. Instead of asking if a worker’s right to freedom of association is respected, we now measure if trade unions are actually in place. Factories with trade union representation or a collective bargaining agreement are now rewarded with higher ICoC scores [Code of Conduct Index]”. H & M Hennes & Mauritz AB 2016. *H & M Conscious Actions - Sustainability Report 2015*, Available at: http://sustainability.hm.com/content/dam/hm/about/documents/masterlanguage/CSR/2015%20Sustainability%20Report/HM_SustainabilityReport_2015_final_FullReport.pdf, p. 51.

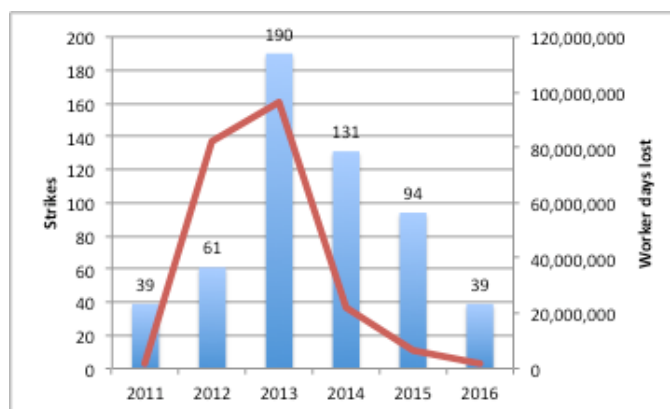
⁵⁵ Reeve, M. & Chenda, H. 2015. *Study on labour dispute and use of strikes in the Cambodian garment and footwear industry*, (Phnom Penh, Arbitration Council). Available at: <http://www.arbitrationcouncil.org/en/media/publications/research>, p. 36.

subsequent absence – of the MoU on the basis of the available information. However, it can be stated with some confidence that, as discussed in paragraph 62, the sector level work promoting the MoU contributed to the emergence of the current opportunity for sectoral level collective bargaining. This must be counted as a significant project impact.

83. There is also other evidence that suggests that the project’s sector level work may have had some impact. Although sixty-two per cent (62%) of surveyed stakeholders were unable to judge whether the project had an impact on the overall IR environment in the sector (see question 5 of Annex IV), this may merely reflect the fact that most respondents were enterprise-level actors. Considering this, it is significant that 38% of respondents said that the project had either had somewhat of an impact or a great impact.

84. Looking for evidence of impact backwards from results, the view that IR in the garment sector has in fact generally improved in recent years is supported if strike activity is used as a measure. MoLVT data for the manufacturing sector shows an increase in both days lost and strikes from 2011, peaking in 2013, and declining to lows in 2016 (see Figure 8). GMAC data for the garment sector shows a similar trend (see Figure 9). The decline was co-incident with the IR project, but also the dramatic peaking of strike activity immediately preceding in 2013 in connection with demands, *inter alia*, for improved wages,⁵⁶ followed by an alleged “crack-down” by government on trade unions in 2014,⁵⁷ a significant increase in the minimum wage, and change in the IR legal framework brought in with the TUL.

Figure 8: Strikes and days lost in manufacturing sector, 2011-2016



⁵⁶ See for example, *2013–14 Cambodian protests*, https://en.wikipedia.org/wiki/2013%E2%80%9314_Cambodian_protests (accessed 8 March 2017)

⁵⁷ See, for example, <http://www.rfa.org/english/news/cambodia/unionists-09042014181530.html>, <https://asiancorrespondent.com/2014/02/in-vietnam-they-dont-shoot-their-workers-in-cambodia-they-do/>, etc.

Figure 9: Number of strikes and production days lost in the garment sector⁵⁸

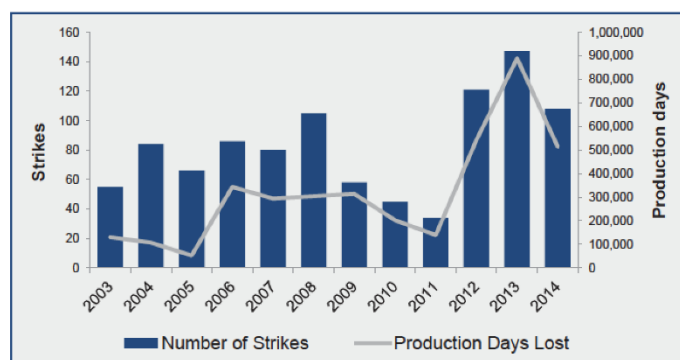
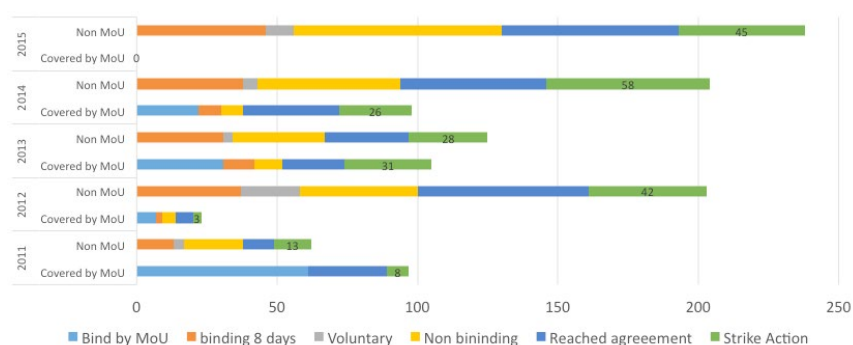


Figure 10: Cases referred to AC disaggregated by MoU and Outcomes, 2011-2015⁵⁹



85. A final potential piece of evidence, data on the number of CBAs in the garment sector as a whole, has not been received from the MoLVT. CBAs come into effect once they have been registered with the MoLVT.⁶⁰ It was noted in an AC study in 2015 that there is a “low number of authentic collective bargaining agreements registered with the MoLVT and few CBAs entered into by union respondents interviewed [in connection with the study].” This was attributed to “ineffective workplace dispute resolution, conflict of interest and use of unofficial payments” contributing to an environment where proper CB has been unable to flourish.⁶¹

⁵⁸ Source: GMAC, as cited in Reeve, M. & Chenda, H. 2015. *Study on labour dispute and use of strikes in the cambodian garment and footwear industry*, (Phnom Penh, Arbitration Council). Available at: <http://www.arbitrationcouncil.org/en/media/publications/research>, p. 19

⁵⁹ Source: ACF, as collected and presented by Sophy Thea.

⁶⁰ Art. 73, TUL. Prakas 287/01 Procedures for Registering, Publishing and Monitoring the Enforcement of Collective Bargaining Agreements (05-11-2001), etc.

⁶¹ Reeve, M. & Chenda, H. 2015. *Study on labour dispute and use of strikes in the cambodian garment and footwear industry*, (Phnom Penh, Arbitration Council). Available at: <http://www.arbitrationcouncil.org/en/media/publications/research>, p. 36.

4.4.3 Impact of interventions aimed at improving procedures for and the maintenance of records for union registration/MRS certification (National IO)

86. As already explained, the project did not pursue planned national level outputs related to the updating and functional improvement of databases on union registration and MRS certification.

4.4.4 Impact of interventions aimed at improving the capacity of conciliators at central and provincial level to resolve disputes and promote collective bargaining (National IO)

87. The project trained central and provincial labour ministry officials via basic and advanced courses on conciliation. Favourable indications of the helpfulness of and confidence derived from the training are cited above in paragraph 62. In terms of more concrete evidence about impact there are two possible sources. Improvements in the skills and knowledge of conciliators ought logically to lead to a greater number of cases resolved via conciliation. This in turn ought to lead to a reduced caseload for the Arbitration Council. A study published by the Arbitration Council suggests that there was a 33.5% conciliation success rate in cases in Phnom Penh between 2009 and 2013.⁶² Responses from IR project course participants in the provinces ($n=91$) suggest that they have a higher success rate; those from Phnom Penh ($n=21$) were slightly more pessimistic. See Figure 11 and Figure 12 below. However, as there is no comparable data gathered before the project began it is impossible to say if there was any improvement as a result of the training.

Figure 11: Successful resolution through conciliation efforts, province

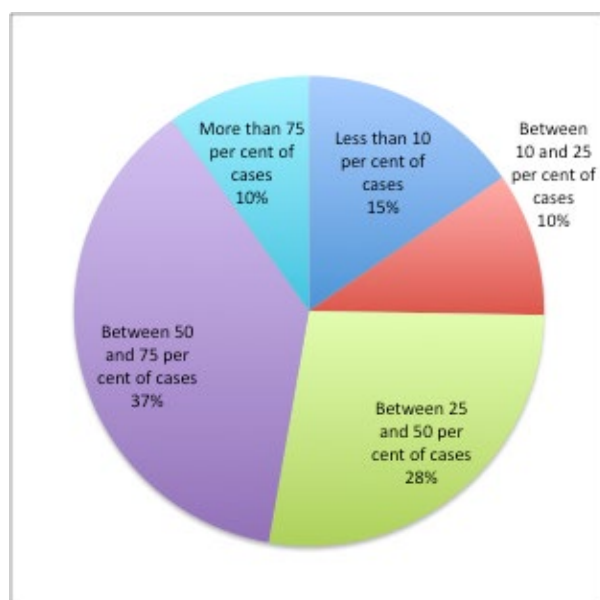
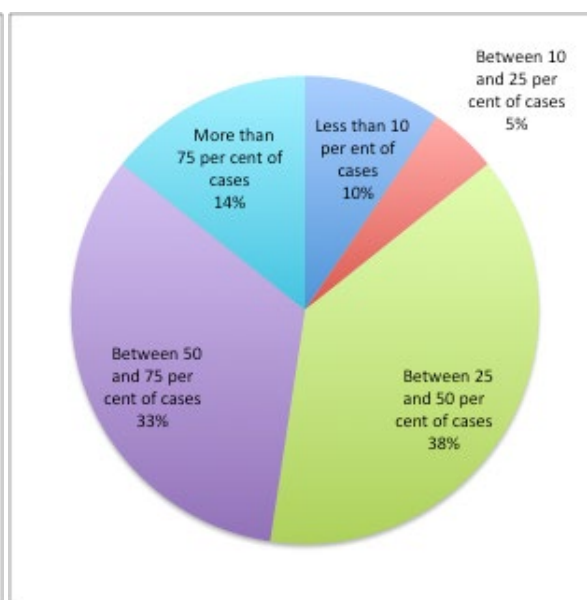


Figure 12: Successful resolution through conciliation efforts, Phnom Penh

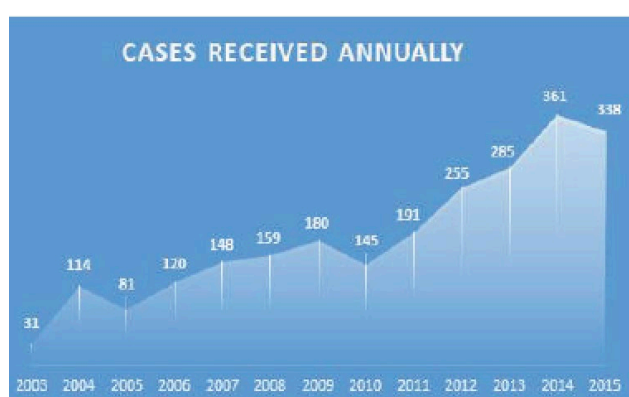


88. In terms the Arbitration Council caseload, it is known that the AC experienced a substantial drop in average monthly case intake in 2016, from about 25-29 per month to

⁶² Ibid., p. 10.

between 15-20, the peak being an average of 30 cases monthly during 2014⁶³ (See Figure 13). This has been attributed within the AC to developments in the MoLVT, including change prompted by the new Trade Union Law. The TUL grants exclusive rights to bring disputes forward for third party resolution to the MRS union but also tightens the criteria for MRS certification. The Ministry decides whether the union bringing a case is properly certified. The law also gives the Ministry the right to examine the root cause of disputes, which includes the capacity to rule that allegedly collective disputes (subject to AC jurisdiction) are in fact individual ones.⁶⁴ It is thus not clear that improved conciliation by government officials – a prerequisite for referral to the AC – can be credited for the decline in referrals seen in the AC. It seems more likely to have been due to the increased difficulty of achieving MRS certification.

Figure 13: AC annual case intake, 2003-2015



Source: AC Annual Report, 2015

89. To the extent the project supported tripartite discussion on IR policy development, the TUL was promulgated, although there are issues of compliance with ratified international labour standards that the ILO advised of in advance.

4.5 Sustainability of results thus far

90. Many training activities have been conducted with a view to improving the capacities of employers' and workers' representatives and conciliators. Activity evaluations have been positive and impact evaluations broadly positive, with some reasons for concern. Is it likely that the capacities developed will be used to further improve the IR environment in enterprises, the garment sector, and the Cambodian nation?

⁶³ These rough figures and the fact of downturn were given orally by the AC Executive Director. Published data in the most recent available quarterly AC Newsletter (1st and 2nd quarters 2016), show an average for those periods of 20.6 cases per month from the garment/footwear sector and 5.5 per month from other sectors.

⁶⁴ In the event, there was an exceptionally high intake of cases (31 from garment/footwear, 3 from other sectors) in June 2016 – the month after the TUL came into effect. The AC explained in its 2nd quarter 2016 Newsletter (p. 1): “In April, the number of cases registered at AC stood at 18. That number dropped slightly to 17 cases in May and then increased sharply to 34 cases in June. The lower caseload in April and May is considered as a dramatic decrease compared to other months. The decrease during these months may be due to the large amount of public holidays as all enterprises were mandated to close and workers were on leave. The caseload however went up by double in June, reflecting the increase in disputes at the enterprises which has flowed onto the AC.”

91. Enterprise level MoUs and ULP agreements have generally not been renewed in those cases where they have expired. They are thus no longer a factor in the IR environment. Structural features of the law support the renewal of CBAs, all other things being equal. Anecdotal evidence has been received that project training has helped some local trade unions improve cooperation, making it more likely that they can cooperate to reach a collective agreement with the employer. It is not possible to conclude that this *will* happen however, nor to identify what conditions are necessary if training in social dialogue is to contribute to concrete improvements in IR. MRS trade unions' status continues within the framework of the law. While there is good evidence that knowledge of rights and responsibilities has been improved as a result of the project, it is not clear that this knowledge will be widely translated into mutual respect and cooperation based on the assertion of rights and use of IR skills.

92. Project interventions end with the second progress meeting, although BFC continues assessment against its minimum Core Labour Standards criteria. Desire to comply with these criteria on the one hand and findings of non-compliance in these areas on the other should stimulate sustainability. Overall, BFC data indicates that non-compliance in these areas is low compared with other compliance points, but it acknowledges the difficulty in finding violations and the sensitivity of the matter. The relevant Cluster and level of non-compliance in this case is *Freedom of Association and Collective Bargaining*, with compliance points on *Freedom to Association* (non-compliance = 7%), *Collective Bargaining* (3%), *Union Operations* (4%), *Interference and Discrimination* (8%), and *Strikes* (1%).⁶⁵ In the case of H&M as buyer, the effect of its system of sustainability incentives will continue to influence, wherever it is influencing factory behaviour.⁶⁶

4.6 Feasibility of project design with more factories

93. In addition to the questions inspired by the OECD/DAC evaluation approach, the evaluation asked the extent to which the project design was suitable for a future project with an increased number of participating factories. There is no evidence to suggest that an increase in participating factories would undermine the effectiveness of the project design, *provided there are adequate resources – financial and human – to carry out the IR Mapping and Progress Review design*. Human resources may be the most important possible constraint insofar as highly skilled personnel would be needed to properly service the project functions under its current design.⁶⁷

94. Alternative approaches and other considerations are discussed below in section 5.2.

4.7 IR outcomes as compared with non-participating factories

95. A final additional question hoped that an assessment could be made between IR outcomes in factories participating and not participating in the project. In the event, 58% of interviewees asked thought that outcomes were certainly better in participating factories; 21%

⁶⁵ Better Factories Cambodia 2016. *Better Factories Cambodia: Garment Industry 33rd Compliance Synthesis Report*, Available at: <http://betterwork.org/blog/portfolio/better-factories-cambodia-2016-compliance-synthesis-report/>, p. 19. Non-compliance for previous periods are not available in public reports. See p. 20.

⁶⁶ See fnnt. 54 and accompanying text.

⁶⁷ Global experience with BW suggests that substantial training is required for the development of skills needed by EAs.

felt that there were most likely better. See Annex IV. Reliable data to triangulate with these survey results was not available.

4.8 Promotion of gender awareness and equality

96. The project promoted gender awareness, equality and non-discrimination with a course on the matter, one of the six in the factory-level training package. Analysis of participation in the enterprise level gender course shows that it was attended with the same approximate frequency/absence as other courses among both management and worker participants. It had been thought that attendees had been specifically selected to attend this course, apart from the other 5. This was not born out in fact. KPI 6 (improved but target not met) targeted women elected to union leadership positions.

97. Further compelling evidence on the impact of the project on gender equality and non-discrimination was not available. Key informants virtually always met questions on the use of gender training and sensitization with the statement that “Most of the workers are women,” whether the respondent was male or female.

5 Conclusions

98. This part of the report starts by providing summary judgments about the merit and worth of the project. They follow from the findings and are intended to be fair and impartial. It ends with a concise listing of lessons learned and possible emerging good practices.

5.1 Conclusions in respect of evaluation questions

99. *The project design was to a large extent relevant to intended immediate objectives, particularly considering those elements of implementation wholly within the control of the project.* The enterprise level intervention model is highly relevant insofar as it provides outputs that potentially contribute to improved IR outcomes. Project interventions at the sectoral level, although highly relevant to the promotion of collective bargaining, were defeated in their actual effectiveness by the demise and non-renewal of the sectoral MoU. Supports for tripartite discussions of IR policy and law-making were also relevant in the sense that drawing on inputs from the social partners ultimately improved the content of policies and regulation.

100. *The project was effective in delivering outputs and planned activities, to the extent that the necessary preconditions were in place.* The conduct of planned activities and delivery of outputs foreseen under IO 2 and IO 3 was limited by the absence or delay of preconditions.

101. *The project made reasonable use of its resources, again to the extent those uses were within its power.* The project participants' approach to the selection of individuals for training and capacity building seems likely to have weakened work with targeted participant groups. Few individuals participated in all six enterprise level training activities and a significant number of labour ministry personnel participated in advanced mediation training without first having taken the more basic course. This potentially – but not certainly, considering the operational contexts of enterprises and government's conciliation services – undermined efficiency in reaching results.

102. *Project outputs and activities had an impact on enterprise level dialogue and IR in participating enterprises by improving the knowledge and skills of the social partners. Improvement was reported in cases where opportunities existed or were created – sometimes as a result of the project – for this knowledge or skill to be used.* The unique narrative to be told for each factory participating in the project makes it difficult to characterize its aggregate impact. Account needs to be taken of factors external to the project that have more than likely influenced the apparent mellowing of the IR environment in the sector.

103. *The project was intended to increase the incidence of CBAs and to improve the IR environment by promoting adherence to the industry MoU. However, the expiry of the MoU in January 2015 means that the achievement of this objective cannot be evaluated.* Nevertheless, anecdotal evidence suggests that IR in the garment industry has improved during the life of the project and that the industry and factory MoUs did play a positive role in this regard. Yet, triangulation based on other available data does not support the conclusion that project efforts to promote adherence to the MoU/ULP agreements were successful in a way that would have provided the demonstration effect desired by the project. The relevant data discussed in the findings include that related to the incidences of strikes and AC caseload; the fact that all participating factories signed an enterprise-level MoU along

with an agreement pledging not to engage in ULPs, but by the end of the project CBAs had been signed in only a third of those factories; the fact that new enterprise MoUs and ULP agreements have not been signed in those factories where they have expired; and the intervening role of changes in the law related to representation, collective bargaining, and dispute resolution. The problem of data aggregation needs to be emphasized here along with the complexity of pinpointing causes and effects in assessing industrial relations outcomes.

104. *It has not been possible to determine the extent to which procedures for and the maintenance of records for union registration and/or MRS certification have improved as a result of the project since it did not develop outputs or implement activities in this area.* This is because the new Trade Union Law came into effect only in May 2016, and because there remains some question as to whether its provisions are in conformity with ratified international standards.

105. *Indirect evidence supports the conclusion that conciliators at central and provincial level are more capable of resolving disputes and promoting collective bargaining as a result of the project.* It would be good if monitoring is undertaken to secure more direct evidence of results from capacity building among government officials engaging in conciliation activities.

106. *Project results at the enterprise level can be sustained to the extent that industrial relations actors – both management and workers – have the opportunity to use the knowledge and skills acquired during project activities.* Project activities themselves have given an opportunity for using knowledge and skills, but continued opportunities for communication, problem solving and, eventually, distributive negotiation are the essential prerequisite for sustained improvement. These opportunities can arise through external interventions including BFC PICCs, other forums and mechanisms unilaterally established by management such as grievance procedures, communications committees, OSH committees and similar, and through the assertion of workers' rights to bargain collectively offered under law and respected by the social partners.

107. *It is feasible for the current project design to be used to achieve the intended results at the factory level, with the caveat that improvements could be made to increase efficiency and sustainability.* These improvements would do more to entrench opportunities for using improved IR knowledge and skills as such (as opposed to as a result of IR) in the factories. This includes improved coordination with BFC, tighter oversight of grievance handling and other communications mechanism (more as an opportunity for practicing IR, less as an assessable result of IR), and tightened processes for establishing both a well-skilled enterprise level cadre and means for propagating knowledge and skills at the enterprise and sector levels.

108. *It has not been possible to determine whether IR outcomes in participating factories are better than those in relevant non-participating factories.* It has not been possible to properly match participating- with non-participating factories. Evidence suggests that the project provides unique capacity-building activities that would be likely to change IR outcomes in participating factories. Looking to compare factories, it can be observed that IR behaviours are influenced by the management style of factory owners, creating an important variable common among factories that could be used to match them for the purposes of comparison.

5.2 Other conclusions

109. *Using the BFC human resource pool to service a scaling up of the IR project would mean BFC staff 'retooling' to emphasize interventions that operate outside of an assessment and performance improvement framework.* BFC has a pool of well-trained Enterprise Advisors (EAs) who are experienced in working in areas so close to those dealt with by the IR project that it would be tempting to tap into that pool to scale up the IR project. Arguably, these trained EAs could either come out of their BFC role to undertake IR project training for the IR project, or offer IR project training as part of BFC advisory services. This evaluator concludes that the purpose of BFC EAs' work is perceived by social partners to be different from that of the IR project team and would require at very least a retooling of EAs if not a deeper recasting of their role with respect to promoting sound IR. This conclusion is based on informants' stated view of BFC, PICCs, and BFC actors as assessment-related and assessment-focused interveners.⁶⁸ For this reason, as well as the modelling of BFC operations as a forum and context in which newly acquired skills are practiced in problem solving – rather than as the venue for skill acquisition in a relation-building environment⁶⁹ – the recommendation here is for better collaboration and coordination with BFC rather than convergence of tasks in the hands of common personnel.

110. *The project team should continue to distinguish its product by focussing on process and relationship improvement within a skills development context; IR Mapping and Progress Reviewing should unambiguously continue to avoid applying an assessment and remedy-focused strategy.* Informants' difficulty setting words to the difference between IR project training and other – particularly BFC – training, points to the importance of being very clear about its purpose and that of the follow-up Progress Review process. It should be distinguished in focus from mechanisms perceived as compliance-based, seeing and promoting the contribution of the IR project at the enterprise level in terms of the possibility it gives for improving relations.⁷⁰ The project team was relatively clear about this; the understanding and message should be clearer and more forcefully conveyed to stakeholders in future, lest efforts be indistinguishably bundled with others, potentially undermining effectiveness and sustainability.

⁶⁸ This observation with without regard to any policy implications of BFC advisory services actually promoting collective bargaining through the training of enterprise level actors in how to bargain collectively.

⁶⁹ The evaluator can very well appreciate that some readers would hold that this is a distinction without a difference, and that what the IR project has done and what BFC does is effectively the same. To reiterate, the conclusion here is based on the expressed perceptions of interviewed informants that BFC assessment and advisory services is *essentially* a monitoring and compliance operation. Following on from this perception, industrial relationships take second place to achieving compliance. And while certain branches of modern management theory – indeed those that underpin BFC advisory services – would hold that workers' involvement is essential to continued improvement of the enterprise (including compliance), they are essentially business-case and not rights-based approaches. The IR project is essentially rights-based, and thus its operations should be seen in a manner consistent with the perceptions of the stakeholders and complementary to BFC operations.

⁷⁰ Alongside improved compliance, which is monitored and supported by BFC and other mechanisms, i.e. private auditing and public inspection.

5.3 Lessons learned and emerging good practices

111. Thorough documentation of the situation at the enterprise is critically important and useful for monitoring and follow up purposes. Improvements can be made to sharpen and broaden “box-ticking” to enable faster reading and cross-factory comparability and reducing expository explanation to a minimum without eliminating the possibility for important explanation.

112. Collaboration with BFC provides an important basis for understanding the situation in a factory. It must be continued and expanded to assure consistency of message and synergistic relation of efforts.

113. The leverage that buyers have with respect to a factory’s IR performance is positively related to the proportion of product purchased by that buyer since factories typically produce for more than one buyer. If buyer leverage was exercised collectively by many buyers together, this would translate into sustained pressure for improved IR performance even as the involvement of different individual buyers with a factory changes.

114. To the extent that the project team is asked to respond to *ad hoc* requests for assistance in problem solving, this should be seen as a chance for the project to help entrench opportunities for the exercise of IR skills and knowledge. It is a good practice for the project team to take those opportunities to the extent it is feasible to do so.

5.4 Recommendations

115. Any future project should –

- a) Secure wider support for and commitment to the project from a range of reputation-sensitive buyers rather than focusing on just one. This is likely to lead to a greater level of supplier interest in participation.
- b) Broaden its coordination with BFC by
 - i. continuing to draw on BFC information when drawing up an IR map;
 - ii. promoting the idea that PICCs are an opportunity for management, workers and worker representatives where present, to exercise the use of knowledge and skills developed with the help of the IR project;
 - iii. ensuring that social dialogue-related messages delivered in BFC training are consistent with IR project messages, acknowledging that collective bargaining is one of many forms of social dialogue, but not one that BFC trains in. Both projects’ personnel should take time to consider deeply the similarities and differences between their interventions with a view to understanding them and operationalizing conclusions.
- c) Make the form of event evaluations uniform and consider methods for monitoring systematically the use made of knowledge or skills imparted through training. Maintain the method currently used for recording the participation of individuals in training. Consider deeper analysis and interpretation of monitored data during the life of the project, building on the descriptive approaches that have been used.
- d) Maintain an interest in KPIs, but deepen an understanding of what the indicators are intended to be measuring, capture and reflect that understanding in the work of the project.
- e) Promote consistent and complete participation in training among beneficiary factories and institutions.

- f) Consider IR Mapping of the entire target group of factories from the start of the project and continue monitoring through to the end of the project, even if batching of factories means that activities with individual factories only lasts for a limited period within the project's duration.
- g) Sharpen the stated purpose of the Progress Reviews with a view to strengthening their function as a place where trained skills and knowledge is used. Downplay but maintain its place where the project team can learn of developments. Explicitly tighten the linkage between participation in a Progress Review and work to improve performance in a PICC. Promote an understanding that a PICC – just like grievance committees, OSH committees, daily worker/management interaction – is a place where IR skills and knowledge is used.
- h) Follow-up on and fairly publicize enterprise level IR success stories from the vantage point of developing and communicating a persuasive Cambodian “business case” for enlightened industrial relations.
- i) Fine-tune the messages of, and improve, communications. Assure proper interpretation at events, broaden the translation of documentations, increase formal and informal communications with BFC (including their systematic involvement in the PSC), the public and stakeholders about the purpose of the project and the value it adds to the IR scene in Cambodia. Interact with the proposed new MoLVT labour relations institution.⁷¹
- j) Gender and equality skill training, knowledge and learning should be integrated within the five other training courses, as well as presented in a separate course.
- k) Consider promoting participation among locally owned factories and factories producing for buyers who are not reputationally sensitive – no matter how few they may be – as a means, *inter alia*, of measuring its relevance, value, and effectiveness in a context where reputationally sensitive buyers are not influencing factory management.⁷²

116. H & M and IF Metall should be commended for their commitment and willingness to pursue the objectives of this project. H&M in particular should be recognized for the relatively high degree of transparency it has applied to sustainability policy and operations.

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⁷¹ The MoLVT is tasked to “Establish an institute on labor for providing training to officials and students, conducting research studies, and analyzing the conditions of labor, remuneration and skills.” Royal Government of Cambodia 2014. *National Strategic Development Plan 2014-2018*, Available at: http://cdc-crdb.gov.kh/cdc/documents/NSDP_2014-2018.pdf, p.171. MoLVT officials indicated during evaluation interview that the Ministry was proceeding with this task. Further details were not discussed.

⁷² See discussion in paragraph 79.

Annex I. Terms of reference

DRAFT V 002



TERMS OF REFERENCE

Final Internal TC project evaluation

Improving industrial relations in Cambodia's garment industry

12 December 2016

Project Title	Improving industrial relations in Cambodia's garment industry
TC project code	CMB/13/01/MUL
Donors	Swedish International Development Agency (Sida) and Hennes & Mauritz (via Puls Trading)
Total approved budget	USD 773,505
ILO Administrative unit	ILO Country Office for Cambodia, Lao PDR and Thailand (CO-Bangkok)
ILO Technical Units	ILO Decent Work Technical Support Team for East and South East Asia and the Pacific (DWT-Bangkok)
Evaluation date & field work dates	January - February 2017
Evaluation focal persons	John Ritchotte, DWT Bangkok; Veyara Chhieu, Project NPC
TOR preparation date	December 2016

Introduction and Rationale for the mid-term evaluation

These terms of reference (TORs) concern a final evaluation of the project "Improving industrial relations in Cambodia's garment industry". The project is implemented by the ILO and funded by through a PPP (public-private partnership) involving the Swedish government and the global garment brand Hennes & Mauritz (via its procurement agent Puls Trading Inc.).

The official project dates are from 1 January 2014 to 31 March 2017. In accordance with the evaluation commitments under the project agreement and in line with the ILO's policy governing technical cooperation projects, an internal final evaluation is required.

Background of the Project

The garment, textile and shoe sector is Cambodia's largest manufacturing industry and foreign currency earner, and has been the incubator for the development of the country's trade unions and

industrial relations. It currently employs approximately 650,000 workers in over 550 factories licensed for export. Over 85% of the workers are female.

Unions

There have been significant challenges in the industrial relations environment of Cambodia's garment industry nearly since its inception in the early 1990s. An important characteristic is union proliferation and competition. Over 3,000 enterprise unions have been registered since 1998 (although studies suggest that perhaps only half that number are currently active), affiliated with nearly 100 federations and over 10 confederations. In the year 2000, there were only 10 federations; in 2005, 17 federations. This grew to around 30 by 2009 and to over 60 by 2012, and nearly 100 in 2016. Many of these federations have modest membership numbers and low capacity to support enterprise unions.

One underlying cause of union proliferation is widespread "unfair labour practices" (ULPs). These are practices by both employers and unions that undermine the independence and autonomy of unions in the workplace, and can range from anti-union discrimination, employer interference in or control over union activities, and extortion and bribery. These are chronic and engrained practices in the industry that are a major factor behind union proliferation as well as a number of the more severe labour disputes. The current project built on earlier experience in promoting collective bargaining through building capacity of unions and management, while simultaneously seeking to address the obstacles created by ULPs.

In 2010, GMAC and the 6 largest union confederations signed a Memorandum of Understanding on Industrial Relations in the Garment Industry (MOU) in which unions agreed to follow legal procedures prior to strike, and employers agreed to binding arbitration for rights disputes. As a result, in 2011, strikes were reduced by over 50% from historic averages, and binding arbitration increased by over 40%. However, the MOU was not renewed at the end of 2011 due to a long-running dispute over the use of fixed duration contracts. In October 2012, the MOU was re-signed for a period of two years, providing a framework for "re-stabilizing" the IR environment. While it has since expired, with little likelihood of being re-signed, it is important to continue to explore opportunities for sectoral dialogue

Gender

The vast majority of workers in the garment industry are women. However, they only make up around 35% of union leaders at the enterprise level, and an even smaller percentage of federation and confederation leaders. There is evidence that both male and female union leaders are sensitive to the needs of women workers, as shown for example, by the importance given to sexual harassment problems, or maternity protection provisions, as a source of industrial action and in collective bargaining. However, there is a clear need to support efforts to promote women into leadership positions at all levels of the union movement.

Sida/H&M project

The ILO designed a project to achieve two broad objectives, while working in a synergistic way at three different "levels". The two broad objectives are to promote sound industrial relations through genuine collective bargaining; and to strengthen the regulatory and policy framework governing industrial relations and collective bargaining. The three different "levels" are enterprise; industry; and national.

At enterprise level, the project collaborated with Hennes & Mauritz (H&M) to seek commitments to implement the Memorandum of Understanding on Improving Industrial Relations in the Garment Industry within those enterprises, and to eliminate so-called “unfair labour practices”, and promote good labour practices, including collective bargaining and gender quality. This was accompanied by a modular bipartite training program covering six different topics, including workplace cooperation and grievance handling; collective bargaining; and gender and non-discrimination.

At industry level, the project worked with the Garment Manufacturers of Cambodia (GMAC) and major union confederations to raise awareness of the industry MOU in the early stages of the project.

At national level, the project worked with the Ministry of Labour and Vocational Training to improve conciliation skills, support legal and regulatory reform, and clarify rules and procedures concerning industrial relations; the plan to build a database on union registration and Most Representative Status certifications, and collective bargaining agreements was shelved pending a review by the ILO supervisory machinery of the new Trade Union Law.

Gender at enterprise level

As noted above, women are underrepresented in union leadership positions. The project has sought to ensure that at least 50% of the participants from the workers’ side are women, and to promote women in union leadership positions. The project also attempts to ensure that female trainers are used to serve as “role models” for both male and female workers and managers.

Legal Framework

The new “Law on Trade Unions” has reportedly had an effect on the ability of unions to certain unions to register with MOLVT. It is not known at this time what effect the new provisions around MRS, collective bargaining and ULPs will have on industrial relations. A zero-draft of the new “Law on Labour Dispute Resolution Procedures” may also have an impact on industrial relations and dispute resolution once adopted.

Key partners:

The key partners in this project are: Ministry of Labour and Vocational Training (MOLVT) at central and provincial level; the Garment Manufacturers Association in Cambodia (GMAC); leading trade union confederations; and management and unions in participating factories

Management set-up:

The Project Team consists of:

- One National Project Coordinator Officer (NO-B) recruited by the ILO responsible for the delivery of project outputs and activities.
- One Administrative and Financial Assistant recruited by ILO, who works full time for the project.

Technical backstopping for the project is provided by the Labour Relations Specialist based in the DWT-Bangkok. Political and administrative responsibility lies with CO Bangkok.

Donor Management Mechanism:

The project is funded under a PPP involving the Swedish government and Hennes & Mauritz (H&M), via its procurement agent Puls Trading Inc. IF Metall, the Swedish trade union confederation,

provides in kind support. A tripartite Project Steering Committee (PSC) has been established and meets quarterly; both donors are invited to participate in these meetings.

Objectives of the evaluation:

The purpose of this evaluation is to review progress against the expected project deliverables and outcomes and to propose modifications and lessons learned to inform the design of a next phase of this project. In so doing it will identify the achievements, good practices and lessons learned from the project. It is further intended to assess the continued feasibility of the project design, particularly for the garment factory phase of the project, especially given the expected increase in factories covered. Lastly, the evaluation will consider options for sustainability of improved industrial relations in the country beyond the end of the project.

Knowledge and information obtained from the evaluation will be used as a basis for better design and management of current and future ILO activities in Cambodia.

Clients and users of the evaluation:

- Project team
- Donors
- ILO Country Office for Thailand, Cambodia and Lao PDR, ILO HQ and RO/DWT-Bangkok; INWORK and other ILO Geneva units
- Ministry of Labour and Vocational Training; Workers and Employers' organizations
- Participating factories

The findings and recommendations of the evaluation will be shared and discussed with members of the Project Steering Committee

Scope of the evaluation:

The evaluation cover **all activities undertaken up to 30 December 2016**. The evaluation will identify good practices and lessons learned from the implementation of the project. A set of practical recommendations will be included in the evaluation report aimed at improving aspects for the second phase of the project.

In particular the evaluation should focus on the following:

- The progress of the project against output and outcome targets
- The extent to which management arrangements are appropriate to achieve desired results and outcomes within a timely, effective and efficient manner.
- The level of engagement with and satisfaction of project constituents and direct beneficiaries.
- Assess the quality of operational work planning, budgeting and risk management
- Lessons learned and good practices
- Prospects for the model to improve industrial relations in the participating factories and in the garment sector more broadly, beyond the expected end of the project.

Methodology

The ILO's policy guidelines for results-based evaluation (2nd edition) 2012 provides the basic framework. While an internal evaluation, it will be carried out according to ILO standard policies and procedures. The ILO adheres to the United Nations Evaluation Group (UNEG) norms and standards on evaluation as well as to the OECD/DAC evaluation quality standards.

The evaluation will use a combination of methods and the detailed methodology will be elaborated by the Evaluation Consultant on the basis of these TORs, subject to approval by the project CTA.

It is expected that the evaluation will apply mixed methods that draw on both quantitative and qualitative evidence and involve multiple means of analysis. These include but are not limited to:

- A desk review relevant documents related to project performance and progress, including the initial project document, progress reports, project outputs, etc.
- Interviews with ILO Country Office management, CTA and staff, and other ILO technical staff who contributed to project activities.
- Interviews with other key project stakeholders e.g. tripartite constituents, donors, implementing partners, direct recipients (staff of relevant government departments) and direct beneficiaries (pilot garment factory managers and workers).

The evaluator shall hold a one-day stakeholder workshop at the end of the mission in Phnom Penh to present the initial findings of the evaluation.

Where possible, all data should be sex-disaggregated and the particular concerns of women, men and vulnerable groups of workers should be considered throughout the evaluation process. The gender dimension should be considered as a cross-cutting concern throughout the methodology, deliverable and final report of the evaluation. This implies involving both women and men in the consultation and analysis. Moreover the evaluator should review data and information that is disaggregated by sex and gender, and assess the relevance of gender-related strategies and outcomes to improve the lives of women and men. Evaluation of gender dimensions should be carried out at all three levels at which project operated: enterprise, industry, and national.

Main deliverables

1. **Inception report:** in consultation with the Project Team, the Evaluation Consultant will draft a brief inception report (drawing on the guidance provided in EVAL Checklist 3) that will briefly set out, *inter alia*:
 - the evaluation methodology based on these TORs including the approach to data collection, key stakeholder identification, interviews and indicators;
 - proposed evaluation questions as per OECD/DAC criteria of relevance, effectiveness, efficiency, impact and sustainability;
 - the work plan for the evaluation, indicating the phases of the evaluation, the key deliverables and milestones; and
 - the list of key stakeholders and other individuals to be interviewed.
2. **Draft evaluation report**, later the **final report**, when comments of the ILO have been received and incorporated. The quality of the report will be assessed against the EVAL checklists 3, 5, 6 and 7 (see Annex 2). The report should include sections on output and outcome level results against milestone targets as well as sections on lessons learned, emerging good practices and recommendations.
3. An **evaluation summary** will also be drafted by the Evaluation Consultant after the evaluation report is finalized according to the ILO format (see Annex 2).

All outputs of the evaluation will be produced in English. Copyright of the evaluation report rests exclusively with the ILO. Key stakeholders can make appropriate use of the evaluation report in line with its original purpose and with appropriate acknowledgement.

Evaluation Management Arrangements:

Evaluation Consultant

The evaluation will be conducted by an international Evaluation Consultant who will be responsible for the deliverables under the TORs. He/she will be supported by the Project Team and will be required to ensure the quality of data (validity, reliability, consistency, and accuracy) throughout the analytical and reporting phases.

Qualifications of the Evaluation Consultant:

- Have at least 10 years of experience in project development and evaluation work
- Technical knowledge and work experience in the fields of labour law and industrial relations
- Knowledge of the ILO's roles and mandate and its tripartite structure
- Knowledge of labour issues in Cambodia would be an asset
- Demonstrated experience, especially within the UN system, in M&E and results-based management
- Demonstrated ability to write well in English

Quality assurance

The Regional M&E officer ILO Regional Office for Asia and the Pacific, Bangkok, Ms. Pamornrat Pringsulaka, will provide quality control throughout the evaluation process.

Administrative and logistical support

The Project Team in Phnom Penh, together with the ILO Country Office for Thailand, Cambodia and Lao PDR (in Bangkok) will provide relevant documentation, administrative and logistical support to the evaluation. The Project Team will also assist in organizing a detailed evaluation mission agenda and in confirming meetings. Also the Project Team will ensure that all relevant documentation is up to date and available to the Evaluation Consultant.

Roles of other key stakeholders

All stakeholders, including the donors, tripartite constituents, relevant government agencies, and other key partners – will be consulted at different stages in the process.

The following is a tentative calendar covering key outputs and milestones of the mid-term evaluation.

	Action	Tentative Dates	Responsible person(s)
1	Preparation of the contract for the Evaluation Consultant	By 16 December 2016	Project team
2	Finalization of the evaluation methodology and mission schedule	By 20 January 2017	Evaluation Consultant and Project Team
3	Desk Review of documents by the	From 9 through 27	Evaluation Consultant

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	Evaluation Consultant	January 2017	
4	Field mission to Cambodia (Phnom Penh) for meetings with the Project Team and project stakeholders	1 – 9 February 2017	Evaluation Consultant and Project Team
5	Field mission to the ILO-DWT in Bangkok to meet with ILO technical staff who have supported the project and CO-Bangkok staff covering Cambodia	30-31 January 2017	Evaluation Consultant, relevant ILO Technical Specialists and the Director of CO-Bangkok.
6	Submission of draft report for submission to the Project Team	27 February 2017 (start of day, BKK time)	Evaluation Consultant
7	Draft report is circulated for comments and sent back to the Evaluation Consultant	27 February – 3 March 2017 Sent to consultant 6 March 2017 (start of day, CET)	Project Team
8	Revised report and Evaluation Summary submitted to the Project Team	Latest COB 10 March 2017 (CET)	Evaluation Consultant

Resources

Funding for this evaluation will come from the Project and will cover:

- 1) the consultant's agreed fee and the Daily Subsistence Allowance (UN rate) and international travel as per ILO rules and regulations to cover the anticipated mission costs
- 2) additional transportation as required during the in-country visit(s)
- 3) interpretation and/or translation services (as necessary)

The consultant will be contracted to perform work in days between 8 January to 31 March 2017.

Payment

The total consultancy fee for this work is...

Annexes

Annex 1: Preliminary list of documents to be reviewed:

- Project document and logical framework
- Supervisory machinery comments
- Annual progress reports (2)
- Quarterly reports
- Project Work Plans
- Labour Law and Trade Union Law
- Factory reports
- List of participating factories indicating location, number of employees, number of trade unions, status of trade unions (MRS) and CBAs
- Financial information indicating expenditures, *inter alia*.
- Training reports and participant assessments
- Any other project outputs
- Relevant working papers to be provided

Annex 2: Relevant ILO evaluation guidelines and standard templates

Preparing the evaluation report

http://www.ilo.org/eval/Evaluationguidance/WCMS_165967/lang-en/index.htm

Rating the quality of evaluation report

http://www.ilo.org/eval/Evaluationguidance/WCMS_165968/lang-en/index.htm

Template for evaluation summary:

<http://www.ilo.org/legacy/english/edmas/eval/template-summary-en.doc>

Annex II. List of interviewees

Project staff

Mr. Veyara Chhieu, National Project Coordinator
Mr. Sokha Seang, Finance and Administrative Assistant

ILO and Better Work staff (Bangkok)

Mr. Maurizio Bussi, Director, DWT for East and South-East Asia and the Pacific
Mr. Sophorn Tun, ILO National Coordinator in Cambodia
Mr. John Ritchotte, Specialist on Labour Administration and Labour Relations
Mr. Arun Kumar, Specialist on Workers' Activities
Mr. Jonas Astrup, OIC, Better Work Bangkok

Development partners

Mr. Andreas Johansson, First Secretary, Democracy & Human Rights, Embassy of Sweden (Phnom Penh)
Ms. Sarah Hopkins, Sustainability Manager, H&M
Ms. Aurelie Provost, Sustainability Project Leader, H&M
Mr. Erik Andersson, IF Metall, (via Skype)

Better Factories Cambodia

Ms. Esther Germans, Chief Technical Adviser (via Skype)
Mr. Chea Sophal, Team Leader-Assessment and Stakeholder Engagement
Mr. Nov Dara, Senior Program Officer, Training

GMAC

Mr. Ken Loo, Secretary General
Mr. Kim Pichad, Legal and Labour Manager (met, not interviewed separately)

CAMFEBA

Ms. Chrea Dalya, Legal Department Manager
Ms. Ngil Sreydet, Legal and Information Officer

Workers' Organization Representatives

Mr. Ath Thorn, CLC (C.CAWDU)
Mr. Kong Atith, CLC (C.CWU)
Mr. Mai Vathana, CNC (KYFTU)
Mr. Manh Senghak, FTUWKC
Mr. Rong Panha, CATU
Mr. Soy Seiha, CCTU

Ministry of Labour and Vocational Training, General Department of Labour

HE. Seng Sakda (Phd), Director General
Mr. Ouk Chanthou, Director, Department of Labour Inspection
Chrun Theravong, Deputy Director of Labour Dispute Department

Arbitration Council Foundation

Mr. Men Nimmith, Executive Director
Ms. An Vireak, Training Manager

Factories

Graceful

Mukda Meawsuttipon, Assistant Division Manager
Mr. Leng Loeun, GITU leader
Mr. Oung Vanny, Vice Trade Union leader

Four other employee trade union representatives

Seduno Investment Cambo Fashion Co., Ltd

Damon, General Manager Assistant (Cambodia)

Chhunmey Lin, General Manager Assistant (OK)

Vireak Reaksa (CLU)

Im Srey Moin (ULR)

Chheng Sril (CLU)

Bo Lida

Nhem Mony

Pha Davy (WFU)

Rom Navy (WFU)

Doy Rin (WFU)

M&V International Manufacturing Ltd.

Ms. Mona Tep, Acting Site Director

Mr. Yin Nak, Human Resources Manager

Sie Kunthea (CWLUF)

Hin Mai (CIUF)

Nen Sitha (CFITU)

Nhek Savuth (FTUWKC)

Chiv Kimheng (C.CADUW)

Soeun Chamroeun (C.CADUW)

Vuthy Chanthy (C.CADUW)

Cambo Hong Xing Knitting

Monh Chan Kesey, Human Resource and Administrative Manager

Sem Samath, Administration

Mas Sokounthea, Administration

Savy Sarom, Accounting

Tith Chanty, Chief Union

Sok Samnang, Deputy

New Archid

Mr. Samol Oeun, Compliance Officer

Ms. Neang Thea (KYPU)

Mr. Nget Kong ()

Mr. Omg Sarith (FTU)

Mr. Phan Pich (VKYU)

Vanco

Mr. Out Samol, Assistant Compliance Officer

Ms. Yim Srey Neang, Vice Leader, Trade Union

Gladpeer

Lau In Huat, Social Compliance Responsible
Albert Tan, General Manager of Administration Services

Kann Yoeung (CLUF)
Chea Yom (CLUF)
Chhim Kosal (C.CAWDU)
Va Chenda (Trade Union)

Eastex

Touch Saren, Human Resources Manager
Jiaquan Lin, Human Resources and Code of Conduct Issues

Pheng Seng Yun (UTD)
Jay Chanra (KYTU)

Berry

Ms. Amelia Buenaventura, Sustainability Manager
Ms. Lida Lim, Compliance Officer
Mr. Dara, Human Resources

Say Meth (KUWS)
Chhun Sokhy (FTU)
Leng Vansy (CLU)
Sim Leang Hy (KYTU)

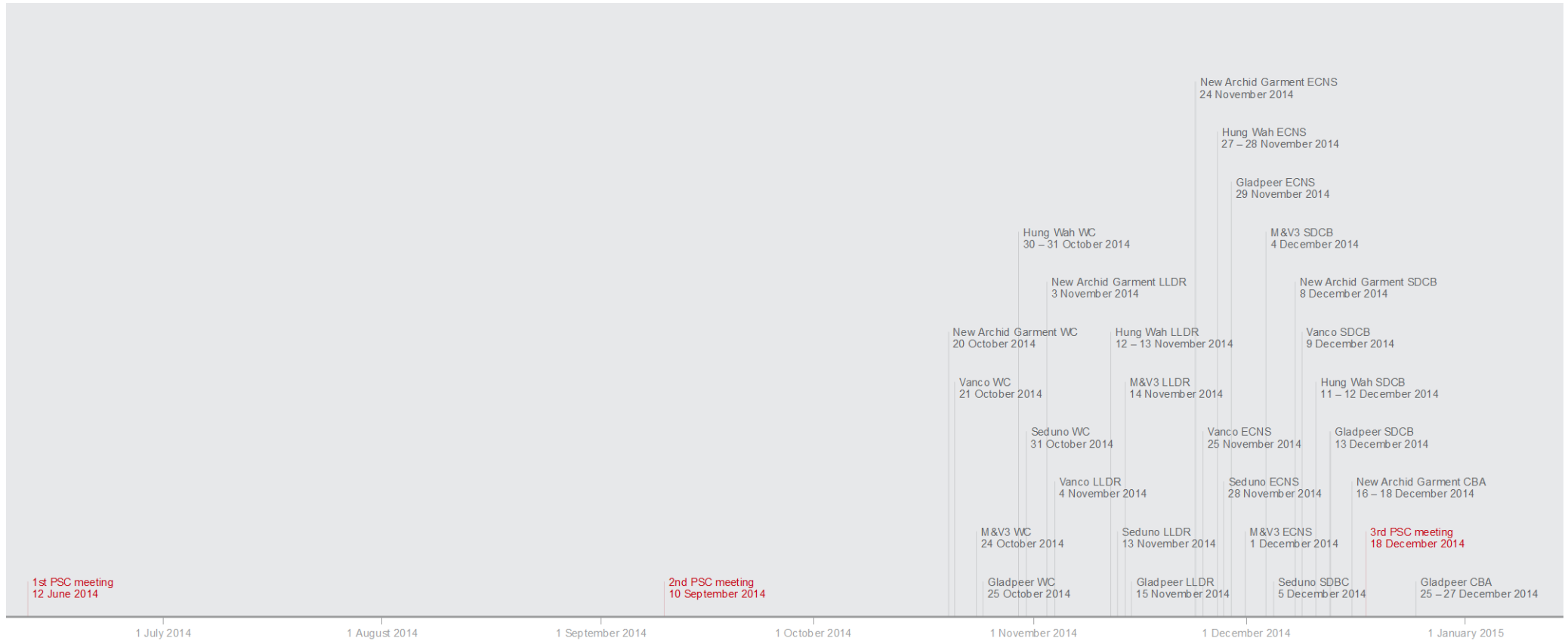
SL

Mr. Koh Chong Ho, General Manager
Mr. Lim Chandara, HR Officer
Mr. Im Chantha, CH Assistant

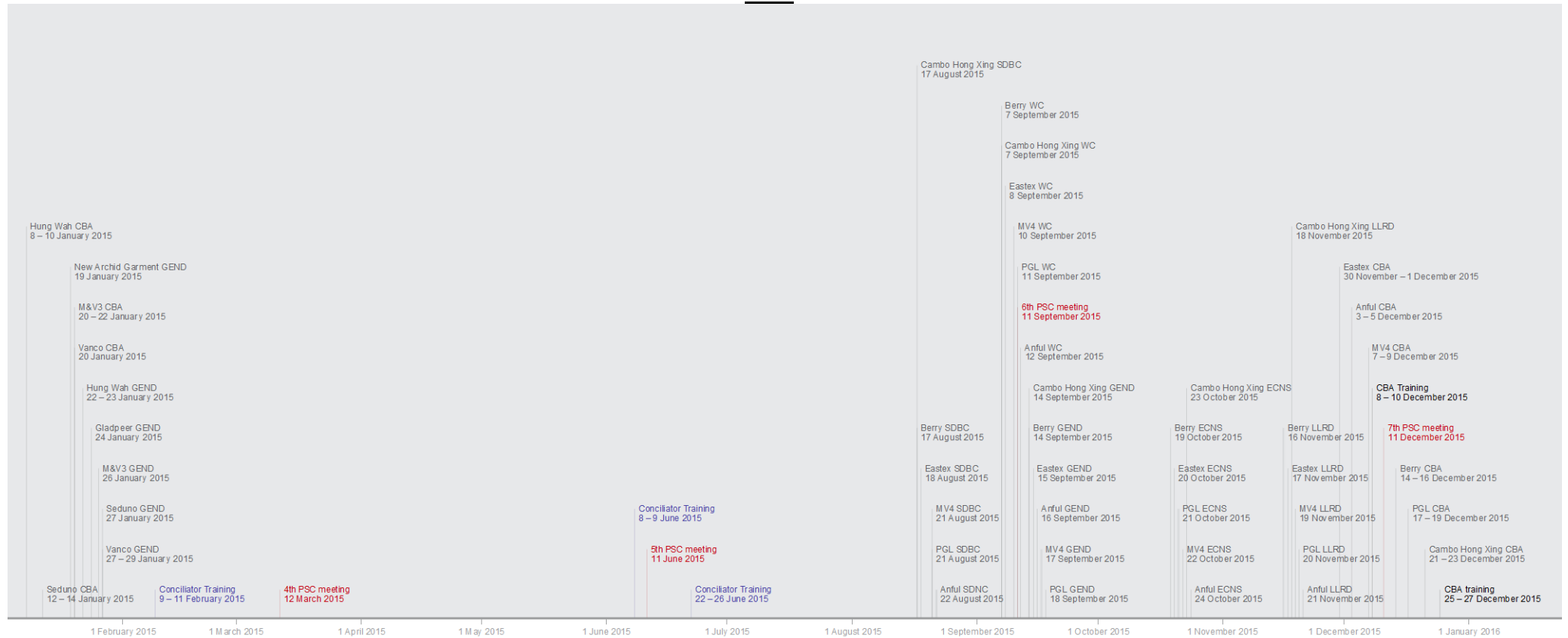
Ms. Paov Phana, (Power Union)
Ms. Neak Kimsy (Power Union)
Mr. Kokda Naythavakthan (FTU)
Mr. Sun Phalla (CLUF)

Annex III. Project timeline

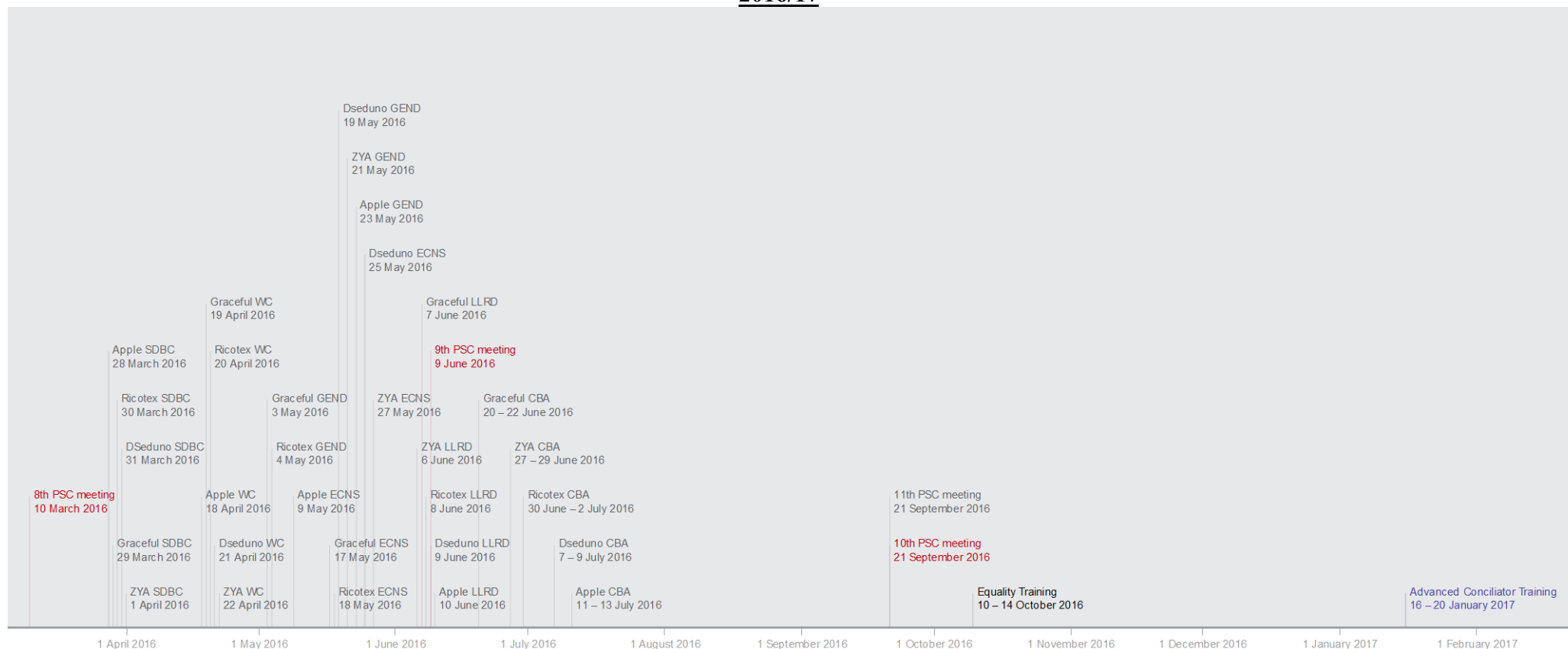
2014



2015



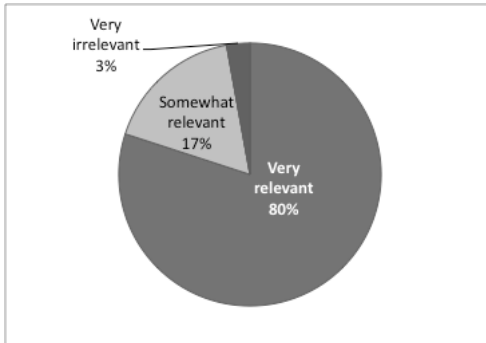
2016/17



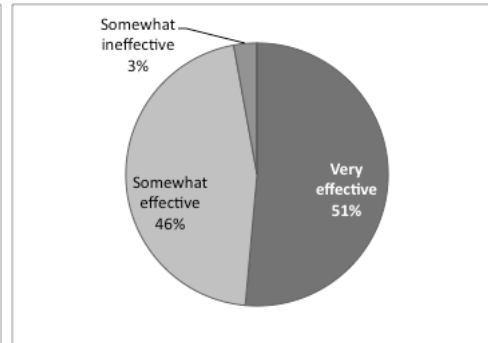
Annex IV. All-around ratings by stakeholders

(See notes below).

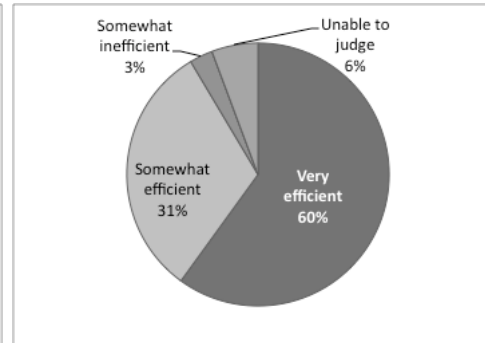
1. How relevant is the project design (i.e. Provision of training, MoU awareness raising meetings, etc.) to the objective of improving industrial relations in this enterprise/in the industry?



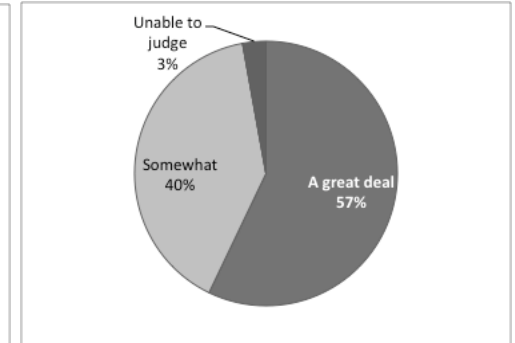
2. How effective is the project in delivering planned activities?



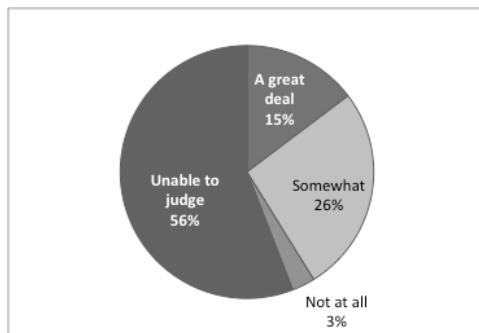
3. How efficient has the project been in using resources to deliver its activities?



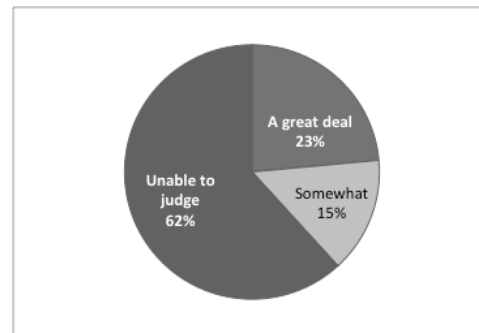
4. To what extent has there been an improvement in enterprise level dialogue and IR as a result of the project?



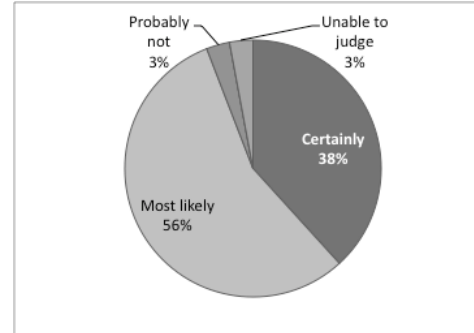
5. To what extent has there been an increase in collective bargaining agreements and improved IR environment in the garment industry, as a result of greater adherence to the industry MoU?



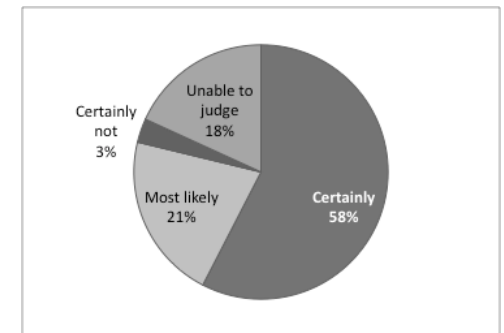
6. To what extent are conciliators at central and provincial level more capable of resolving disputes and promoting collective bargaining as a result of the project??



7. Are project results likely to be sustainable?



8. Are IR outcomes (i.e. Level of strikes, satisfaction of workers, work environment, etc.) in factories participating in the project better than those in non-participating factories?



Thirty-five stakeholders responded to the questionnaire, 3 MoLVT Officials, 1 GMAC Official, 10 management representatives and 21 trade union/worker representatives. The survey was used for broad indicative purposes, to animate and given structure to interviews.

Annex V. Documents reviewed

The complete set of project implementation documentation (almost 1000 digital files) was made available to the evaluator. Many were reviewed. Those listed below were most closely reviewed.

- Project document
- Project Steering Committee Minutes
- Project quarterly progress reports
- IR Mapping reports
- 1st and 2nd progress reports
- Reports of training events
- Lists of training participants

Annex VI. Logical framework in original project document

Immediate Objective 1. By the end of the project, participating enterprises will have seen improvements in enterprise level dialogue and IR and an increase in collective bargaining agreements.

Output 1.1. Participating enterprises are identified through participatory process

Activity 1.1.1. Pool of potential factories identified and owners contacted

Activity 1.1.2. Criteria and expectations for participation identified

Activity 1.1.3. Consultative meetings organized with unions and management

Output 1.2. Enterprise level agreements signed by all relevant stakeholders, including mechanism(s) for overseeing agreements

Activity 1.2.1. Develop criteria and methodology for IR mapping exercise

Activity 1.2.2. Carry out IR mapping exercise in participating enterprises

Activity 1.2.3. Conduct awareness raising on MOU and ULPs to workers and employers

Activity 1.2.4. Draft MOU on ULPs and adapt MOU on IR for enterprise level in consultation with stakeholders

Output 1.3. Training on collective bargaining concepts, techniques, and procedures delivered to unions and management at enterprise level.

Activity 1.3.1. Identify training material on collective bargaining, communication and negotiation skills, grievance handling and MOU/ULPs

Activity 1.3.2. Identify and contract national consultants

Activity 1.3.3. Deliver training to workers and employers at enterprise level

Immediate Objective 2. By the end of the project, the garment industry will have experienced an increase in collective bargaining agreements and improved IR environment as a result of greater adherence to the industry MOU.

Output 2.1. Training on collective bargaining concepts, techniques and procedures provided to union officials at confederation and federation level, and to management

Activity 2.1.1. Identify training material on collective bargaining, communication and negotiation skills, grievance handling and MOU/ULPs

Activity 2.1.2. Identify and contract national consultants

Activity 2.1.3. Deliver training to union officials at confederation and federation level, and to managers

Output 2.2. Basic IR and gender training conducted, and outreach materials for union officials and employers on the MOU developed

Activity 2.2.1. In consultation with GMAC and unions, develop TORs for development of training and outreach material

Activity 2.2.2. Develop common messages for both workers and employers

Output 2.3. Training and outreach materials on the MOU disseminated through unions and GMAC, BFC monitors and MOLVT officials

Activity 2.3.1. Develop TORs for subcontracts describing responsibilities of workers and employers in disseminating information to respective constituents

Activity 2.3.2. Issue and monitor delivery of contracts

Immediate Objective 3. By the end of the project, procedures for union registration/MRS certification will be clarified and records will be maintained, and conciliators at central and provincial level more capable of resolving disputes

- Output 3.1.** Database on union registration and MRS certification updated and functionality improved
- Activity 3.1.1.** In consultation with MOLVT, develop TORs for upgrading and updating database
 - Activity 3.1.2.** Issue contract to database developer
 - Activity 3.1.3.** Update all records in existing database and issue reports to stakeholders
 - Activity 3.1.4.** Agree with MOLVT to develop web interface to allow public access to database
- Output 3.2.** Training on IR and conciliation techniques delivered to relevant government officials
- Activity 3.2.1.** Identify and contract international consultants
 - Activity 3.2.2.** Organize training sessions for MOLVT and other relevant government officials from across the country
 - Activity 3.2.3.** Review conciliation procedures with a view to increasing effectiveness of MOLVT conciliation
 - Activity 3.2.4.** Hold outreach sessions with workers and employers to improve confidence in conciliation system
- Output 3.3.** Training on and tripartite discussions on industrial relations policy development, including role of collective bargaining and role of minority/MRS unions in the workplace
- Activity 3.3.1.** Review all existing laws and circulars with MOLVT policy makers to ensure common understanding of rules and procedures in place, and to ensure consistency with ratified ILO Conventions
 - Activity 3.3.2.** Hold tripartite meetings to ensure consistent understanding among MOLVT officials, unions and employers regarding application of rules and procedures in force

Annex VII. KPIs aligned with Prodoc Indicators and IOs, with ToC

Project Immediate Objectives	Indicators (sometimes stated as targets)	KPIs Periodically Monitored	Theory of change
IO 1: By the end of the project, participating enterprises will have seen improvements in enterprise level dialogue and IR and an increase in collective bargaining agreements	IO 1, Indicator 1: MRS union is certified in all participating factories where one exists	KPI 1: # (%) of factories with registered MRS union/or coalition of quasi-MRS unions	Achievement of MRS status is desired by TUs (assumed); seeking and achieving it demonstrates respect for IR system, capacity for genuine representation of workers, resulting in improved social dialogue, increase in CBAs
	IO 1, Indicator 2: A CBA covering terms and conditions of employment negotiated between unions and management; (any increased income will be measured.)	KPI 2: # of CBA covering terms and conditions of employment negotiated between unions and management (any increase income will be measured)	Training in IR will enable parties to engage in collective bargaining, culminating in a CBA and workplace stability resulting from it (assumed)
		KPI 9: Increased number of union members trained in IR related matters (disaggregated by sex)	Training of TU members in IR will improve enterprise level dialogue and IR, leading to increase in CBAs
		KPI 10: Increased number of management staff trained in IR related matters (disaggregated by sex)	Training of management in IR will improve enterprise level dialogue and IR, leading to increase in CBAs
	IO 1, Indicator 3: Any rights disputes that may arise will be settled through binding arbitration, and any strikes over interests will take place in the context of collective negotiations and will follow legal procedures	KPI 3: (%) of strikes that will follow legal procedures	Training in IR will improve parties understanding of their rights and IR systems, resulting in proper use of mechanisms, reduction in illegal strikes, and recourse to arbitration to resolve disputes
		KPI 4: # of AC awards, and (%) of its compliance with AC awards on right disputes that are implemented by both unions and management	
		KPI 7: Increased number of factories with well-functioning/improved grievance procedures	Training in IR will improve appreciation for the benefit of the existence and use of grievance procedures, enabling their effective operation as a means of resolving disputes in an orderly fashion, without disruption of work.

Project Immediate Objectives	Indicators (sometimes stated as targets)	KPIs Periodically Monitored	Theory of change
		KPI 8: # of and increased % of grievances resolved through well-functioning/improved grievance procedures	
	IO 1, Indicator 4: Participating buyers do not reduce orders (volume/value) in participating factories during project period	No associated KPI	
	IO 1, Indicator 5: Participating factories experience a reduction in worker turnover and an increase in reported job satisfaction	KPI 5: Participating factories experience a reduction in worker turnover and unauthorised absenteeism	Improvement in IR would cause workers to be more satisfied with the workplace and less likely to be absent from it. The KPI is thus seen as an indirect measure of IR and social dialogue health.
	IO 1, Indicator 6: Increased number of women elected to union positions in enterprise level unions	KPI 6: Increased # (%) of women elected to union positions in the enterprise level unions	Sensitization to gender and equality issues through training would lead to an increase in women elected to union positions in the enterprise.
IO 2: By the end of the project, the garment industry will have experienced an increase in collective bargaining agreements and improved IR environment as a result of greater adherence to the industry MOU.	IO 2, Indicator 1: At least 10 new or renewed CBAs in garment and shoe industry every year	No associated KPI	
	IO 2, Indicator 2: Binding arbitration for rights disputes will increase by 50% from 2012 levels and overall level of strikes will decrease by 50%	No associated KPI	
	IO 2, Indicator 3: MOU signatories meet quarterly to review implementation and take corrective action where necessary	No associated KPI	
	IO 2, Indicator 4: MOU is extended beyond 2014	No associated KPI	

Project Immediate Objectives	Indicators (sometimes stated as targets)	KPIs Periodically Monitored	Theory of change
IO 3: By the end of the project, procedures for union registration/MRS certification will be clarified and records will be maintained, and conciliators at central and provincial level more capable of resolving disputes	IO 3, Indicator 1: MOLVT uses and updates a database on union registration and MRS certification and makes data available to stakeholders		
	IO 3, Indicator 2: Conciliators at central and provincial level express increased confidence in ability to resolve disputes		

Annex VIII. Implementation Plan as of March 2016 (2015 Annual Report)

Immediate Objective 1: By the end of the Project, participating enterprises will have seen improvements in enterprise level dialogue and IR and an increase in collective bargaining agreements

Output 1.1: Participating enterprises are identified through participatory and consultative process

Activity 1.1.1 Pool of the third and fourth batch of potential factories identified and owners and management contacted

Activity 1.1.2 Orientation meeting with management and unions of the participating factories

Activity 1.1.3 Mapping existing IR environment through meetings with factory owners and unions in participating factories

Output 1.2: Enterprise level agreements signed by all relevant stakeholders, including mechanism(s) for overseeing agreements

Activity 1.2.1 Follow-up visits to adapt MOU/ULP on IR for enterprise level in consultation with management and unions of the participating enterprises

Activity 1.2.2 Develop brochure/posters to raise awareness on /MOU/ULPs to workers and employers

Output 1.3 Training on social dialogue and collective bargaining agreement (CBA) including communication & negotiation skills, grievance handling, gender, health and safety, and MOU/ULPs delivered to management and unions at enterprise level

Activity 1.3.1 Revise and adopt existing training material on workplace cooperation, labour law, effective communication, social dialogue, CBA, and gender related aspects

Activity 1.3.2 Identify and contract national consultants

Activity 1.3.3 Deliver training workshops to workers and employers in participating factories

Immediate Objective 2: By the end of the Project, the garment industry will have experienced an increase in collective bargaining agreements and improved IR environment as a result of greater adherence to the industry MOU

Output 2.1 Training on collective bargaining concepts, techniques and procedures provided to union officials at confederation and federation level, and to management (this output has now been incorporated into the output 1.3)

Output 2.2 Basic IR and gender training conducted, and outreach materials for union officials and employers on MOU developed (this output has now been incorporated into the output 1.3)

Output 2.3: Training and outreach materials on the MOU disseminated through unions and GMAC, BFC monitors and MOLVT officials (this output has now been incorporated into the output 1.3)

Activity 2.3.1 Develop TORs for subcontracts describing responsibilities of workers and employers in disseminating information to respective constituents

Activity 2.3.2 Conduct on-going awareness raising and outreach activities on MOU/ULPs through the issuance of, and monitoring of subcontracts

Immediate Objective 3: By the end of the project, procedures and records for union registration/MRS certification will be maintained, and conciliators at central and provincial level more capable of resolving disputes and promoting collective bargaining

Output 3.1: Database on union registration and MRS certification updated and functionality improved

Activity 3.1.1 In consultation with MOLVT, develop TORs for upgrading and updating database

Activity 3.1.2 Issue contract to database developer

Activity 3.1.3 Update all records in existing database and issue reports to stakeholders

Activity 3.1.4 In consultation with MOLVT, develop web interface to allow public access to database

Output 3.2: Training on IR and conciliation techniques delivered to relevant government officials

Activity 3.2.1 Identify and contract international consultants

Activity 3.2.2 Organize training sessions for MOLVT and other relevant government officials from across the country

Activity 3.2.3 Review conciliation procedures with a view to increasing effectiveness of MOLVT conciliation

Activity 3.2.4 Hold outreach sessions with workers and employers to improve confidence in conciliation system

Output 3.3: Training on and tripartite discussions on industrial relations policy development, including role of collective bargaining and role of minority/MRS unions in the workplace

Activity 3.3.1 Review draft TU law, existing labour laws and regulations currently in effect with MOLVT policy makers to ensure common understanding of rules and procedures, Prakas and regulations in place, and consistency with ratified ILO Conventions

Activity 3.3.2 Hold tripartite meetings to ensure consistent understanding among the relevant stakeholders regarding application of rules and procedures in force

Annex IX. Analysis of participation in factory training

The project kept excellent records of attendance at all enterprise-level training. The records listed for each factory all persons who participated in any of the training events, indicating the sex of the person, the course(s) which they attended, and their affiliation with management or workers. It was apparent from this list that not all persons had attended all training; this was contrary to the intention that a constant group of persons be identified from management and from workers to attend all the training offered. In evaluation, it was thought that a thorough analysis of this data might provide clues to factory level motivation, commitment relative to training-up workers vs. management, “favoured” vs. disfavoured courses, etc. The following summarizes the results of this analysis.

Most individual participants attended just 1 course. In total, 235 (19%) persons attended all 6 courses, 145 (12%) attended 5, 134 (11%) attended 4, 151 (13%) attended 3, 185 (15%) attended 2, and 369 (30%) attended just 1 course. The proportions are shown in Figure 14, below. These proportions of attendance were roughly the same between groups, show in Figure 15 below.

Figure 14: Proportion of all Batches attending 1...6

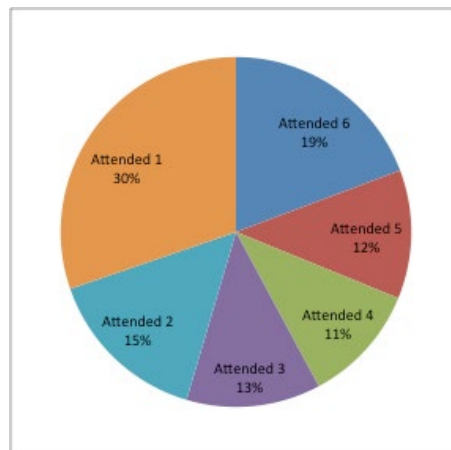
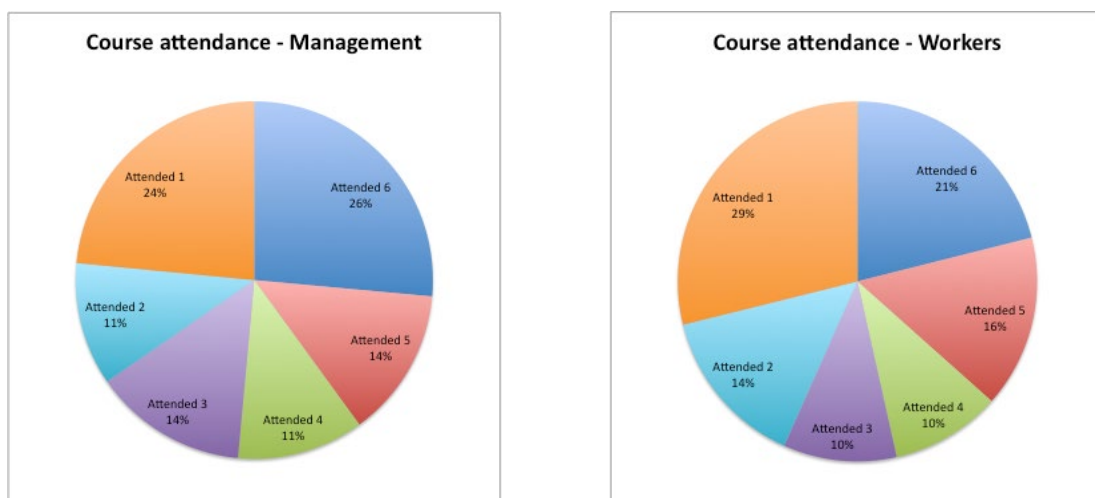


Figure 15: Proportion of all Batches attending 1...6, by group



There may have been some change in attendance practice over the duration of the course, with a greater proportion of the participants attending more of the courses. Just more than half the participants in Batch 4 participated in 5 or 6 of the course. This is seen in Figure 16, below. The total number of individual participants in Batch 4 was also smaller by half than that in Batch 1. Total number of individual participants attending at least 1 course was 457 in Batch 1, 283 in Batch 2, 268 in Batch 3, and 211 in Batch 4, for an overall total of 1219 individuals.

Figure 16: Attendance 1...6 courses compared batch-wise

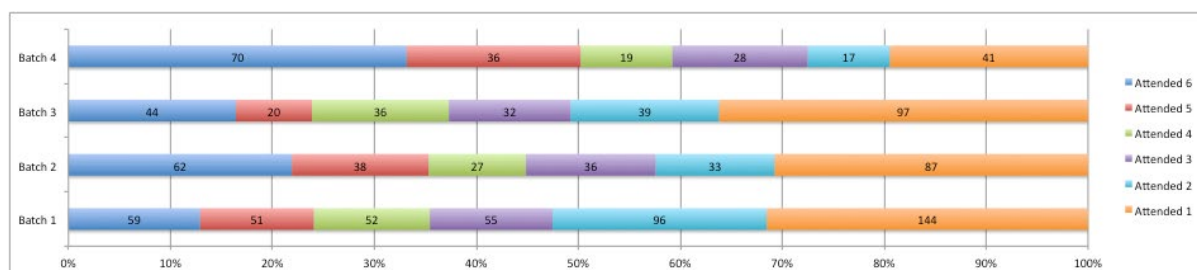
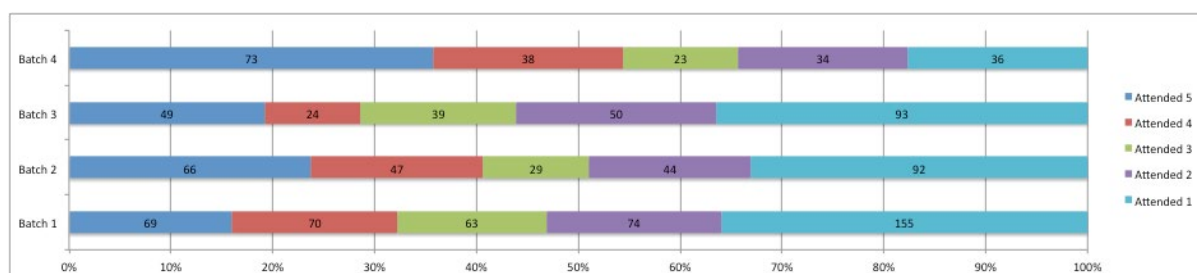


Figure 17: Attendance 1...5 courses compared batch-wise (excluding Gender course)



There is a factory-wise trend to attendance, not course-wise. From the available data it is possible to determine the probability that any particular individual would participate in 1, 2, ... 6 courses, and further to determine the probability that a particular individual would participate in a particular course. So, for example, taking into account the fact that a total of t management representatives participated in any course, and that p participated in a particular course, the probability could be determined of an individual participating in that course. To illustrate, if all 12 management representatives participated in a particular course, the probability that any 1 would participate in that course was $12/12 = 100\%$, if 6 out of 12 participated, the probability was $6/12 = .50$ or 50%, or if 4 out of 12 participated, the probability was $4/12 = .3333$ or 33%.

Figure 18 below shows these probabilities for management and workers' representatives, ordered by factory within Batch. Green colouring indicates a high probability, red a low probability, with pure yellow being 50% probability. Factory names have been removed, replaced with A-Z and Batch reference 1-4. There is substantial variation of probabilities within courses, much less so within the factory. The conclusion is simply that how well a factory kept to the plan of sending all the same participants to all the courses depended on the factory and not on the course.

Figure 18: Factory-wise presentation of course participation

MANAGEMENT	SD	WC	EC	GE	LL	CBA
A1	60.87%	56.52%	56.52%	65.22%	60.87%	43.48%
B1	12.92%	11.56%	13.60%	6.80%	10.88%	8.16%
C1	33.06%	36.94%	35.00%	21.39%	48.61%	29.17%
D1	47.41%	56.89%	42.67%	47.41%	56.89%	52.15%
E1	20.89%	24.37%	34.81%	24.37%	20.89%	38.30%
F1	28.70%	19.13%	23.92%	11.16%	27.10%	9.57%
G1	24.37%	27.85%	24.37%	20.89%	27.85%	38.30%
H2	33.41%	35.98%	28.27%	17.99%	17.99%	41.12%
I2	29.59%	29.59%	27.85%	26.11%	24.37%	26.11%
J2	15.12%	12.96%	19.44%	8.64%	10.80%	23.77%
K2	69.00%	65.17%	57.50%	69.00%	46.00%	46.00%
L2	13.99%	16.54%	12.72%	12.72%	10.18%	12.72%
M2	55.90%	49.32%	49.32%	42.74%	46.03%	42.74%
N3	38.29%	34.64%	27.35%	25.53%	14.59%	27.35%
O3	41.33%	36.73%	45.92%	32.14%	45.92%	45.92%
P3	35.76%	32.18%	32.18%	35.76%	39.33%	46.48%
Q3	19.76%	25.15%	37.72%	30.54%	30.54%	30.54%
R3	20.67%	25.83%	41.33%	31.00%	15.50%	25.83%
S3	39.51%	24.69%	4.94%	14.81%	14.81%	19.75%
T4	69.34%	50.85%	32.36%	60.09%	60.09%	55.47%
U4	38.00%	38.00%	63.33%	38.00%	38.00%	25.33%
V4	72.55%	51.21%	55.48%	42.68%	42.68%	51.21%
W4	62.50%	83.33%	62.50%	72.92%	62.50%	72.92%
X4	59.33%	48.21%	48.21%	59.33%	55.63%	59.33%
Y4	51.49%	47.53%	47.53%	59.41%	47.53%	51.49%
Z4	97.22%	97.22%	81.02%	97.22%	97.22%	97.22%

WORKERS	SD	WC	EC	GE	LL	CBA
A1	27.06%	30.24%	28.65%	28.65%	28.65%	22.28%
B1	22.10%	36.31%	27.63%	28.42%	30.79%	27.63%
C1	34.64%	38.63%	33.30%	25.31%	33.30%	22.65%
D1	20.07%	21.61%	18.52%	26.24%	21.61%	29.33%
E1	14.74%	11.47%	16.38%	16.38%	4.91%	21.30%
F1	9.92%	13.22%	13.22%	17.36%	16.53%	9.09%
G1	21.98%	19.11%	21.02%	13.38%	12.42%	13.38%
H2	66.67%	62.50%	54.17%	62.50%	29.17%	62.50%
I2	44.33%	25.33%	38.00%	38.00%	41.17%	53.83%
J2	15.19%	15.19%	15.19%	18.22%	33.41%	27.33%
K2	79.58%	74.90%	70.22%	70.22%	70.22%	60.85%
L2	16.16%	14.37%	17.96%	17.96%	17.96%	17.96%
M2	26.86%	26.86%	42.98%	29.55%	37.60%	45.66%
N3	5.75%	8.22%	3.29%	5.75%	18.90%	4.93%
O3	14.88%	18.19%	16.53%	19.84%	16.53%	16.53%
P3	60.94%	52.82%	60.94%	60.94%	65.00%	56.88%
Q3	45.15%	45.15%	60.20%	50.17%	45.15%	50.17%
R3	14.18%	12.76%	8.51%	9.92%	15.60%	8.51%
S3	10.80%	6.48%	10.80%	17.28%	23.77%	21.60%
T4	23.59%	17.69%	10.32%	20.64%	20.64%	32.43%
U4	83.33%	83.33%	83.33%	83.33%	0.00%	83.33%
V4	50.58%	31.94%	34.61%	50.58%	31.94%	45.25%
W4	54.83%	62.67%	62.67%	62.67%	62.67%	62.67%
X4	52.00%	39.00%	39.00%	48.75%	32.50%	42.25%
Y4	48.73%	33.74%	26.24%	48.73%	41.23%	44.98%
Z4	26.85%	26.85%	32.82%	23.87%	41.77%	20.88%

Just over 6% of all attendees attended only the Gender and Non-Discrimination Course.

The project team explained that in many of those instances where persons attended only 1 course, that course with Gender and Non-Discrimination. This was because the project team had explained to participating factories that that course could be seen apart from the others, warranting particular attention to women participants. To test this, the Gender course was removed from the data, without removing individual participant's names. This created a group of participants who attended 0 courses (that course having been the Gender course). In the event, 11 management representatives and 41 workers' representatives attended only the Gender and Non-Discrimination course, 1.57% and 4.62% of each group of attendees respectively. In the case of the workers, one factory sent 40% (17) of its group. There was no similar case of over-representation for the management group; at most one factory contributed 10.3% of this group.

It was just as likely that a participant who participated in only 1 course participated in any of the courses. It had been assumed that there would be participants who participated in only one course, and that that one course would be the Gender course. Aggregated data of those participants who participated in only one course shows that that course could have been any of the six; there was no tendency for the sole course to be the Gender course. The actual data shows that on the management side the single course attendees were mostly for the collective bargaining agreement and social dialogue course; on the workers' side labour law and gender attracted proportionally most of the single course attendees. See Figure 19 and Figure 20 below.

Figure 19: Single course attendees, by course

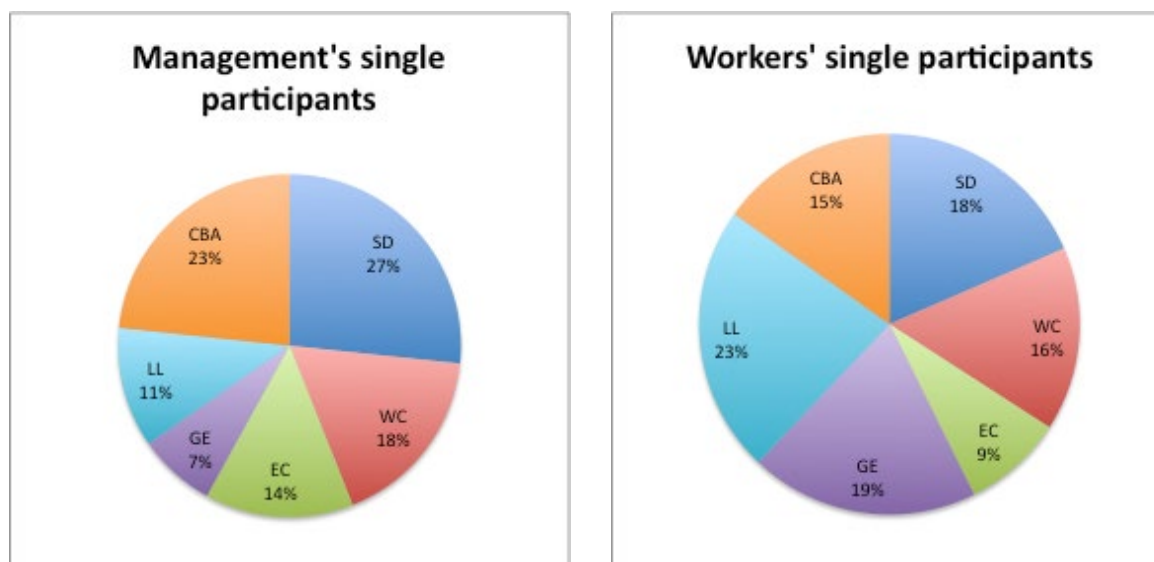
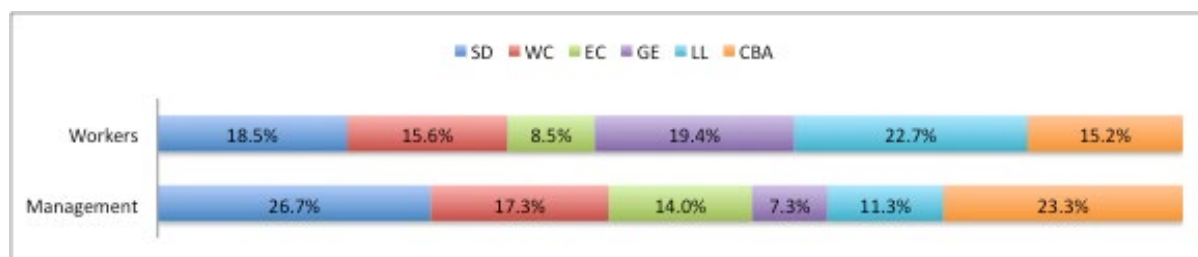


Figure 20: Single course attendees, comparative between groups



Evaluation resources limited a complete analysis of single course participation patterns by gender. A preliminary review of the data showed no pattern in respect of which gender would likely be attending individual courses as their single course. It also became clear that the predominance of women workers in the sector would defeat meaningful analysis in the absence of control over the other factors that apparently have played a part in participant selection.

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