



Evaluation Summary



International
Labour
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Independent Final Evaluation of Better Work Global Program Phase III

Quick Facts

Countries: *Global Programme covering Cambodia, Vietnam, Haiti, Indonesia, Jordan, Nicaragua, and Bangladesh.*

Final Evaluation: *November 2017- January 2018*

Evaluation Mode: *Independent*

Administrative Office: *Better Work Programme*

Technical Office: *Better Work Programme*

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Project Code: *GLO/15/67/MUL; RAS/15/55/MUL; and
GLO/12/10/REV*

Donor(s) & Budget: *Multi-donor programme
(US\$ 21,000,000)*

Keywords: *Supply Chains, Garment Industry*

Background & Context

Summary of the project purpose, logic and structure

The Better Work programme (BW) is a joint initiative of the International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group. The programme has been focusing since 2007 on the improvement of working conditions and promotion of competitiveness in global garment supply chains. It is a comprehensive programme bringing together all levels of the garment industry. BW was inspired by the ILO's Better Factories Cambodia project and is currently

active in Cambodia, Vietnam, Haiti, Indonesia, Jordan, Nicaragua, and Bangladesh, targeting globally 2 million workers in more than 1400 factories

The BW Phase III Programme is a multi-donor program of a duration of 5 years (July 2012-June 2017) of almost USD 21,000,000. While maintaining its two-pronged approach of working at global and country level, BW Phase III was characterized by the refinement of its service model to the factories and increasing scaling-up efforts. On top of that, however, efforts are increasingly directed towards stimulating policy change at national level.

Objectives for the 2nd part of Phase III: BW will have..

1. achieved scale, quality and effectiveness.
2. impacted policy and practice at the national and sectoral levels.
3. strengthened its engagement with buyers to improve their supply chain practices.
4. with support from its governance structure, enabled progress towards sustainable/viable country programs

BW has established two global headquarters – one in Geneva and another in Bangkok, and is divided up into sub-teams including research and impact; programming; finance; technical specialists; human resources; and communications. The BWG team coordinates and supervises the country level activities, provides over-arching support to country programs, coordinates the international research agenda, oversees financial management and communications.

At the time of the evaluation, Phase IV had already started (July 2017 – June 2022).

Purpose, scope and clients of the evaluation

This final evaluation looks at the second part of Phase III of the BW programme (July 2015–June 2017).

The evaluation is focused on the global operations of BW, which includes the whole strategic and programmatic approach and common aspects across the country programmes. There is no detailed coverage of each

individual country. Country programmes are subjected to specific evaluations at regular intervals. These evaluation reports were used to draw conclusions at the global and strategic level.

Methodology of evaluation

Taking into consideration the mixed nature and complexity of the BW Global programme's objectives and the modalities of the evaluation, it was decided to use predominantly a qualitative approach, building at the same time on existing quantitative and qualitative data sources. The evaluation did not include field visits, but used country-level evaluation reports as secondary source. This has, somehow, conditioned the contact and interaction with the programme stakeholders and subsequently the type of data collection tools that could be applied, and limited access to national stakeholders, including the social partners. Moreover, the evaluation came at a time when an extensive consultation process for the design of Phase IV had been done. As such, the evaluation entered a very mature process, possibly only feeding into the programme in a later stage.

Main Findings & Conclusions

1. Relevance and strategic fit

BW takes up a unique position in the world of social upgrading of global garment supply chains due to its size, specific institutional set-up, and its multi-pronged approach. All stakeholders consulted confirm support BW's strategic re-orientation in expanding its focus to the national, sectoral and global level. The attractiveness of the programme for international brands relates to its credibility, combining compliance monitoring with social and economic upgrading efforts, and its engagement with stakeholders across the value chain. Within ILO, BW has the status of a Flagship Programme. It has become the reference programme for ILO's work on global supply chains, and is widely recognized for its innovative engagement with the private sector and the IFC. The relevance of its model at factory level has been tested extensively in different contexts. Up to now, BW is mainly focused on the cut and sew garment industry (Tier 1 suppliers) and doesn't systematically include sub-contractors (Tier 2 and beyond). The logframe was adjusted slightly after the mid-term evaluation, mainly cleaning-up inconsistencies in the indicators. Indicator sets for outcome 2 and 3 remain too activity-oriented. Gaps in the intervention logic for the influencing agenda were addressed in Phase IV. BW's toolbox might need to be further enriched in the new phase of the programme to navigate complex political-economy dynamics at the sectoral, national and global level.

2. Project progress and effectiveness

Scale, quality and effectiveness in the service delivery

By crossing the 2 million mark of workers, BW achieved its June 2017 target. The number of participating factories increased by more than 900 between 2012 (583 factories) and 2017 totaling 1,486 at the end of phase III. The roll-out in the footwear industry is slower than anticipated. The same period included a geographical expansion to new areas and a start in Bangladesh. The cooperation with Lesotho was terminated. Feasibility studies were done for new programmes in Ethiopia, Myanmar and Egypt. Monitoring data shows that every BW country programme either maintained or improved non-compliance for the majority of the compliance points. BW is exploring the possibility of expanding to non-BW countries by licensing its training and advisory material. In the roll out of the new service delivery model, initial challenges were largely overcome, but some delays were recorded in preparing for the launch of the new 'differentiation' module in Vietnam. The extensive capacity building efforts of the country teams has been highly appreciated. Expectations regarding the inclusion of an environmental component in the compliance monitoring have not yet been met.

Influencing policy at the national and sectoral levels

This emerging area of work was new to most country teams, but BW managed to contribute to policy reforms in most countries. Examples of contributions to policy reforms reported in Jordan, Indonesia, Bangladesh, Lesotho and Egypt. Country teams have been guided by BWG to come-up with policy influencing strategies, but these were not codified, nor integrated in ILO DWCPs, limiting the possibility for cross-country learning and building ILO synergies. Collaboration with other ILO units remains a challenge in 'old' BW countries. At global level, BWG contributed to the 2016 ILC session on global supply chains, and during the ILO 2016 meeting of experts on Violence at Work. The impact assessment study has been instrumental in supporting policy work at country level and within ILO and IFC, and engaging with donors. The use of the research outside the close group of BW stakeholders has been limited. Aside from the IFC partnership, BW is careful in partnering with external multi-stakeholder initiatives or institutions. BW is still deliberating on its role in the ambitious Social and Labor Convergence Project (SLCP).

Engagement with buyers

The interaction with brands has become more structured through the development of partnership agreements. The target for the number of buyers improving partnership commitments was surpassed. However, BW is still searching

for ways to give sufficient weight to the partnership reviews, including improving the engagement of the purchasing departments. The work on sustainable sourcing practices is not yet developed inside the partnership agreement. The BW Academy has turned out to be a new and promising way of engaging with brands. BW has been productive in developing new materials (5) and events (12) for buyers.

3. Efficiency of resource use

Although the picture is incomplete due to gaps in the available data, there are indications that efficiency receives sufficient attention. The new service delivery model is assessed as more effective, but not necessarily more efficient. The restructuring of the BW global office has improved efficiency for the Asian BW countries, with only small inconveniences for other BW countries. At an operational level, problems continue to emerge with the IT backbone of the compliance monitoring system (STAR), which is described by several insiders and outsiders as slow and rigid, and lacking features to extract aggregated data.

4. Effectiveness of management arrangements

BW is a self-critical, evidence-based and responsive programme, as witnessed through the systematic research and evaluation uptake and learning-oriented events. In view of BW's expanding agenda, the complexity of the programme increases, which requires more expertise to deal with political-economy issues. The BWG support for the country programmes, is highly regarded by BW country teams. The organizational culture is not too hierarchical, centralized or bureaucratic. The integration of the different monitoring systems and framework is not finished. The overall governance of BW is satisfactory, including the functioning of the advisory structures and management. After the 2015 evaluation, additional efforts have been made to optimize synergies within the ILO – IFC partnership, including the appointment of dedicated officers and improved communication protocols. Progress has been made, but the outcomes are emerging rather slow at the country level, where incentives for intensified collaboration seem to be missing, together with time constraints, and a lack of information. Regarding the environmental component of the BW model, it remains unclear if this is really desirable, realistic and a priority for BW.

5. Impact

The impact assessment research has provided strong and robust evidence that at ground level the programme's theory of change works and its immediate effects are able to trigger further changes in peoples' lives and factories' productive practices (summary of key findings described in the report).

6. Sustainability

BW's fundraising status is generally strong, but with shifting donor engagements, maintaining the cash flow has been difficult at times. There are encouraging figures of cost recovery in Asian country programmes: Cambodia 95%, Indonesia 71%, Vietnam 61%. There is agreement that cost-recovery cannot be achieved for countries with small garment industries. A new price recovery system has been accepted by factories and brands. More attention was paid to country sustainability strategies after problems with the exit in Lesotho. Most advanced in institutionalization is happening in Indonesia (through a foundation), and Jordan (through advanced cooperation with the inspectorate), in other countries there is no breakthrough yet.

Recommendations

Main recommendations and follow-up

1. Completing the improvement of the BW log frame

- a) In line with the mid-term evaluation, BWG has successfully revised its log frame. This process should be continued by (1) improving the formulation of the outputs under outcome 4 on the global policy dialogue on DW and the SDGs by reformulating them in an actor-centered way, and strengthening the articulation of how outputs are expected to lead to the outcome; (2) integrate aspects of 'quality' and 'appreciation of strategic importance' in quantitative indicators; and (3) the monitoring system should be complemented with indicators at the development goal level to map and follow-up the programme's context.
- b) BWG should consider introducing simple client-satisfaction instruments to get feedback on its services (STAR system, publications,) from key stakeholders it is servicing and which are not covered by ongoing M&E or research efforts.

2. Unlocking the power of existing BW datasets

BWG should mine more actively the compliance monitoring datasets to serve the information needs of different stakeholders, while respecting existing data privacy and commercial agreements with brands and factories. This should be done by mapping out the potential users and uses. Ideally, CAT data would be further integrated with other data sources, such as advisory and training statistics. The STAR programme should be made more user-friendly and capable of presenting overviews of specific themes and CAT items, historical trends, graphs and other visuals, with different

levels of access and detail for different users, and consider an annual ‘State of the Garment Sector’ report.

3. Continue to strengthen the collaboration with other ILO departments and programmes

Phase III has brought substantial progress in the collaboration with other ILO structures, but needs to be deepened, especially in the ‘older’ BW countries and at the regional level. Collaboration strategies need to be explored which are light in terms of governance, respect BW’s partnership with IFC, and re-enforce BW’s alignment with DWCPs.

4. Safeguarding the coherence of the overall set of scaling-up and institutionalization strategies

BW is mobilizing a variety of strategies to scale-up and institutionalize its operations beyond the factory level. BW’s approach of designing context-sensitive strategies which are systematically tested before being rolled-out more widely, is an excellent approach. However, there is need to regularly review in dialogue with national and international BW stakeholders the overall coherence of the different strategies to avoid potential conflicts and missing windows of opportunity.

5. Continue to explore and monitor alternative options for strengthening the enabling environment

- a) Up to now, institutionalization strategies for BW’s compliance monitoring activities focus a lot on strengthening the inspectorate and contributing to policy reforms. A sustainable compliance monitoring system requires also substantial capacity amongst the social partners. Considering the lack of capacity of employers’ associations, various intermediaries and workers organizations, there is a need for BW, together with other ILO units, to increase efforts to build the capacity and increase the voice of the social partners.
- b) BWG should consider providing additional support to the country teams to enable them to develop, together with local stakeholders, country road maps for the influencing agenda. This should strengthen efforts to make ILO act in a concerted way on the ground.

6. Strengthening the governance of the monitoring of brands’ performance to source more sustainably

BW should explore different governance options for the monitoring of brands’ performance towards more sustainable sourcing practices (eg. shortening the supply chain, building longer term relationships with suppliers, and addressing due diligence problems). The current buyer partnership review system is possibly not the best

structure for the sensitive sourcing practices, which might touch upon higher commercial interests. In addition, an argument can be made that, from a sustainability perspective, governance systems need to be designed which are not only linked with a specific programme (BW), but rather with the underlying institutions and/or other stakeholders. Alternative governance options could be organized through the engagement of an ILO expert panel, a mixed ILO-WBG panel, etc.

7. Deepening the renewed communication efforts, further supported by a research agenda

- a) In Phase III, BW laid the foundations of a communication agenda by investing in more communication capacity, upgraded communication channels, and new products. Future efforts should focus on reaching out to a wider group of audiences, including national policy makers, experts and practitioners on social upgrading, academic networks, and the broader public.
- b) BW has a model where research is not an add-on but is integrated in the core of its operations. BW will need to continue investing in research to guide its operations. The new agenda might require additional research and implementation capacity, in the area of gender, political-economy issues,. ILO could consider a case study on BW’s approach to set-up research partnerships, and their use to steer operations.

8. Continue the strengthening and optimization of the ILO-IFC partnership

- a) There is need to enhance the participation of the BW-ILO country teams in the follow up and management of IFC pilot projects. In the same line, it seems advisable to anticipate the mechanism that are going to be applied to incorporate the outcomes of these projects into the service model, otherwise moving beyond the pilot phase is unlikely. An effort should be made to further enhance the visibility and significance of these projects across the whole spectrum of stakeholders.
- b) The feasibility of the environmental component needs further discussion between the partners. Little progress has been made so far and it is not clear whether it is just related to implementation constraints or other more structural reasons. It seems advisable to assess which are the real possibilities for the programme to incorporate this component and proceed accordingly.

For Lessons learned and Good practices see the full report.