



# Evaluation Summary



International  
Labour  
Office

Evaluation Unit

## *ILO Better Factories Cambodia Programme Midterm Evaluation*

### Quick Facts

**Countries:** *Cambodia*

**Final Evaluation:** *18 Dec. 2012-30 Mar 2013*

**Mode of Evaluation:** *Independent*

**ILO Administrative Office** *CO-Bangkok*

**ILO Technical Backstopping Office:** *Better Work*

**Evaluation Manager:** *Pamornrat Pringsulaka and  
Sutida Srinopnikom*

**Evaluation Consultant:** *Jane Hailé and Somith Sok*

**Project End:** *2015*

**Project Code:** *CMB/11/50/USA; CMB/12/02/USA;  
CMB/00/51/CMB; CMB/00/52/CMB; CMB/05/04/CMB;  
CMB/05/50/USA; CMB/06/02/IDA; CMB/08/01/NZE;  
CMB/09/03/UND; GLO/08/52/NET; CMB/06/03/MUL;  
CMB/10/50/MUL*

**Donor & Project Budget:**

*United States Department of Labour (USDOL);  
Agence Française de Développement (AFD); USAID;  
NZAID; Government of the Netherlands; World Bank;  
UNDP; and foundations of major international  
brands: USD 11,300,000 (during 2006-2015)*

**Keywords:** *labour standards, clothing industry,  
compliance, clothing worker, working conditions*

### Background & Context

#### Summary of the project purpose

BFC began in 2001 and has been integrated into successive ILO Decent Work Country Programmes (DWCP) for Cambodia. It depends for administrative and operational support on the Country Office for Thailand, Cambodia and Lao PDR based in Bangkok (CO-BKK); and for technical support on the Better Work global programme which is based in Geneva, but is now deploying seven staff to Bangkok.

The BFC is guided by a Programme Advisory Committee (PAC) comprised of Royal Government of

Cambodia (RGC), the Garment Manufacturers Association of Cambodia (GMAC) the Trade Unions.

The BFC Programme Logic is as follows:

**Goal:** To reduce poverty by expanding decent work opportunities in the garment export industry.

**Purpose:** To contribute to the growth of exports of the garment industry in Cambodia through promoting socially responsible production and compliance with Cambodian labour law and core labour standards. Objectives:

**Component 1** - To improve compliance with Cambodian labour law and core labour standards.

**Component 2** - To increase socially responsible production (SRP) in the Cambodian garment industry.

**Component 3** - To promote the Cambodian garment sector project domestically and internationally.

**Component 4** - To develop tripartite and sustainable systems to support the ongoing operation of Better Factories Cambodia.

**Component 5** – To enhance workers' access to health and social protection services; and broadening workers' pre and post garment life skills and economic opportunities.

BFC core services to achieve this are:

- Monitor and report on working conditions against national and international labour standards
- Provide various constructive means of intervention (remediation) at factory level to ensure sustainable improvement of working conditions
- Facilitate social dialogue between the social partners and international buyers
- Advocacy activities to promote the garment industry nationally and internationally

**Present Situation of the Project** The project began a new phase for the period 2013-2015.

**Purpose, scope and clients of the evaluation**

The main objectives of the BFC evaluation are:

- To provide account to the donors, national and international stakeholders in regard to the results achieved by BFC to date.
- To analyse the achievements made and to identify lessons learned in order to improve and guide the future operations of the BFC project vis-à-vis the changing garment industry, changing socio-economic and business environment and the new technical operating environment e.g. the scheduled alignment with the Better Work Programme. To provide recommendations for the future direction of BFC.
- To identify lessons learned from BFC strategies, policies and operations to be transferred and integrated where applicable into the ILO/IFC Better Work Programme, and the ILO as a whole.

The principal clients for the evaluation are BFC's management team and the Better Work Programme, both the Global Programme based at the ILO HQ in Geneva and Better Work country programmes particularly in Asia (Indonesia and Vietnam). The evaluation will also inform the ILO Country Office for Thailand, Cambodia and Laos PDR based in Bangkok, the Decent Work Team-Bangkok, and the ILO Cambodia project office. Secondary clients include BFC donors and national and international stakeholders.

### **Methodology of evaluation**

The evaluation was conducted through desk study of reference materials; and a twelve –day mission to Phnom Penh to meet the BFC management team and key stakeholders. Reference materials consisted of data generated by the programme; previous studies and evaluations; and academic studies and reports. Briefings were held with ILO CO-BKK, & ROAP staff en route to and from Phnom Penh.

## **Main Findings & Conclusions**

The establishment of BFC programme document for the period 2013-15 is noted as a very welcome development which will enable greater coherence across core services and funding sources as well as better monitoring and evaluation of the programme.

### **Relevance:**

Overall BFC is considered relevant in the sense that its operations have improved garment factory working conditions; which in turn is assumed to have had a positive impact on growth of Cambodia's garment exporting industry, though non-BFC factors in the global and regional economy are also recognized to have been influential. Despite much progress labour conditions in the garment exporting industry are still deemed inadequate and the need for continued,

enhanced and expanded monitoring is clear. BFC's responsiveness to changing needs, by for example introducing remediation activities has enhanced its relevance, and continuing quantitative and qualitative enhancements are needed to retain that relevance. BFC status as an ILO programme and part of the DWCP for Cambodia is considered an important aspect of continuing relevance.

### **Validity and coherence of design:**

This section summarizes evaluation findings on programme design including use by BFC of previous evaluation findings; the Public Reporting for Improvement (PRI) Initiative; alignment with ILO/IFC Better Work programme; and BFC collaboration on to cross-cutting issues such as gender equality and other developmental issues addressed under special projects such as the Social Protection and Gender (SPG) project and under the MDG-Fund.

The establishment of a programme document for the period 2013-15 is noted as a very welcome development which will enable greater coherence across core services and funding sources as well as better monitoring and evaluation of the programme. It is not clear whether or not the findings of previous evaluations have been taken on board. Whilst most stakeholders expressed a need for BFC's enhanced transparency the PRI, as understood by them, stopped short of meeting that need by its perceived exclusive emphasis on the responsibility of garment manufacturers for factory working conditions. BFC monitoring needs to be more sophisticated and nuanced in order to take full cognizance of the dynamics of intra-factory relationships and, in particular, of the actual and potential role of international buyers in influencing working conditions. Many interlocutors felt that BFC should focus on its core function of compliance monitoring and use information generated to leverage collaboration and support from other actors rather than taking on more activities itself. Gender equality mainstreaming is uneven and needs to be systematized by linkage to key players in the national gender equality machinery at policy and institutional level.

### **Project progress and effectiveness:**

BFC continues to expand the number of registered garment factories monitored in addition to monitoring in 2012 some footwear factories, and some un-registered garment factories. However, frequency of monitoring visits has declined due to resource limitations. The Project Advisory Committee (PAC) meets regularly but could probably be engaged as a body more frequently in more substantive discussions and decisions. Closer internal coordination between core services (monitoring, training) would be

mutually beneficial as would be enhanced collaboration with other DWCP programmes and the resources of the CO-BKK and ROAP. Proposals are made for the refinement of the monitoring tool and the monitoring process overall; and for more strategic and user- focussed training, advocacy and information activities, and for more in-depth analysis of data available under IMS and other data-bases in use.

#### **Stakeholder and partner engagement:**

Both trade unions and employers proposed that BFC should remember its tripartite roots and avoid the appearance of bias in its monitoring process and in overall dealings with tri-partite constituents. Many interlocutors felt that BFC needed to engage much more fully with buyers in recognition of their actual or potential influence on factory working conditions. This would be in line with BFC's own statements in the PRI and elsewhere about the importance of reputation-sensitive buyers in improving compliance. The dynamics of the relationship between buyers and suppliers needs to be more fully understood and monitored. The Buyers Forum needs to include non-CSR staff of international companies in order to avoid preaching to the converted. Information on the numbers of buyers working with each factory, and their exclusive or other use of BFC reports should be compiled. BFC may wish to use its information resources to leverage collaboration and inspire projects managed by other entities rather than taking so many activities under the BFC umbrella.

#### **Project management arrangements:**

BFC/CTA reports both to the Director CO-BKK, and the BW Director, Geneva. An organization chart showing BFC linkages with other ILO and ILO/IFC units, as well as with the PAC, should be developed.

#### **Adequacy and efficiency of resource use:**

If BFC is to maintain and expand its current scope of monitoring and other core services additional funds will need to be mobilized from some or all of the following sources; international donors including IFC; strengthened training and advisory services and sale of reports; and larger contributions from its tripartite donors.

#### **Sustainability issues**

It appears that for the foreseeable future BFC will remain as a flagship ILO programme and a key part of the DWCP Cambodia, with technical links to BW global programme. Different funding options and sustainability plans are proposed under the new programme now underway.

1. **BFC needs to demonstrate its commitment to tripartism more consistently in to respond to charges of bias made by both trade unions and employers.** This would require, as is envisaged in the new programme document, an enhanced and more substantive role for the PAC with respect to policy and technical issues going forward, as well as refinements to the core monitoring process as proposed. **Responsibility: BFC, PAC, CO-BKK, DWT**
2. **BFC needs to position itself more clearly as a user-oriented information programme; a source of high quality, comprehensive, unbiased, easily accessible data on working conditions in the garment industry and beyond; and integrated approaches to improve those conditions.** Better management of information requires *inter alia* that an improved data entry and retrieval system permits a unified analysis and presentation of information across all core services. The system should be able to easily provide for all factories monitored a comprehensive picture of in-factory BFC and non-BFC training and advisory services; and numbers and identity of buyers and their auditing and remediation activities. **Responsibility: BFC, PAC, CO-BKK, DWT**
3. **BFC should move beyond what seems to many (employers, trade unions, independent researchers) to be a narrow and punitive approach to monitoring.** The monitoring tool and process should be revised by tripartite constituents and buyers; the monitoring visit should be an entry point for social dialogue on working conditions between all parties concerned (tripartite constituents and buyers). Monitoring reports should explain shortfalls in compliance and clearly ascribe responsibility, as well as recognizing positive achievements. Monitoring reports need to be discussed with all stakeholders before being revised and published, and available to all parties afterwards. **Responsibility: BFC and PAC; DWT, Better Work, Buyers Forum.**

## **Recommendations**

4. **BFC training and advisory services need to be framed by a comprehensive strategy with clear targets and indicators which would articulate activities funded from different sources.** Development of such a strategy would require inter alia the establishment of a more detailed baseline for BFC training in qualitative as well as quantitative terms, including a better identification of the needs of different potential audiences in the factory, amongst tripartite constituents and beyond. **Responsibility: BFC, PAC, Better Work, DWT**
5. **Although in the foreseeable future the monitoring process will continue to be led by BFC this should be accompanied by building capacity of government partners to collaborate in and eventually to assume this function.** To enhance capacity and credibility of government monitors requires not only skills training by BFC and others but attention by the RGC to the working conditions (salary, transport etc) which currently undermine the effectiveness and reputation of government inspectors. Strengthening the capacity of Trade Unions with respect to their own responsibilities for workplace conditions has been expressed as a continuing need. **Responsibility: BFC, PAC, ILO DWCP Cambodia, DWT**
6. **There is a need to develop a comprehensive advocacy and information strategy complementary to but distinct from training services. This strategy needs to define local and international audiences more precisely, their information needs and the consequent choice of materials, media and monitoring/evaluation processes.** This strategic approach to information would underpin involvement of existing and potential stakeholders, and would clarify BFC profile within and beyond the ILO and the ILO/IFC Better Work programme. **Responsibility BFC, PAC; DWT, ROAP, ILO/IFC Better Work**
7. **BFC needs to engage more constructively with international buyers in factories monitored in recognition of the important influence they have on working conditions.** The factory monitoring process should also collect information about buyers' own auditing and remediation activities. With respect to the six-monthly Buyers' Forums BFC should explore the possibility of attracting a broader group of interests from the buyers beyond those concerned only with CSR to those concerned with sourcing and production decisions. **Responsibility: BFC, PAC, BW, Buyers Forum**
8. **The complementarity of BFC, DWT and Better Work needs to be further defined in order to determine what activities can best be done and by whom at the global ,regional or country-specific level.** Careful attention must be given so that apparent efficiencies of doing something at a global level e.g. producing training materials do not have a negative impact upon their effectiveness at the country level. There appears to be great scope for cross-country research activities in areas such as minimum wage, factory and worker movement across boundaries and many other topics. **Responsibility: BFC, CO-BKK, DWT, BW**
9. **More attention should be given to mainstreaming gender equality in the BFC project at policy, institutional and beneficiary levels.** The policy framework already exists at the level of the RGC and individual ministries. Links with these policy frameworks and the associated 'gender machinery' would help to ensure that gender equality is more thoroughly mainstreamed at the institutional level ( e.g. PICC and trades unions) as well as to counter discrimination and harassment currently experienced by factory workers. **Responsibility: BFC, PAC, DWT**

Lessons learned can be found in the full report.