



Evaluation Summary



International
Labour
Office

Evaluation Unit

Better work Jordan - Phase I - Final Evaluation

Quick Facts

Countries: *Jordan*

Final Evaluation: *9/2013*

Mode of Evaluation: *Independent*

ILO Office Administratively backstopping the Project: *DWT/CO-Beirut*

ILO Technical Backstopping Office: *ED/Dialogue*

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Project Code: *JOR/07/02/USA*

Donor & Project Budget: *US-AID (US\$ 5,300,400)*

Background & Context

In partnership with the International Labor Organization (ILO) and the International Finance Corporation (IFC), and in collaboration with Jordanian and international stakeholders, Better Work Jordan was designed and launched in February 2008. It was established at the request of the Government of Jordan, along with the United States Agency for International Development (USAID), a major donor to the program. The long-term goal of the program is to reduce poverty in Jordan by expanding decent work opportunities in the apparel sector. The program aims to improve competitiveness of the industry by enhancing economic performance at the enterprise level and by improving compliance with Jordanian labor law and the ILO's core labor standards.

Jordan has been undergoing a period of reform, economic openness and global integration in recent years. The apparel industry today accounts for nearly 18% of total Jordanian exports, and the

domestic share of value-added in the Jordanian garment industry is 37%. Apparel exports, mostly to the United States, exceeded 1.18 billion USD in 2012, representing an increase of almost 4% over 2011, and 13% over 2010.

Most apparel factories are situated in 14 Qualified Industrial Zones (QIZs), with the three largest QIZs located in Dulayl, Sahab and outside the country's second largest city of Irbid in the north. Over two thirds of the industry's 42,000 workers are migrant workers from South and South-East Asia, with women representing almost 60% of the workforce.

The final independent evaluation of Phase I of Better Work Jordan was conducted by Al- Jidara in Amman, Jordan at the request of Better Work Global. The purpose of this evaluation is to capture the achievements of project objectives and outcomes, gather and document lessons learnt, and present this information to inform the design and implementation of the second phase of the project.

Main Findings & Conclusions

Achievements of Immediate Objectives: The evaluation team found that BWJ largely met its immediate objectives under the project's five main components. It was evident that it played a role in improving levels of compliance at participating factories, in addition to improving cultures and attitudes towards compliance among key stakeholders. BWJ also played a strategic role that led to the development and approval of the Collective Bargaining Agreement and the National Strategy for the Jordanian Garment Sector (2013-

2018), such policies, if implemented, could change the dynamics of the industry.

The National Strategy for the Jordanian Garment Sector aims to promote industry growth, Jordanian labor in the garment industry, and to contribute to the Jordanian economy through the following four strategic objectives: 1) Create an effective partnership between government and the private sector to support the industry's growth in line with government priorities; 2) Build a stable and productive workforce that contributes to human development in Jordan, and 3) Build the capacity of the Jordanian garment industry to produce higher value-added products and provide higher value services, and 4) Market Jordan as a world-class destination for sourcing garments. The strategy was developed through a participatory process with key stakeholders including: BWJ, Employment-Technical and Vocational Education and Training Council, Garment Design Training Service Center, GTUTI, J-GATE, MoIT, MoL, National Employment Strategy Team, and USAID. The strategy is due to be launched by the Prime Minister in October of 2013.

Relevance and Strategic Fit to the Project: The evaluation team found that the project's immediate objectives are consistent with key stakeholder needs, including the GoJ, the garment union, factories, and international buyers. Additionally, the project's goal and immediate objectives are in direct alignment with the Decent Work Country Program's strategy (2012- 2015). While the project is aligned with and is supported by other ILO projects, increased synergies and points of leverage with projects in the ILO portfolio in Jordan, and in the region, could prove to be beneficial.

Validity of Project Design: While assumptions and external factors that influence the implementation of the project were taken into consideration at project design, in some cases the depth and extent of implications those factors had on the project may not have been anticipated. Details on each of the factors are provided under section VII of this document.

Overall Project Progress, Effectiveness, and Efficiency of Resource Use: By looking at the project Monitoring and Evaluation data covering the project's five components, BWJ appears to have progressed as planned and achieved –to a great extent- most of its targeted outputs. Furthermore, project budget was allocated in accordance to the strategic importance of its

activities; for example, a significant share of the project's budget was allocated to the delivery of the project's core services. Similarly, the larger number of project staff at BWJ work on the delivery of assessments and advisory activities.

Anticipated cost recovery ratios were analyzed and reviewed prior to the mid point evaluation, based on the Jordanian garment sector's characteristics and constraints (e.g. small number of factories, resistance by some sub-contracting factories to the program). Revised cost recovery targets (25% for 2012, 30% for 2013, and 35% for 2014) are more realistic; nevertheless, they are dependent on the project's implementation of revenue generating and cost-cutting measures, as indicated in the sustainability plan.

BWJ Core Services: There is unanimous agreement among project stakeholders that assessment services have consistently improved over the life of the project, attributing that to the capacity building of the Enterprise Advisors and improved interpretation of compliance requirements. Factories, buyers and the government attribute the improvement of factory compliance rates to the provision of advisory services, in a partnership approach. Nevertheless, they suggested that BWJ deepen advisory support to factories, without sacrificing the quality of the service provided as the number of participating factories grows. Training, which was kicked off later than planned, is still not utilized to its full potential, and factories agree that training services should cover a larger percentage of workers, either directly or through building the capacity of the PICCs to deliver certain training programs, as appropriate. The challenges that BWJ's training function faced, which were acknowledged by most stakeholders and are illustrated in the training section of this report, should be taken into consideration in the design of phase II. This is of paramount importance since stakeholders highlighted the role of training services in improving compliance, and acknowledged that training complements advisory services. In addition, the sustainability plan suggests that the training services could contribute to cost recovery.

Effectiveness of Management Arrangements: The project has seen significant capacity building improvements over 2011 and 2012. The Program Manager is leading efforts on long-term goals that are sector related, while the Technical Officer manages the delivery of the core services. This

management arrangement helps maintain the quality of the core services provided, and at the same time allows the project to play a larger role at the sector level.

Impact Orientation: The project management regularly reviews a set of output indicators to improve its processes and activities, as shown in the M&E matrix in Appendix E. In addition, the research agenda led by Tufts University covers several areas related to impact and outcomes of the project, including sector competitiveness and performance data, which in turn include data on sales and exports, (if linked with working hours will provide labor productivity figures), relationships with buyers, position in value chain, obstacles to business success, among others. While the Value Added study and the Comparative Advantage Study were completed on the sector and studied the viability of the sector to the Jordanian economy and the garment sector's competitiveness in the global supply chain, specific impact of project interventions on sector competitiveness and productivity was not measured. According to Tufts University, the sample size of the Jordanian industry is too small for a proper impact analysis on competitiveness, which could provide empirical evidence on the specific level of impact BWJ had on sector competitiveness and performance. The next phase of the project should define impact and outcome level indicators at the design phase, to enable researchers to properly measure the impact that the program has on competitiveness and performance at mid point and end of project.

Recommendations

In light of further expansion of the program, evolving needs of the sector, changing factory and buyer demands, and sustainability of the project, and in line with the National Strategy for the Jordanian Garment Industry (2013-2018), the evaluation team makes the following recommendations:

1. Continue to Expand and Deepen the Strategic Role of BWJ: BWJ should continue to expand and deepen its strategic role in the sector.

2. Engage in Improving Sector Competitiveness and Productivity: Today, Better Work Jordan does not have the capacity to improve "price" competitiveness, especially with

the elevated prices of raw materials. However, BWJ may want to consider, in its sustainability phase, to support factories in adjusting their operations and processes, by looking at IT, organizational setup, production processes, etc. to help create the leverage that factories need to increase production efficiencies and contribute to overall sector competitiveness. This is in line with the National Strategy for the Jordanian Garment Sector, which stipulates that process upgrading for factories could lead to cost reductions and improving production methods.

3. Design Activities Aimed at Increasing Participation of Local Workers in the Garment Sector:

The National Strategy for the Jordanian Garment Sector, which was facilitated by BWJ over the past year, and is set to be launched by the Prime Minister in October of 2013 contains, as one of its key objectives, increasing Jordanian employment in the sector by the end of the 5-year strategy to 55%, up from the current 20-25%. It is still not clear, however, what role BWJ will play in reaching these targets.

4. Adjust Assessment and Advisory Services according to Factory Compliance Levels.

BWJ has initiated a process to revise its advisory guidelines to account for the maturity levels of some factories that have been members of the program for 3 years. Revised guidelines will be shared with BWG by end of 2013. If assessment and advisory cycles were adjusted according to the maturity level of each factory, the focus would be shifted to factories that rate low on compliance.

5. Increase Linkages and Coherence with ILO Work in Jordan through the DWCP

should continue to be strengthened, especially in areas of collective bargaining, industrial relations, freedom of association, and labor inspection. All ILO interventions in this respect should be coordinated to have an impact on the Jordanian labor policy.

6. Coordinate Marketing Efforts of the Jordanian Garment Sector to increase the number of buyers:

Based on the National Strategy for the Jordanian Garment Sector (2013-2018), Jordan has the potential to position itself as supplier of high quality garments, and in this regard, Jordan can look at countries such as Sri Lanka, which has shown considerable success in positioning itself as a key high-quality supplier in certain niche garment product categories.

7. Incorporate Impact Measurements in the Design of Phase II:

While phase I of the project was well designed, impact and outcome level indicators were not defined upfront in the project document, what was defined were mainly output and process indicators (as shown in the M&E summary matrix). The project, in its goal and purpose statements, referred to improved competitiveness and performance of the sector. Through the research agenda that was led by Tufts University, manager and worker surveys were carried out and did include business competitiveness and performance data, however, the specific impact that BWJ had (excluding other influencing factors of the sector) on sector competitiveness and performance was not measured.

8. Stakeholder Engagement at the Design of Phase II:

BWJ and the ILO should follow a participatory process in the design of the second phase of the project. Unions, workers, employers, and government should not only be consulted, but rather take on a leading role in negotiating project objectives and outcomes, and BWJ could help bring consensus among all stakeholders towards project objectives and component outputs.

9. Build Capacity for Key Stakeholders:

The evaluation recommends that BWJ continue to strengthen the garment union's capacity by deepening their role in project activities (i.e. assessment and advisory activities), and should facilitate the Union's participation in PICC meetings. Capacity building activities of the union could also address the following areas: 1. Improving the union's capacity in financial management and sustainability, and 2. Improving the union's ability to negotiate. (Please refer to page 49 of the main report for more details).

10. Improve the Role of the PAC: The role and mandate of the PAC could be revised under Phase II, so that it becomes more of an influential body that provides strategic guidance to the sector as a whole. It was suggested by a member of the PAC that an ILO representative become an active member of the PAC.

11. Increase Worker Participation in and Effectiveness of PICC Meetings:

Enterprise Advisors should continue working with PICC members on selfconfidence issues and communication skills. This should not be done by

conducting formal training, but rather by running small group or one-on-one sessions. Consider piloting a PICC training conducted across languages, by clustering a number of factories together, rather than by conducting factory-by-factory PICC training, to see whether significant time- savings could be observed and to better determine the pros and cons of such an approach. Enterprise Advisors could improve dissemination of information about PICCs, their role in influencing worker rights and working environment. Visual media and tools could be further used to reduce time and costs related to translation. Engage unions in PICCs' meetings, so workers feel protected and gather the courage to speak their minds freely.

12. Improve Internal Processes within BWJ

- Simplify the Assessment Report:

BWJ could, in its future phase, consider simplifying the assessments system and compliance report. It should be made easier for buyers to understand and read the entire report. Buyers tend to look at the summary page, and sometimes do not get into the details and elaborations of the reports, causing them at times to overlook some issues or make hasty decisions.

- Develop Checklist and Benchmarks for Factories and Government:

BWJ could consider developing simple and straightforward benchmarks and a checklist for all minimum compliance data; to be made readily available among factories and government bodies.

13. Market BWJ's Training Program among Factories:

BWJ should consider investing additional time in marketing its training programs to factories and factory management. They should aim to improve the image of BWJ as educators and service providers, whose programs are there to improve not only factories compliance, but also their long-term productivity and competitiveness.

15. Measure Training Effectiveness:

- BWJ should consider calculating the percentage of employees receiving training relative to the total number of employees per factory. This would give BWJ and BWG an indicator of employee coverage in training.

- BWJ should consider adding some outcome level indicators to measure training effectiveness. All three training indicators being measured are considered output indicators, and do not give an

indication of how training is resonating with employees, or how effective training programs are.