

## Global Program Update: July 2013 – June 2014

### For Information

#### **Outcome 1: By 2015, Better Work will have achieved greater scale to improve worker's working conditions**

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##### ***1.1 Major Trends and Accomplishments outcome 1***

In order to reach more scale, activities in the reporting period focussed on expansion to Bangladesh, differentiation of services into footwear, testing environmental services as part of the programme's delivery model, and adjustment of the model so that we can work with more and different types of factories.

##### Expansion to other countries: Bangladesh

Following the revision of the labour law in Bangladesh and based on very close consultations with our stakeholders and our AC members, the Better Work Management Group approved the start of the implementation phase of our programme in Bangladesh in October 2013. Since then, we have developed a detailed budget and implementation plan, hired a team of Enterprise Advisors, training officers and support staff, worked with the tripartite constituents to make sure they understand the focus of our programme, and begun outreach to buyers and factories to start the factory registration process. A lot of focus has also been on consultation with other initiatives (amongst others the Accord and the Alliance) on how to collaborate and create synergies. Currently our team is ready to start factory level work and once the implementation guidelines of the labour law have been gazetted will commence factory level activities

In the reporting year, Better Work has started a pre-scoping analysis of countries which are of interest to Better Work, either because they are major garment producing countries, or because recent developments make them look as emerging players on the global apparel market. To this end, we took an in-depth look at selected economic and industry indicators of 20 countries) related to i) the importance of the country on the global industry market; (ii) the importance of the industry within the economy of the country; a (iii) glimpse of the profile of the garment workers and their wage situation; (iv) broad business and human development indicators to have an idea of the context the industry is operating in the country. We included countries with a Better Work programme in the analysis to facilitate comparison between countries where we work and potential countries for a feasibility study.

Based on those results, we selected six countries to carry out a pre-scoping analysis through desk research focused on the 11 need-base and feasibility criteria developed by Better Work. Those countries are: Myanmar; China; Pakistan; Lao PDR; India; and Sri Lanka. Initial results have been discussed with the Management Group who expressed caution with respect to the Better Work's

absorption capacity to start scoping activities in a new country considering the workload that starting up and supporting Better Work Bangladesh brings. In that respect, Better Work Bangladesh would count as two programmes. Adding an additional country can be done if the programme in Bangladesh is fully operational and well supported by the global programme. The MG recognized that **Myanmar** is a big priority for the ILO, IFC as well as donors.

#### Better Work new models for core services implementation

In an effort to address scale and sustainability in Better Work countries, the core services team has been developing a range of tools that will allow the program to more effectively target its services to the needs of individual factories and to gradually transfer increasing levels of responsibility to managers and workers themselves. The evolving Better Work approach will focus its advisory services on systems that build factory ownership over time, without losing the essential element of assessments, which is the program's objective measure of outcomes in improving working conditions. Key changes will be the introduction of advisory services to factories *before* assessments are conducted, allowing for an initial period of coaching and improvement activities. The program will focus on helping factories to identify their own areas of concern through a self assessment and target setting process. In addition, factories will be categorized into different tiers of Better Work services based on their commitment to making improvements and evidence that they do not have any critical areas of non-compliance.

#### Better Work footwear and environmental pilots

Better Work program's in Cambodia and Vietnam have finished pilots in footwear factories and have now opened up their services to footwear factories. In each program, identified staff have been trained to deliver footwear assessments.

The IFC is taking the lead to determine the best approach for Better Work staff to take in the area of environmental services. An initial pilot project on resource efficiency is being implemented together with the IFC in Haiti. Where appropriate, existing experience (such as UNIDO's cleaner production centre approach) are being used. The program is also in discussions with other initiatives, such as the Sustainable Apparel Coalition, on ways to collaborate on environmental services. .

### ***1.2 Problems, proposed solutions, actions taken or required outcome 1***

#### Better Work new models for core services implementation

Training Better Work staff on the new tools and ensuring the consistency of implementation will be an on-going issue. As there will be an increased number of global staff dedicated exclusively to core services support, program personnel should be able to address this challenge.

### ***1.3 Next steps and new proposals outcome 1***

#### Expansion to other countries

We foresee the start of a scoping and feasibility phase in Myanmar to start towards the end of 2014, subject to Management Group approval.

## **Outcome 2: By 2015, Better Work will have accelerated and demonstrated significant impact at factory level**

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To increase impact at factory level, the programme is continuing to build up its evidence on the impact of improved labour compliance on workers, businesses and development goals. Based on the independent evaluation of Stage II of the programme, we have stepped up efforts to work on addressing industrial relations at the factory level as a key mechanism for driving sustainable improvement processes. In addition, we have focused more effort to feed lessons from our impact studies back into our programme and work with stakeholders.

## **2.1 Major Trends and Accomplishments outcome 2**

### Impact evaluation and research strategy

Better Work continued the efforts to demonstrate impact of its operations at the factory level and beyond. Impact Briefs summarising the main findings to date have been published for Better Work Vietnam, Jordan and Haiti. As of June 2014, second- and third-visit data collection is underway in Haiti, Indonesia, Jordan, Lesotho and Vietnam. Progress reports are being produced for internal use. The data collected is analysed to deepen the understanding of the correlation between improved compliance and business and developmental outcomes. Five discussion papers presenting this ongoing research have been published in the reporting period, as well as three research briefs summarizing the research findings, and two policy briefs highlighting policy recommendations deriving from the research agenda. Findings from the research have been presented at the international Labour and Employment Relations Association conference in May 2014.

In the past year, Better Work has slightly changed its strategy related to compliance synthesis reporting, introducing thematic synthesis reports on specific issues in parallel to the usual format of compliance synthesis reports. In the reporting period, Better Work produced 8 synthesis reports (covering Jordan, Vietnam, Haiti, Indonesia, Lesotho) and 3 thematic synthesis reports, covering fire safety (Vietnam and Indonesia) and contracting procedures (Lesotho). All country programmes where BW has conducted more than one assessment visit per factory have witnessed improvements on compliance in areas that have been targeted in advisory services.

A final evaluation of Better Work Jordan's Phase I was finalized, and Better Work contributed to donors' external evaluations in Nicaragua.

### Country Programmes are able to effectively address CLS and IR issues

The Better Work Industrial Relations (IR) specialist has overseen an expansion and deepening of the the training and support to Enterprise Advisors (EAs) during the reporting period to further improve and mainstream this aspect of the program's work. This work has been expanded in close collaboration with the new Advisory Services Officer in the Better Work Bangkok team, to ensure that IR principles are integrated into the overall advisory work. IR focal points have been established in all program countries and regular IR focal team meetings are held virtually. This has allowed the Global support team to better grasp and respond to the skills gap in each country programme, and to create a support system for ongoing coaching and quality assurance. As a sound understanding of social dialogue and IR issues is key to the ability of Better Work to empower stakeholders to take ownership of the improvement process, additional and more in-depth training is needed.

In a collaborative process involving the IR Focal Point group, Better Work established an online IR distance learning program, to ensure all Better Work Staff (EAs and Training Officers) have a sound understanding of IR, and have a platform to exchange experiences and advice among the country programs. This instructor-facilitated, cost-effective program was successfully run for 35 Better Work staff from September to December 2013, and for an additional 25 staff from April to June 2014.

Over 60 Better Work, and other ILO staff from Haiti, Indonesia, Bangladesh, and Vietnam, are enrolled in the program for September to November 2014.

Supplier factories are also increasingly being offered social dialogue training in advance of the establishment of the Performance Improvement Consultative Committees (the worker management committees responsible for the improvement process in factories). It is believed that if factory personnel (both managers and worker representatives) are better versed in negotiation, problem solving and root cause training, then they will be more effective in carrying out the social dialogue that is needed in the PICC process. This year, the social dialogue training was expanded to conclude bipartite training on preventing and resolving IR conflicts, including conflicts relevant to freedom of association. This programme was designed in collaboration with Better Work Indonesia and ILO Jakarta, and was piloted in December 2013 for management and union representatives of 10 factories. The bipartite programme, developed by the Better Work IR Specialist and with support of the ILO Declaration project, has since been implemented twice more by local Indonesian trainers who are experienced mediators from the Ministry of Manpower. It will be adapted and introduced in other Better Work country programs as a learning seminar.

Continuing the work started in early 2012, Better Work is rolling out its strategy to prevent and address sexual harassment in the workplace (consisting of a factory kit and of a training package) in Jordan and Haiti with potential expansion in Lesotho and Cambodia. A pilot programme for Better Work Haiti staff on SH in relation to assessment and advisory work was delivered in April, with scheduled roll-out to Lesotho in July 2014.

Also relevant to non-discrimination in the workplace, Better Work began a partnership during the reporting period with ACT-TEMP and ILO Disability specialists to address disability in the workplace. Building upon the excellent work in Better Work Indonesia, the Better Work Global Program developed and launched an animated video called “The Ability Factor” to promote address misconceptions about the skills and abilities of persons with disabilities. This video, was was cross-posted on many websites, including those of the International Organization of Employers, IndustriALL Global Union, and the Screen Actors’ Guild, has already reached many thousands of people. (<https://www.youtube.com/watch?v=o0lt0KFhUek>). The video launch was accompanied by the production of several good practice sheets for employers on disability inclusion, also developed through this collaboration. Better Work also worked with ILO colleagues to provide training to Better Work EAs on disability in the workplace. Staff from Vietnam and Indonesia joined a Disability Equality Training (DET) programme held in Hanoi during the reporting period, and plans are underway to integrate disability awareness training into the Better Work Bangladesh programme.

## ***2.2 Problems, proposed solutions, actions taken or required outcome 2***

### Impact evaluation and research strategy

Rigorously measuring the impact of Better Work requires a robust methodology and clear schedule for data collection. Data collection in the reporting period has been particularly challenging due to pushback from factories and stakeholders and budget constraints. Survey administration is often seen as cumbersome by factory managers, and across countries there is a resistance to accept the data collection following the schedule determined by Tufts University. Better Work continues to work closely with country programmes to develop material with the objective of showing factory managers how the findings from the impact assessment will inform their businesses.

### Country Programmes are able to effectively address CLS and IR issues

To address the growing demand for ongoing training on CLS and IR, Better Work IR Focal Points and other EAs participated in a TOT program in September of 2013 in Indonesia. The program resulted

in a stronger global team of IR Focal Points, and it helped to build the confidence and capacity of IR Focal Points to facilitate the learning of their colleagues relevant to IR aspects of assessment and advisory services. After the ToT, IR Focal Points developed orientation programs for new EAs on IR, and all IR Focal Points used the IR Distance learning platform as an avenue to begin coaching and mentoring relationships with Better Work staff. The IR Focal Point Group contributed to the development of an IR Toolit that was launched at the EA summit in April 2014. This toolkit, which contains cartoon videos, posters, games, and other creative tools, was designed to respond to the requests of Better Work staff for tools to open discussions on challenging issues relevant to CLS and IR. The toolkit will be piloted in the coming months, with some adaptation to the local context of each country program. As a result of these intensive efforts, IR Focal points demonstrated strong leadership in the facilitation of IR sessions at the 2014 EA summit. The IR Focal Point from Cambodia served as a key resource person for the Better Work Bangladesh Enterprise Advisor Training on IR in May 2014.

In the 4<sup>th</sup> quarter of 2014, an advanced session of the IR Distance Learning course will be designed for delivery in 2015, in response to the growing interest of Better Work staff for a platform to share and work through more complex IR cases. The advanced programme will incorporate elements of classroom and in-factory coaching that has been piloted at country level by the Better Work IR Specialist, including IR Risk detection and advice to factories, and guidance for supporting factories and unions in conflict resolution.

## ***2.3 Next steps and new proposals outcome 2***

### Impact evaluation and research strategy

Through the internal Research and Impact Committee, Better Work has established research priorities for 2014 looking at the impact of the different core services on compliance outcomes, worker wellbeing, and productivity. This research will be carried out in collaboration with the Let's Work team at IFC and with the ILO under the Area of Critical Importance 8.

## ***2.4 Lessons learned outcome 2***

### Impact evaluation and research strategy

Better Work's unique datasets from compliance assessment and impact evaluations can be leveraged by partner organizations to build an evidence based to their policy debates. Better Work plans to be actively engaged in sharing the datasets through a web-based platform that will enable external researchers to access anonymised data for their own research questions and projects.

## **Outcome 3: By June 2015, Better Work and its alliance will have catalyzed changes in relevant strategies, policy and practice at sectoral, national and international level**

### ***3.1 Major Trends and Accomplishments outcome 3***

As part of the new strategic phase, Better Work has embarked on the development of an influencing agenda as a means to broaden the impact of its work beyond the factory floor.

### Better work's influencing agenda

The vision of Better Work's Stage III focuses on scale where the ultimate objective is to reach the required scale that will trigger (or contribute to) behavioural change in the garment industry (or even beyond that) where compliance becomes the norm. When the Stage III strategy was defined, Better Work, its stakeholders and Management Group were very much aware that, to come to scale,

the programme would need to use its knowledge, data and opportunities that arise from the programmes and consequently work with its partners and stakeholders to extend impact beyond Better Work's direct mandate.

Based on the directions from our Management Group and Advisory Committee, country programmes have embarked on national influencing strategies where the aim is to increase impact and sustainability through creating synergies with the ILO and the IFC and build constituents' capacity to engage in the delivery of core services. For example, in Indonesia, Better Work is helping to train labor inspectors to understand Freedom of Association and their role in dispute resolution, both in law and practice. This training, which has entailed several modules over the past year, will allow the Ministry of Labor and Manpower to implement good practice in these areas across industries. In addition, Better Work's initiatives have led to 2 complementary programmes that focus on building the capacity of labour inspectors in countries where we operate (Haiti and Vietnam). Both programmes are funded by donors that also fund Better Work.

At the global level, we have used our evidence and data to feed into the larger policy discussions of the ILO and the IFC. For instance, data from Better Work is being used by the IFC/Worldbank 'Let's Work' Initiative to demonstrate the business case for quality jobs. The ILO is using our data to inform new strategic directions, as part of two new Areas of Critical Importance; i) workplace compliance through labour inspection and ii) unacceptable forms of work. Better Work is also playing an important role in preparing the discussion on global supply chains for decent work for the ILC in 2016.

In addition, an edited book titled "Towards Better Work: understanding labour in global apparel value chains", compiling the papers presented at the Better Work conference in 2011, was published jointly by the ILO and Palgrave Macmillan in January 2014.

- Better Work continued its engagement with the academic community as a vector of influence by hosting a visiting scholar in Fall 2013, Dr Mark Anner, who investigated the relationship between social dialogue at the factory level (PICCs) and wildcat strikes in Vietnam, using Better Work data. Academic journal articles presenting Better Work research have been accepted in peer-reviewed journals and have been presented in several conferences.

#### Better Work's communication strategy

In stage II of the programme, external communication has mainly focussed on developing and sharing general information and products on the programme, preparing crises responds, responding to requests from international media, the publication of academic research and the production of some case studies. In order to make sure that, in going forward, we would bring our communication to a higher level, we undertook a review of our main communication channels and products. This review provided important lessons on the effectiveness of our outreach, our style, messages, products and use of different communication channels. In follow up to the recommendations of the review, we have started to improve our strategic outreach through :

- Sharing the learnings from our impact assessment through different means. We have produced various short briefs for different purposes, presenting a summary of our findings on different teams (e.g working conditions and businesses, sexual harassment, women workers etc.) and shared with our stakeholders;
- Changing the style and tone of our communication products to connect with more and different audiences;

- The redesign of our website, including revised information. The website is expected to be in the second part of 2014.
- Packaging key programme accomplishments and learnings in case studies (and shared with our stakeholders).
- Making more strategic use of social media outreach channels, mainly facebook and twitter.
- Developing updated material that inform the public in a better way of the strategy of change and main accomplishments of our programme. This documents have been picked up by other organisations.

Important stakeholders of our programme (and especially donors and buyers) have indicated that these products have been useful for the communication needs they have, whether it is justifying the use of public funds to parliament, or convincing purchasing managers in companies of the value that Better Work brings.

### ***3.2 Problems, proposed solutions, actions taken or required outcome 3***

#### Influencing Agenda

The development of the global influencing agenda within the ILO and the IFC has gone at a slower pace than anticipated due to the restructuring that both organisations have gone through. Now that revised organisational structures are in place, there is a clear scope for our programme to work with partners in the organisations to advance evidence based policy making.

### ***3.3 Next steps and new proposals outcome 3***

#### Better Work's strategic communication

Based on the new direction we have taken with our communication, we will develop a strategic communication plan for 2015 that will also look at the possibility to engage more with international media so as to increase Better Work's profile and to ensure that our data, learnings and practices will be known to and used by international media. The feasibility depends on the level of resources that will be necessary for the additional work involved in managing international media.

#### Better Work's influencing agenda

We expect the following main activities to take place in the next reporting period:

1. Clear definition of what input Better Work will provide to the IFC/WBG and the ILO so that the relevant data and experience from the programme are being used appropriately to inform global policy debates;
2. National Influencing agenda's for all Better Work programmes. Each country program has worked to identify means by which it can (a) further integrate the national social partners into the delivery of core services, leading to greater institutional change and implementation of best practices beyond Better Work factories and (b) identify recurrent risks at the factory level that should be made more visible and accessible to the ILO and IFC for higher level policy dialogue.
3. Broader strategic programmes on labour market issues have started in Indonesia and Vietnam and at least one has been developed for another country in which Better Work is active;



4. Stronger engagement with Better Work stakeholders (mainly those that are represented in our Advisory Committee) so that they can further the vision of the programme.

### **3.4 Lessons learned outcome 3**

The development and implementation of the influencing agenda should balance both taking advantage of opportunities as they arise, as well as planning strategically for change on the long term. This requires clear commitment for these changes from tripartite constituents, and sometimes additional donor funding to make that happen. These learnings have been discussed with the global Management Team and country programme managers in June and will be more actively managed in the strategies going forward.

## **Outcome 4: By 2015, Better Work have stronger influence over more buyers who will be improving supply chain practices**

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### **4.1 Major trends and accomplishments outcome 4**

Efforts have been focused on both signing up additional buyer partners to the buyer partnership scheme (introduced during 2013) as well as operationalizing the buyer partnership scheme with existing partners at both the global, regional and country level. This has included initial efforts to understand, monitor and improve adherence to the commitments of the scheme from both BW and the buyer partners side.

On BW's side there has been work to streamline global processes for partner approvals, invoicing, contact management etc and capacity of programmes to service the buyer partnership has increased. More programmes are providing systematic quarterly status updates and calls to buyer partners and several Buyers Forums now offering exclusive sessions for partners only. These sessions have focused on local stakeholder engagement and gaining partners inputs into BW strategic direction and tools etc.

#### Buyer partnership and collaboration with buyers

Since the initial sign-up of 20 buyers as partners, a further 8 buyers have been approved as BW partners. An achievement in terms of scale, these new buyer partners also indicate an encouraging geographical diversification representing the first Australian and Japanese partners as well as a new UK brand. Also significant is that the new partners include two buyer partners who in 2013 opted to remain as participants, until they 'could see the value of partnership', both of which chose to sign up for partnership in early 2014.

On the buyers side efforts to monitor buyers adherence to partner commitments have been focused on a handful of buyers with which the programme faced significant challenges in terms of factory sign-up and commitment to the programme. This has yielded positive results with four buyers having made the programme mandatory for all their suppliers, as well as demonstrating much greater alignment and support to BW's work at the factory level. Smaller-scale successes have been achieved with other buyer partners (greater factory sign-up, less duplication at the factory-level etc).

Discussions on operationalizing the agreement saw one buyer partner opt to revert to participant status since they were not meeting (or likely to in the foreseeable future) the commitments of partnership. Whilst disappointing to lose a partner this move is positive in its confirmation buyers cannot remain partners if their commitment is on paper only, the agreement requires a change in



buyer behaviour and practice.

A 40% Buyer Liaison post, located in Asia, was recruited to work in conjunction with the 100% Buyer Liaison post based in the US (focusing more on the operational aspects of the partnership as well as building programmes capacity to service the partners more effectively).

The buyer portal in BW's database system STAR was released to buyers in Spring 2014. This gives buyers direct access to factory reports online and also streamlines the invoicing process.

#### ***4.2 Problems, proposed solutions, actions taken or required outcome 4***

##### Buyer partnership and collaboration with buyers

There have been a range of challenges in operationalising the buyer partnership with existing buyers, the overarching of which was the departure in February of the full-time Buyer Liaison staff member in the USA. With only 40% of staff time focused on buyer liaison (as opposed to the 140% planned) progress has been less than anticipated. Given this, challenges (some of which are the same as last year, some which are new) include:

- Monitoring the operationalizing of the agreement: Given resource constraints this has been focused on a handful of brands rather than a systematic review across all buyer partners.
- The buyer communications material revision was delayed and will only be realized during the next reporting period with new Buyer pages on the BW global website.
- Ensuring alignment between global and national/regional level staff: Better Work at times still finds misalignment between the stated policies of buyers and the way teams operate on the ground. Quarterly calls with buyer partners by country programmes (often including local, regional and HQ representatives) have improved the situation in most cases but there is still work to be done.
- Increasing factory registration: Some BW country programs continue to face issues of slower than anticipated factory registration. The buyer relations liaison has been actively working with buyer partners to encourage them to register more factories. The adjusted BW model together with a new vendor strategy will both also help to ensure that factories in the programme continue to see the benefits of participation.

#### ***4.3 Next steps and new proposals outcome 4***

##### Buyer partnership and collaboration with buyers

BW has recruited a replacement for the US based Buyer Liaison post to start at the end of September. This staff member will coordinate with the Asia based staff to ensure that the partner monitoring is taken forward systematically, as well as exploring other opportunities to work on innovation with Buyer Partners.

Over the coming reporting period, Better Work will focus on developing, piloting and rolling out a full partner commitment monitoring process, which will look at how the partnership is working from the local to HQ level and result in a tailored plan for each partner. These plans will aim to ensure that BW and partners align efforts and work more effectively together for greater impact at both the factory and policy level (from local to international level).

The new buyers pages of the BW website will be launched in autumn 2014.

#### **4.4 Lessons learned outcome 4**

##### Buyer partnership and collaboration with buyers

The full-time buyer post will be based in Geneva as opposed to the USA. The change in location is expected to yield positive results in both the potential for increasing European buyer partners (there is an increased interest with the launch of BW Bangladesh) as well as greater integration with the BW Geneva team and improved links with other parts of the ILO.

BW needs to continue to differentiate itself from traditional third party monitoring firms and to reinforce our larger role as a tripartite organisation working with social partner on sustainable and wide-reaching institutional change.

#### **Outcome 5: By 2015, Better Work programmes have strong and appropriate governance and are viable**

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##### **5.1 Major trends and accomplishments outcome 5**

##### Donor contributions

In January 2014, Australia decided to stop its TC contribution to the ILO which resulted in a funding cut of 8,6 million USD to Better Work (impacting the financial situation for the global programme and the programmes in Vietnam, Indonesia and Cambodia). To mitigate the short term risks related to continuity of programme implementation, Better Work:

- Reduced its global budget with 600,000 USD through prioritizing activities and a freeze of some outstanding vacancies.
- Requested access to ILO resources to cover contracts extending into 2015 for the global programme and the programmes in Vietnam and Indonesia (Better Factories Cambodia has sufficient funding in 2015). The ILO made 1,3 million USD available for this purpose.
- Received access to the 2015 budget under the Dutch contribution.

These measures enabled the programmes to extend all their contracts into 2015 and as such, immediate risks related to continuity were mitigated. However, as a result of not filling the global position for strategic communication and relocating a finance support function to Asia, some activities have slowed down.

The long term risks are related to the size of the funding gap. During the reporting period, Better Work intensified its efforts to i) raise visibility among ILO donors that are not funding the programme (yet), ii) fast tracked activities for global donor diversification, iii) intensified donor engagement at local level. More specifically, the programme:

- Participated in high level meetings in Denmark which led to a contribution of approx. 2,7 million USD for 2014 – 2015 to the global programme;
- Participated in high level meetings in Canada, which led to increased visibility of the programme and strong commitment from partners. No contribution to global on the short term, but possibility for local resources in the BW countries.
- Has joined conversation between the ILO and Germany related to a new partnership with the ILO. Securing funding through these funds for BWG and the Asia programmes remains our strongest chance of securing funds for 2015 and avoiding further continuity problems in 2015.

- Has intensified outreach to donors at the local level.

In addition, the Dutch Government signed a new partnership for Better Work with the ILO, committing to a total of 10 Million euro funding for 2014 – 2017.

With the additional 1,300,000 from the ILO and the Danish contribution to Better Work, the current funding gap until the end of 2016 for the global programme and the programmes in Vietnam, Indonesia and Cambodia is approx. 3,7 million USD. In order for the programmes in Vietnam and Indonesia to reach its factory targets and for the programme to deliver its vision, a substantial new donor is still necessary before the end of this year.

#### Better Work's viability strategy

In its October 2013 meeting, Better Work discussed with its Management Group a strategy towards sustainability for the Indonesia programme. This strategy proposes the establishment of a foundation for Better Work under Indonesian laws and regulations. During a transition period of approximately 3 years, the foundation will deliver assessment, advisory and training to factories through a sub-contractual agreement between the ILO/BW and the Foundation. Staff responsible for the delivery of core services will transition to the foundation from year 1, once it has the legal status and capability to employ them. During the transition period, Better Work will directly manage the contract for core service delivery with the foundation and will continue to retain responsibility for providing technical assistance, including policy advice and capacity building activities to the tripartite constituents and implementation of the impact assessment strategy. Better Work will also continue to manage the contractual relationship with factories and buyers. Revenue for the services that the foundation delivers to the factories will be collected by the ILO, as is currently done. This revenue will be used to pay the foundation for the delivery of services.

In the period January – June, the global programme supported BWI to develop systems, capacity and procedures necessary for the foundation to be launched. This includes amongst others HR policies and procedures, financial systems and regulations, QA systems, change management processes, remuneration packages and governance and legal issues.

#### Better Work's Leadership Development Programme (LDP)

As part of Better Work's aim to eventually localise country programmes, a 2 year modular LDP is being designed and implemented for 16 key senior national staff from all Better Work Country programmes. The objective of the programme is to increase the capacity of the local managers to that they can create sustainable leadership of the Better Work programmes/entities. The programme involves twice yearly face to face training with reading, assignments, practice and tutorial support offered in between the learning sessions. The face to face is being led by the Better Work Global Operation's Managers to ensure that it is practical and geared specifically the needs of the learners. The next face to face training will take place in late September.

As developing the capacity of all Better Work staff is a key component of the work of the program, and in particular the national staff that will increasingly take on leadership roles for their programs, Better Work is presently looking into expanding the LDP to include staff members Bangladesh and other Better Work countries, that were not part of the first cohort of learners.

Additionally by year end, Better Work will carry out a needs analysis of it's technical specialists (based mainly in Geneva and Bangkok) learning needs. As much of their work is to support, coach and guide the national staff colleagues, the program will likely also develop learning opportunities for these staff members in these areas. The tentative plan is to begin in 2015 with 3 different learner groups, to offer learning to each based on their specific needs while also finding ways to bring the groups together for collective learning opportunities were relevant.

## **5.2 Problems, proposed solutions, actions taken or required outcome 5**

### Better Work funding situation

With the additional 1,300,000 USD from the ILO and the Danish contribution to Better Work, the current funding gap until the end of 2016 for the global programme and the programmes in Vietnam, Indonesia and Cambodia is approx. 3,7 million USD. In order for the programmes in Vietnam and Indonesia to reach its factory targets and for the programme to deliver its vision, a substantial new donor is still necessary before the end of this year. We will work closely with the ILO PARDEV resource mobilisation team and our donors to make this happen.

### Better Work's Leadership Development Programme (LDP)

While there is a strong willingness from all learners to participate in this program, and it has deliberately been designed to minimise the disruption to their busy working lives, some colleagues still struggle with completing assignments on time. The LDP coordination team is trying a few different strategies to make this as simple as possible, for example allowing the learners to complete assignments orally with the course tutor, as opposed to in written form.

## **5.3 Next steps and new proposals outcome 5**

The main next steps for next year are to:

- Continue broaden the programme's donor base;
- Launch the foundation (pending MG approval) and start developing similar strategies for programmes in Cambodia and Jordan
- Continue implementing LDP I program for the first cohort of learners and establish a second program for additional key national staff (2015)
- Start development of a Management and Development course for global professional technical staff (2015)

## **5.4 Lessons learned outcome 5**

### Better Work funding situation

Due to the cashflow issues that Better Work faced at the beginning of the year, the programme made some difficult decisions with regard to staffing. One of the admin positions based in Geneva has been transferred to the Bangkok team. The position will be filled in the second part of 2014 and will be an important test case to see if administrative support can be done in the field. This needs development of new processes and ways of working together, but if successful, will save costs and good be a good learning for the rest of the ILO.

## **Outcome 6: By 2015, Better Work has effectively managed its operations**

### **6.1 Major trends and accomplishments outcome 6**

Apart from the day to day operations and management of the programme (including financial management, adaptation of country level tools and training, induction of new staff, and day to day support of country staff on a range of issues), a focus has been on adjusting the management and staffing structure and systems of the programme in light of the new strategic phase, on system and knowledge management development.

#### Revised organizational structure in support of Stage III has been implemented

The implementation of Stage III required changes to the staffing structure of the programme and an increase in capacity in some areas, including management of strategy, quality and delivery. This has led to a restructuring of the global team in Geneva and the decentralisation of some skills and responsibilities to the field. For this, a team has been put together that is operating from Bangkok to effectively support country programmes, mainly in Asia, but also in other parts of the world. This team started in the second part of 2013 and the results are already clear in terms of both providing more in-country support but also ensuring that global products and tools are vetted with country program teams to ensure they are practical for implementation at the ground level. The proximity of the global team members in Bangkok to the Asia country programs also ensures more quick response times which enables more efficiency in Better Work operations.

#### Management information systems

STAR has been extended to include the collection of advisory data, including factory improvement activities, training plans, advisory visits, and PICC meeting and members. The system now automatically pulls this information into progress reports which are now generated through STAR. The portal for buyers and suppliers was also launched in Q2, allowing both buyers and suppliers to access their reports directly online. For the buyers, a self-service model has been put into place, allowing them to purchase reporting cycles directly online using a prepaid credit system. This will drastically reduce the backoffice work required to keep track of buyer subscriptions and distribute reports. The portal currently has over 200 buyer users and has been rolled out to all buyers participating in the programme. The suppliers are currently being trained on the system and will be rolled out progressively during the second half of the year.

### ***6.2 Problems, proposed solutions, actions taken or required outcome 6***

Collaboration between the Bangkok and Geneva based teams has been constructive from the start, but more regular conference calls and video conferences have been put in place in 2014 to ensure a faster and more effective integration of the two teams. The next workplanning that is due to take place in November 2014 will be an opportunity for face to face meetings to establish priorities for 2015 and improved ways of working together.

### ***6.3 Next steps and new proposals outcome 6***

## **Annex Logical Framework**

### 3.3. Programme outputs, activities and indicators

Project title: Better Work Global – Phase III				Project duration: 3 years (July 2012-June 2015)		
Project structure	Indicator	Target	Reporting 30 June 2014	Means of verification	Assumptions and risks	
Development objective: Contribute to improving the lives of workers, their families and communities in selected countries	# of workers reporting increase in remittances		Measurement in progress	Impact study (Worker surveys)		
	# of workers reporting improvement in life satisfaction					
	# of workers reporting improvement in health outcomes					
Immediate objective 1: By 2015, Better Work will have achieved greater scale to improve worker’s working conditions	# of workers benefiting from BW interventions (total cumulated number of workers)	2,000,000	1,109,985.	M&E matrix	There is no agreement from tripartite constituents and brands to extend to new sectors Donor funding is not available to start activities in new countries	
Output 1.1 The service delivery model is refined to allow flexibility for country programmes to reach the intended targets	Increased level of compliance with labour standards in all participating countries	8	5	Synthesis reports		
1.1.1	Support country programme implementation of the "adapting to scale" service delivery pilot					
1.1.2	Adapt and develop tools as required					
1.1.3	Assess the effectiveness of the pilot and lessons learned					
1.1.4	Support the roll-out of new service delivery model where applicable					
1.1.5	Work with country programmes to identify potential synergies with relevant organizations (MSIs, NGOs,					

etc,) to reduce duplication			
<b>Output 1.2</b> <b>Pilot projects within selected existing countries programmes to extend the BW model into sectors, Including footwear and textiles and an environment component, are implemented</b>	# of pilot initiatives implemented in existing country programmes	4	3
1.2.1. Identify countries where pilot projects will be implemented 1.2.2. Review/design BW tools and approaches as required 1.2.3. Train national staff (EAs) on new tools			Data reported on M&E matrix for each country
<b>Output 1.3:</b> <b>Better Work operations are expanded in large garment producing countries that meet Better Work selection criteria</b>	# of new programmes launched by June 2015	2	1
1.3.1. Conduct pre-scoping analysis in selected countries 1.3.2. Carry out feasibility studies 1.3.3. Draft project documents 1.3.4. Secure donor funding <b>1.3.5.</b> Recruit and induct CTAs			Project documents formally endorsed by constituents Donor agreements signed



Project structure	Indicator	Target	June 2014 Reporting	Means of verification	Risk assumptions
<b>Immediate objective 2: By 2015, Better Work will have accelerated and demonstrated significant impact at factory level</b>	<b>Independently verified evidence of positive programme impact attributable to Better Work interventions</b>		<b>Several impact briefs on, eg: women, quality jobs, sexual harassment</b>	<b>Impact study</b>	Relationship with key research partner (Tuft University) is discontinued
<b>Output 2.1:</b> <b>Based on country programme experience, a comprehensive quality assurance system agreed and implemented in all country programmes to ensure that Better Work services are delivered according to the highest quality standards</b> 2.1.1. Work with country programmes to map existing quality control and assurance practices 2.1.2. Develop and agree quality assurance system 2.1.3. Implement quality assurance mechanisms across the programme	Level of buyers' satisfaction (factory managers and workers)	..	Tbd	Buyer satisfaction survey	
<b>Output 2.2:</b> <b>Impact analyses and targeted evaluations are regularly conducted to ensure that programme activities, in particular core service delivery, are having the necessary impacts at factory level</b> 2.2.1. Collect and analyze worker and manager survey data to assess the long-term impact of program activities 2.2.2. Deepen analysis of the impact assessment surveys and compliance data relative to core service delivery 2.2.3. Develop and implement qualitative analysis of core service impact (eg. case study on PICC effectiveness)	Extent to which changes made have resulted in increased impact		Results have been presented in several impact briefs on, eg: women, quality jobs, sexual harassment	Synthesis reports M&E matrix Country programme evaluations BWG evaluation	

<b>Output 2.3:</b>			
<b>Tools and methodologies are developed in order to support country programmes to effectively address CLS and IR issues</b>		Improved reporting on CLS compliance	Non compliance    Synthesis reports CLS have decreased, see for details footnote <sup>1</sup>
2.3.1.	Develop modules and strengthen training of EAs on CLS		
2.3.2.	Develop tools along with Better Work country programme to identify and address violations of CLS		
2.3.3.	Mobilize external stakeholders to support workers at factory level to address sexual harassment in the workplace		
2.3.4.	Provide technical support to country programmes on CLS issues as required		
2.3.5.	Provide support to country programmes as required in developing plans to support dialogue and IR issues		

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- <sup>1</sup> Non-compliance for Documentation and Protection of Young Workers in Haiti decreased by 5% in Haiti and 7% in Vietnam.
  - Non-compliance for Gender Discrimination decreased 25% in Haiti and 29% In Indonesia. The large decline in non-compliance from first to second assessment with regards to **Gender Discrimination** in Haiti is largely explained by the fact that the use of recruitment materials mentioning an applicant's gender was curbed in six factories after the very first assessment. In Indonesia we see an improvement of 29%, and 9% in Vietnam with regards to gender being a factor in hiring decisions.
  - Non-compliance for Other Grounds fell by 37% in Vietnam.
  - In Haiti, compliance for Discrimination based on Religion and Political Opinion increased by 20%.
  - Coercion in Haiti decreased in 15% of factories. In Jordan it fell from 73% to 0% after 4 assessments. This was mostly because workers had freedom to move freely from the dormitories and the industrial park or the zone in which the factories were located.
  - Discrimination with regards to Forced Labour and Overtime fell by 8% in Lesotho.
  - In Nicaragua, non-compliance with regards to Collective Bargaining fell by 27% and 15% in Vietnam.
  - Non-compliance in Haiti for Union Operations decreased by 25%.

Outputs and activities	Indicator	Target	June 2014 Reporting	Means of verification	Risk assumptions
<b>Immediate objective 3: By June 2015, Better Work and its alliance will have catalyzed changes in relevant strategies, policy and practice at sectoral, national and international level</b>	<b># of countries demonstrating policy changes</b>	<b>8</b>	<b>3</b>	<b>Reports from country programmes</b>	Relationship with key research partner (Tuft University) is discontinued Inability of finding appropriate partners for global dialogues
	<b># of countries demonstrating changes in strategies (eg. UNDAF, DWCP, PRSP, etc.)</b>	<b>8</b>	<b>tb</b>	<b>Reports from country programmes</b>	
	<b># of countries demonstrating changes regarding practices (eg. Professionalization of labour inspectorate)</b>	<b>8</b>	<b>Haiti, Vietnam, Bangladesh, Cambodia</b>	<b>Reports from country programmes</b>	
<b>Output 3.1: Robust evidence base on the development and business impacts of improving working conditions is packaged and shared widely for maximum influence</b>		..			
3.1.1 Analyze evidence arising from the research agenda for policy implications and package it into high-impact and actionable communications materials targeting specific audiences, including all Better Work stakeholders	# of publications by international organizations (WB, ADB, ILO, etc.) citing BW data		5 (WBR, IFC, UNCTAD, WTO, ILO)	Publications of international organizations	
3.1.2 Design and implement qualitative research exploring how and why observed changes occur	# of peer reviewed academic publications	5	5	Publications in journals	
3.1.3 Leverage collaboration with the global research community to stimulate production of strong evidence base on the relationship between quality jobs and inclusive growth and development					
3.1.4 Capture and widely share lessons based on operational experience					

<b>Output 3.2:</b> <b>Collaboration among BW stakeholders (in particular governments, workers' and employers' organizations) is promoted to achieve greater impact</b>		3	In progress	
		# of concrete actions agreed by stakeholders following meetings and dialogues		Meeting minutes and other meeting related communication
3.2.1.	Develop strategy for targeted stakeholders' meetings and pro-actively support collaboration on issues of importance to achieving Better Work goals			
3.2.2.	Host or collaborate with others on key issue dialogues with large and influential target audiences			
3.2.3.	Elaborate and implement a strategy for influencing policymakers, using data/research above			
3.2.4.	Provide support to national constituents as required to allow them to play an increasingly strong role in improving working conditions in their countries			
<b>Output 3.3</b> <b>Support country programmes in developing national influencing agendas.</b>		8	Lesotho, Vietnam, Indonesia, Cambodia, Haiti, Bangladesh	Technical progress reports from country programmes
3.3.1.	Support development of holistic change strategies within Better Work countries, coordinating with relevant ILO, IFC, or other relevant initiatives as desirable	Development of national strategy for Better Work		
3.3.2.	Support implementation of national influencing agenda with policy positions, data and evidence, or other analysis as needed			
3.3.3.	Advise and support country programmes in leveraging events, strategies, and projects to further Better Work influencing agenda at national level			

<b>Output 3.4:</b> <b>Better Work institutional partners, ILO and IFC, are leveraged to achieve influence beyond its core activities</b>		# of BW business processes adopted by the ILO	2	In progress	ILO internal procedures, circulars
3.4.1.	Actively share lessons related to operational effectiveness within ILO				
3.4.2.	Maximize the strong convening power, technical expertise, and the ILO's role as promoter of social justice in the global economy to further the objectives of Better Work	# of tools or products developed based on Better Work experience (IFC)	6	In progress	IFC/World Bank documentation
3.4.3.	Maximize the technical expertise, relevant lending facilities and relationships of the IFC to further the objectives of Better Work				
3.4.4.	Facilitate IFC in transferring lessons from Better Work into its broader advisory and investment services, including commodity roundtables				
3.4.5.	Harness the technical expertise and authoritative policy advice of the World Bank to support Better Work-related policy objectives				
<b>Output 3.5:</b> <b>Public awareness and positive brand recognition are increased as a means to leverage impact agenda</b>		Accurate representation of BW in media stories	90% positive or neutral, 85% factually correct	Measurement in progress	media review/workspace
3.5.1.	Maintain media platforms for general public (e.g. website, Facebook)				
3.5.2.	Develop and share public information materials (e.g. newsletters, brochures, presentations)				
3.5.3.	Engage with international media				

Outputs and activities	Indicator	Target	June 2014 Reporting	Means of verification	Risk assumptions
<b>Immediate objective 4: By 2015, Better Work have stronger influence over more buyers who will be improving supply chain practices</b>	<b>% of buyer partners reporting changed practices</b>		<b>In process</b>	<b>Factory managers satisfaction survey Buyer reports under partnership</b>	Buyer partners are not engaged in Better Work activities as expected or do not respect their commitment to the Programme
<b>Output 4.1: A Buyer Partner Scheme and a Buyer Participant Scheme are implemented making Better Work relationship with an increased number of buyers more accountable, transparent and focused on results</b>	Level of buyer satisfaction		IN progress	Annual buyer partner survey on all BW programmes starting Q4 2014	
4.1.1. Review internal and external communications systems and develop protocols/mechanisms as required	# of new buyers joining the programme		27	Signed partnership agreements	
4.1.2. Develop and monitor customer relations management system that supports communication with buyers and provides transparency on buyers' activities across BW programmes.	# of participants converting to partners		27	Signed partnership agreements	
4.1.3. Track perceived BW service quality among buyers					
4.1.4. Identify buyers that have the critical sourcing volume and sourcing base in BW countries, and promote the programme to them					

<p><b>Output 4.2:</b>  <b>Engagement with buyer partners to develop new business practices that result in greater benefits to workers in their supply chains is undertaken, and implementation of practices by buyers is supported and promoted</b></p> <p>4.2.1. Identify buyer partners (champions) to work with and areas for collaboration with those specific buyers</p> <p>4.2.2. Identify possible procurement (organization) partners (e.g. vendors, buyers' procurement departments, CEOs) and engage with the best in the field in order to influence procurement practices and to promote change in buyers' procurement practices</p> <p>4.2.3. Compile buyer supply chain compliance reports as well as crosscutting reports based on themes (data analysis), e.g., at the national or transnational levels</p> <p>4.2.4. Engage with companies to develop plans to implement new practices</p>	<p># of buyers engaging actively with Better Work outside core services (Extra-curricular projects)</p>	<p>3</p>	<p>Specific MoUs with buyers  Project briefs</p>
<p><b>Output 4.3:</b>  <b>Adequate mechanisms are implemented to forge closer working relationships between buyer partners and national industry constituents to develop joint approaches to improve conditions for workers</b></p> <p>4.3.1. Develop and implement protocol to communicate and coordinate with buyers</p> <p>4.3.2. Support local and regional Buyers' Forums where required</p> <p>4.3.3. Organize regular international Buyers' Forums</p>	<p># of joint strategic engagements from brands and national stakeholders</p>	<p>In progress</p>	<p>Buyer Forum Minutes</p>



<b>Output 4.4:</b> <b>Relationships with supplier networks and factory groups will be strengthened to contribute to effective buyer advocacy and improved practices resulting in greater benefits for workers</b>	# of strategic engagements with vendors (eg. Systematic sharing of information on buyers' practices)	5	Customer Relations Management system  Vendor Strategy (in progress Q3 2014)
4.4.1. Identify relevant partners and build relationships with vendors and conduct research activity with vendors on buyer behavior			
4.4.2. Analysis of data and generation of targeted reports			
4.4.3. Dissemination of data/reports to buyers (groups and individual) and to larger audience (institutional partners, academia and public)			

Outputs and activities	Indicator	Target	June 2014 Reporting	Means of verification	Risk assumptions
<b>Immediate objective 5: By 2015, Better Work programmes have strong and appropriate governance and are viable</b>	# of country programmes that meet their sustainability targets	8	Measurement in progress	Country programmes reports on sustainability plans	The Better Work Governance structure is not fully playing its role by providing advice or taking decisions at the expected level New leadership within both organizations are not supporting the partnership
	A viability strategy for BWG endorsed by ILO & IFC	1		Strategy document Minutes from MG meeting	
<b>Output 5.1: Donor base broadened to maximize availability of financial resources and to ensure continued implementation of programme strategy</b>	# of strategic partnership agreements signed with new donors	7	3	Signed grant agreements	
5.1.1. Develop and implement joint resource mobilisation strategy between IFC and ILO					
5.1.2. Extend partnerships with existing donors in support of Better Work global and relevant country programmes					
5.1.3. Develop and finalise agreements with new donors in support of Better Work					
5.1.4. Develop and implement donor communication plan at programme-wide level					

<b>Output 5.2: Robust sustainability strategies are developed and implemented in all operating countries</b>		# of countries that have a sustainability strategy	8	7	Sustainability strategy documents endorsed by national constituents
5.2.1.	Carry out evaluations/reviews in all operating countries and jointly identify sustainability strategies adapted to local context, including clear indicators and mechanisms, as well as an implementation plan with clear timeline				
5.2.2.	Develop licensing agreement template				
5.2.3.	Support large country programmes in Asia to ensure that operational cost recovery is achieved				
5.2.4.	Develop model for evaluating the case for public financing of Better Work core service delivery, with special attention to situations where a relatively small export garment industry provides a high proportion of formal employment				
5.2.5.	Support country programmes as required in order to get PACs functioning as appropriate local governance structures				
5.2.6.	Support country programmes to build the capacities of national Better Work staff to take on management responsibilities				
<b>Output 5.3: Strategic decisions and advice is received through its governance structure to improve Better Work's delivery, outreach and impact</b>		# of Management Group and Advisory Committee meetings organized per year	2/year	2/y	MG and AC minutes
5.3.1.	Develop and implement an MG and AC induction kit for new members	# of informed strategic decisions taken by the MG based on AC's advice <sup>2</sup>	4/year	4/y	MG and AC minutes
5.3.2.	Organise biannual governance meetings around strategic topics				
5.3.3.	Consult Advisory Committee members for advice, insight and support on relevant topics in order to catalyse				

<sup>2</sup> Strategic decisions concern decisions related to the future direction of the programme and can be on issues such as expansion, diversification, scalability, research directions etc.

5.3.4.	change Flag relevant issues and encourage Management Group members to leverage their knowledge, relationships and experience to help further the Better Work vision				
<b>Output 5.4:</b> <b>The partnership between the IFC and ILO is periodically reviewed and enhanced, ensuring each organisation maximises its contribution in terms of influence, resources and competencies</b>		# of IFC lending or advisory projects advancing BW's objectives	5	1	IFC project database
		# of CPs in which the work of both partner institutions has been clearly defined in prodocs/logframes	5	In progress	Project documents
5.4.1.	Conduct an independent review of the partnership to seek out opportunities for better and deeper collaboration				
5.4.2.	Lobby for core budget support to the programme within both organizations				
5.4.3.	Develop viability strategy for BWG by end 2013				
<b>Output 5.5:</b> <b>A first-rate HR development system is in place to attract and retain the highest calibre staff both at global and country level</b>		Job satisfaction rate		In progress	Survey monkey (2 staff surveys 2012 /2014)
5.5.1.	Monitor implementation of Performance management Framework at BWG and in each country programme, develop a consistent approach in the definition of objectives				
5.5.2.	Finalize a staff development strategy and provide assistance in the implementation it in each country programme				
5.5.3.	Review of talent is organized once a year in each CP (CTA + HR + Director) and at global level.				
5.5.4.	Offer career opportunities / mobility / staff exchange				
5.5.5.	Develop Leadership Programme and				

360° for BW Management

- 5.5.6.** Lead a BW Staff job satisfaction survey  
and follow up actions plans