



Evaluation Summaries

Evaluation: Ensuring that working conditions in the textile and apparel sector in Cambodia comply with internationally-recognized core labour standards and the Cambodian labour law project

Quick Facts

Countries: Cambodia

Final Evaluation: October 2007

Mode of Evaluation: Independent

Technical Area: Social Dialogue

Evaluation Management: Labour Law and Labour Administration Department

Evaluation Team: Luis Reguera and Christopher Land-Kazlauskas

Project Start: July 2000

Project End: June 2007

Project Code: CMB/00/M50/USA, CMB/02/M51/USA, CMB/00/M51/CMB, CMB/00/M52/CMB

Donor: United States Department of Labor (USA) US\$2,675,000

Keywords: Labour Law, Labour Inspection Capacity, Social Dialogue, Labour Standard, Working Conditions, Textile Industry

Background & Context

Summary of the project purpose, logic and structure

The 'Ensuring that working conditions in the textile and apparel sector in Cambodia comply with internationally-recognized core labour standards and the Cambodian labour law project' was primarily funded by the United States Department of Labor (USDOL) and executed by the International Labour Office (ILO). Promoting democracy and peace by upholding the principles and rights of workers was a fundamental aim of this collaboration. The project was later re-named 'Better Factories Cambodia (BFC)'.

Project objectives changed slightly with each project extension. Those outlined below correspond to the ILO/USDOL project extension signed on 28 November 2003, which largely corresponds with the evaluation review period.

The project had the development objective to "Ensure that working conditions in the textile and apparel sector of Cambodia comply with internationally recognized core labour standards and the Cambodian labour law".

With a project objective of "Increased firm level compliance with Cambodian labour law", the following Immediate Objectives were set out:

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1. Increased capacity in target firms to implement improvements in line with Cambodian labour law.
2. Increased capacity of worker and employer organizations to implement workplace improvements in target areas of labour law.
3. Increased capacity of labour inspectors to enforce relevant laws and regulations.
4. Monitoring system sustained.

Purpose, scope and clients of the evaluation

The purpose of the final evaluation was to:

- a) Determine if the project has achieved its stated objectives; and explain why or why not;

- b) Assess whether the lessons learned and recommendations of the Mid-term evaluation remain relevant to the project, given developments since early 2003, and the extent to which these were addressed by the project;
- c) Evaluate the long-term benefits / impact accrued to target groups, implementation status, project management and performance monitoring;
- d) Document best practices that could be used as models for activities in other projects;

The main clients of this evaluation were USDOL, the ILO (including Headquarters, Regional and Sub Regional Offices in Bangkok, project staff), Ministry of Labour and Vocational Training, Ministry of Commerce, Garment Manufacturers Association of Cambodia (GMAC) and Cambodian Trade Union Movement

Methodology of evaluation

The methods used by the evaluation team consisted of:

- a desk review of documentation concerning the project, as well as the industrial relations and working conditions in Cambodia;
- team planning meetings via conference call with USDOL, ILO Headquarters and Phnom Penh project staff;
- individual interviews and meetings with ILO staff supporting the project in Geneva and the Regional and Sub Regional Offices in Bangkok;
- individual interviews and meetings in Phnom Penh with project management and staff, representatives of Government (Ministry of Commerce and Ministry of Labour), workers' and employers' organizations, local implementing partners, US Embassy, donor agencies, international buyers and officials of United Nations Development Programme; and
- factory visits.

Main Findings & Conclusions

a) The team found that the project was highly relevant for the country, an opinion that was shared unanimously by all interlocutors. It was aligned with the country needs and priorities, UN development policies and frameworks and the

ILO's Decent Work Agenda. The team considered, however, that the immediate objectives of the project document were not realistic within the project's timeframe and budget. Project extensions sought to remedy this situation. The improvement cycle strategy of the project continued to prove its validity during the extension period.

b) The management competence of the three successive Chief Technical Advisers (CTAs) of the project, Mr. Lejo Sibbel, Ms. Ros Harvey and Mr. Tuomo Poutiainen, were widely recognized and appreciated. In spite of the relatively high rate of turnover, the project has been well managed, with priority setting, programming and implementation of activities remaining sound and well coordinated, and resources adequately and efficiently used. International and local project staff was found competent and the Cambodian staff could be considered as valuable human resources for the project, the ILO and their country.

c) The team identified a number of significant and recognizable changes in the country as a whole and in the garment sector in particular, that could be considered as major achievements of the project. Each of these developments could be linked, at least in part, to the project's interventions.

d) The direct involvement of the ILO in the monitoring system was essential to the early success of the system. It enabled the monitoring system to operate with independence, credibility and transparency, in an environment where the political and socio-economic circumstances of Cambodia made such governance principles difficult to achieve.

e) The pilot remediation programme resulted in measurable improvements for the factories involved. Its methodology, modular approach and training materials were seen as useful, although the latter needed to be refined, simplified and better adapted to the country needs / context. The impact of this intensive approach was very limited (seven factories) and cost-intensive (due to reliance on international experts). The tripartite partners were not involved in the programme except for one limited-duration secondment from the Garment Manufacturers Association of Cambodia (GMAC).

f) While the remediation component, was re-designed and developed with funding provided by the Agence Française de Développement (AFD), it took place during the USDOL project extension,

building on the USDOL-funded pilot remediation programme, and as such warrants mention here. The improvements largely followed the recommendations of the review report concerning the pilot programme. The coverage of the programme was extended, new modules were added, other types of training were introduced and new and adapted materials were produced in English, Khmer and Chinese. Measurable improvements in working conditions and industry standards were evidenced in the participating factories by factory improvement plans and specific factory indicators. Whereas USDOL resources could have been spent more efficiently during the pilot phase, subsequent restructuring of the remediation programme addressed these shortcomings, streamlined delivery, and realized considerable savings through building partnerships with local service providers.

g) The evaluation team found that the capacity building of the tripartite partners was partly achieved. A considerable number of specific training activities were carried out between 2003 and 2004 by BFC alone and in collaboration with the Labour Dispute Resolution and ILO/DANIDA workers education projects. Involvement of the tripartite partners in the consultative process, through the Project Advisory Committee (PAC) and the local training reference group also enhanced their capacities and their ownership of the project. The team is of the view that the project underutilized their potential to be more involved in receiving and delivering training or other services. According to the project strategy, this excluded direct participation in the implementation of monitoring activities. The woefully low wages of civil servants and widespread corruption in the country constituted a very serious obstacle to closer collaboration in implementing activities.

h) The project provided evidence of the remarkable attention paid to women's particular needs and gender equality. BFC represents an example of best practice for an ILO project addressing gender issues, both looking at women's issues separately and mainstreaming gender into those interventions not immediately focused on gender. The evaluation team acknowledged these efforts and continued progress in this area is encouraged.

i) The support received from relevant international brands constituted a critical factor of success for this project, as it was the project management outstanding capacity to attract new donors to

secure the sustainability of project activities until the end of 2008 and to prepare it to become an independent entity by January 2009. This perspective will have to face various challenges to succeed, the major of which might be to guarantee the independence, credibility and international reputation once the ILO phases out.

Recommendations & Lessons Learned

Main recommendations and follow-up

a) Continued efforts should be made by the project to dispel any misunderstandings among manufacturers about BFC monitoring, improving its image and raising awareness about the contribution of BFC to the development of the garment sector in Cambodia and the benefits brought to the factories. The full range of available trainings, as well as good practice sheets and other developmental materials needs to be better promoted among factory owners and management. This is particularly true given the positive response of those factories having been exposed to the remediation component of BFC.

b) The complexity and sensitivity of the monitoring system call for a renewed attention by project management to strengthening and systematizing monitors' training (both on legal / technical and interpersonal / facilitation skills) and the reinforcement of the monitoring system to enhance internal controls, and prevent any perceived potential flaws and criticisms.

c) Given the groundbreaking nature of the role played by ILO in BFC, and similar projects, it is recommended that the ILO create a forum for knowledge sharing and in-depth discussion as to the lessons learned from, and implications for such innovative interventions. It is recommended that ILO technical units backstopping similar projects systematize their coordination and share information, experience and materials to better support common learning on the subject. An 'ad hoc' working group could be established with the relevant ILO units in close cooperation with project Chief Technical Advisers (CTAs). If feasible, a meeting between technical units, CTAs, and other relevant units such as CODEV, would be advisable as a starting point.

d) There is considerable scope for increased cooperation between the remediation team and the monitors. Their collaboration should be further systematized and enhanced. For example, the

monitors should (based on a full understanding of what is on offer through remediation, and bringing copies of the best practice sheets on factory visits) act as “front line” remediation staff, marketing the tools and programmes available through the remediation component. The remediation staff should make better use of monitoring reports and regular consultations with monitors in the development of customized solutions at the factory level.

e) The project should continue to assist the local training institutions participating in the project to streamline their performance, and, at the same time, actively explore the use of the expertise and capacity (built through previous training activities) of the tripartite partners and factory representatives in order to scale up the coverage of the remediation programme. This would also enhance their commitment to realizing full local ownership and ensuring the prospects for sustainability of the project.

f) The redesign of the remediation component was discussed with the project stakeholders in a seminar held in 2004, which was unanimously praised during the evaluation exercise, and the modular training programme was further assessed in 2006. It is recommended that the project management examine the performance of the component during this period together with stakeholders, listen to their specific concerns (some of them are reflected in this report) and discuss the proposals for the future.

Important lessons learned

a) The design of the project impacted negatively on project performance, as it hindered the full implementation of the project strategy. Striking the right balance between project objectives, technical and financial resources, timeframe, and the formulation of appropriate performance indicators is essential in any project design. While subsequent project revisions, coupled with increased support from a broad spectrum of donors, increased the likelihood of the project achieving its objectives, careful attention should be paid to this experience in future project formulation and project extension exercises.

b) Better Factories Cambodia could be considered as an example of good practice on attracting new donors and local resource mobilization, while simultaneously building local alliances around the project objectives. The participation of the

tripartite partners in the multi-donor funding arrangements makes this example even more significant.

c) This project also represents an example of good practice for its work with international brands. The support received from relevant international brands has constituted a critical factor in the success of this project. As it is detailed throughout this report, the project management put in place a series of strategic arrangements that worked very effectively to systematize buyers’ involvement and support to the project.

d) The ILO must be careful to clearly delineate between the limited, time-bound interventions expected from a project, and the broader goals of a Decent Work Country Programme. Particularly when highly visible and effective projects exist in countries which do not have an “official” ILO presence, great care must be taken to ensure that the Office is able to provide the necessary support to ensure the projects’ success. For example, *Better Factories* was one element of a programme which created the space for trade union growth, and had more capacity building on running democratic, transparent, independent and effective trade unions taken place early on in the project, some of the problems being currently faced may have been avoided. The problems being faced within the industrial relations system require broad-based intervention by the ILO, and not just by the projects.

e) Finally, the evaluation team considers that the project was highly relevant for the country. It achieved a number of major results and is building a solid foundation for future sustainability. However, as Cambodia is just emerging from years of devastating civil strife, and the state, institutions and the social fabric are still very weak, the changes and undeniable impact brought by the project require more time to be fully realized. Many interlocutors believed at least a generation was needed for the country to fully recover and for public and private institutions to function properly. From this perspective, a long-term commitment from all parties is needed to ensure the sustainability of project results. The continued assistance of the ILO would help to guarantee the whole process.