



# Evaluation Summary



International  
Labour  
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## *Better Work Indonesia Phase III– Midterm evaluation*

### Quick Facts

<b>Countries:</b>	<i>Indonesia</i>
<b>Mid-Term:</b>	<i>28<sup>th</sup> February 2018</i>
<b>Evaluation Mode:</b>	<i>Independent</i>
<b>Administrative Office:</b>	<i>Better Work Indonesia and CO-Jakarta</i>
<b>Technical Office:</b>	<i>Better Work</i>
<b>Evaluation Manager:</b>	<i>Pamornrat Pringsulaka and Raviprapa Srisartsanarat</i>
<b>Evaluation Consultant(s):</b>	<i>Ana García Femenía and Hemasari Dharmabumi</i>
<b>Project Code:</b>	<i>INS/14/51/NET, INS/12/10/MUL, INS/11/04/REV</i>
<b>Donor(s) &amp; Budget:</b>	<i>8,943,987 USD</i>
<b>Keywords:</b>	<i>Better work, tripartisme, social dialogue, labour inspection, garment industry</i>

### Background & Context

#### **Summary of the project purpose, logic and structure**

BWI Phase III started in January 2016 and runs until December 2018 with the objective of providing its services to 280 factories, creating a sustainable structure for the delivery of services and helping build the capacity of the national constituents to improve compliance with national labour law and international labour standards.

The developmental objective of BWI Phase III is to improve workers' lives and strengthen the competitiveness of the Indonesian garment sector. BWI's strategy for the third phase of the programme was based on two outcomes, (1) by 2018, BWI will have achieved scale, quality and effectiveness in its core service delivery to improve working conditions, especially for women workers, in the Indonesian garment and footwear sector, and (2), in support of BWI's mandate, necessary changes in relevant laws, strategies, policies and practices at the sectoral and the national level are initiated and influenced by BW.

#### **Present Situation of the Project**

BWI has been making sufficient progress towards its planned results. BWI has organized various meetings, forums, symposiums, collaborations and technical workshops in order to strengthen the partnership with MoM and other stakeholders and partners; set-up the Trade Unions' Task Force at the district level and conducted industrial relations roundtable to improve its members' compliance; organized the FGD and annual business forum to strengthen cooperation with vendors/buyers. However, cooperation with other ministries has not started and PROKEP was discontinued.

Two main issues are affecting the project's achievement: the implementation of UMPK—which is decreasing the level of the minimum wage in intensive industry sectors— and the agenda to amend the Manpower Law, which is weakening the restriction of PKWT provision. This agenda could be an important entry point for the ILO Jakarta office to raise the participation of stakeholders in policy influencing.

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

Specific objectives of the independent mid-term evaluation are to assess the continued relevance of the interventions, the validity and logic of project's theory of change, the project implementation effectiveness, the efficiency of resource use and the likelihood of the interventions' sustainability. The specific purpose of this mid-term evaluation (MTE) is for project improvement with a focus on policy and influencing agenda in Indonesia (Outcome 2), not the operational components at the factory level. Gender equality and non-discrimination, promotion of international labour standards, tripartite process and constituent capacity development will be key issues to address in this evaluation.

## **Methodology of evaluation**

A master list of key evaluation questions contained within the terms of reference has been included in the Evaluation Matrix, serving as the basis for the development of the data collection tools. The evaluation matrix contains quantitative indicators coming from the programme's logical framework (LF) and additional qualitative indicators complemented by the evaluation team. Data collection tools included desk review, interviews, and participant observation in several programme activities, like the Annual PAC meeting and the Writing Workshop with Ministry of Manpower.

Two evaluation limitations should be mentioned. The evaluation team could not conduct the planned participant observation process with the buyers as this was not in the end considered advisable by the organizers. Interviewees were fewer than originally projected due to the fact that the evaluation was held in December, the month in which some ILO officials and stakeholders take Christmas holidays.

## **Main Findings & Conclusions**

BWI is very relevant to the government and the unions in Indonesia. However, the employer's organizations APINDO and API perceive BW as a programme that responds to the buyers' demands and that protects workers' rights. The overall assessment for APINDO

is therefore that their own suggestions within the programme are not considered while workers' suggestions are always adopted. There is no buy-in from their side towards BWI.

The three constituents acknowledge the relevance of the tripartite process being developed in the programme. Participants in the PAC meetings emphasized the importance of the PAC process because social partners and government hardly meet at the sector level. They appreciate the relevance of the programme, as it provides a permanent structure for such meetings. There is a common perception that more maturity is needed from all stakeholders for the tripartite process to be more ambitious and effective.

The overall design of the LF shows weaknesses that undermine the programme's capacity to develop a clear strategy to achieve the development goal. There is no clear results chain linking the programme's different outputs to its targeted outcomes in order to achieve the overall objective. A clear strategy seems to be lacking on how lessons learned from BWI at the factory level can feed into an influencing agenda. It should be further clarified how both outcomes (1 and 2) would contribute to improve workers' lives and garment industry competitiveness. Performance indicators have been reviewed during the programme's lifetime. There is however still room for improvement for these indicators be more effective at monitoring the programme's progress.

BWI has established a union's task force on the district level. Although the programme was held with only four of the 13 members of the labour unions' federation, these are positive measures towards developing workers' inter-organizational cooperation and towards addressing labour unions' fragmentation. On the employers' side, no activities have taken place. Several issues are undermining employer engagement, such as a limitation in APINDO's involvement in the garment sector, low participation from API and no participation from KOGA. BWI has not succeeded in increasing employers' association participation rate and engagement.

Specific strategies and activities have been developed to promote gender equality, such as supporting the developing gender inclusive policies and addressing discrimination issues at the enterprise level; promoting participation of women workers in decision-making processes and institutions and promoting maternity protection. BWI has begun a gender analysis of the Indonesian garment and footwear industry, which is expected to be completed in the second term of the 2016-2018 programme.

BWI is not optimizing the technical expertise available within the ILO. The programme is not benefiting from sufficient strategic advice. The interconnection between BWI and ILO Office Jakarta seems to exist at the activities level, but more needs to be done at the strategic level in order to achieve the programme's goals. The influencing policy agenda is a recent strategy of BWI. At the country level, further guidance is needed from BWG on how to take advantage of the advancements achieved at the factory level on workplace compliance to influence the policy agenda.

BWI has effectively cooperated with the German funded project on labour standards in the global supply chain that covers Cambodia, Indonesia and Pakistan, with a focus on wages and collective bargaining. Both projects have a similar advisory committee (PAC) that helps them to liaise with the tripartite constituents, although the employers seem to be more strategically represented in the German project through the sectorial organization API. This project has focused on *changing mindsets instead of changing the law*. Positive synergies between the two projects could be further developed.

The current structure and functions of the Project Advisory Committee show many limitations to be conducive to achieving policy agenda influence. The PAC currently responds to BWI needs to involve the tripartite constituents. But the responsibilities and roles of the three constituents are very different in the two main actions of BWI, which are represented in Phase III in Outcome 1 (work at the factory level) and Outcome 2 (influencing agenda). A revision of the

PAC is therefore crucial to making it conducive to achieving the influencing agenda goals.

The programme's core activity (nearly its only activity) in order to achieve Outcome 2 is the organization of trainings and meetings, and the provision of staff's technical expertise. The major component of the budget is therefore assigned to technical meetings organized with constituents. Some of these meetings may be inefficient, considering their cost in relation to the expected outputs. No specific studies, research or consultancy work seems to be included in the budget/work plan. No provisions for study visits abroad have been considered for the constituents (participants in the PAC). Efficiency seems to be undermined due to the scarce variety of inputs to achieve the different outputs.

The phase-out strategy for the project is in place and being implemented. The project has made significant progress towards the establishment of a national foundation and towards the revitalization of PAC. The national Foundation has recovered 69% of its operational cost as of June 2017. These will improve the probability of achieving financial sustainability by the end of Phase III. Regarding Outcome 2, BWI and its stakeholders need to clearly articulate this phase-out strategy by defining the activities that need to be sustained, resource implications of the plans, and gaining commitment from stakeholders for the new divisions of roles and responsibility around the PAC/national tripartite garment body.

### Recommendations

A tripartite revision of the role, functions and responsibilities surround the PAC is needed. With the aim of converting the PAC into a national tripartite body for the garment sector, a participatory reflection must be carried out. Bearing in mind the goal of influencing policy agenda, this body could, in the future (BWI Phase IV), develop into a national tripartite body/observatory/forum for the garment sector.

A change in the ILO/BWI approach towards the employers' organizations is needed to get their further engagement in BWI. Employers should be approached as potential clients and users of the information coming from BWI work at factory level. Therefore, other stakeholders from Indonesian employers' side should be reached out to and invited to sit at the table. This includes APINDO, API and KOGA.

For the remaining part of BWI III, a revision of the LF is advisable, following the guidelines in the ILO Manual for Cooperation for development. This would entail merging all the information the programme has in the LF, the work plan and the PPM, and taking actions to make it consistent. Qualitative indicators should be added for Outcome 2. These could be drafted to focus more on the real changes that the intervention hopes to achieve, in terms of influencing agenda.

It is advisable for the revised LF to include a communication plan/strategy in activating the communication staff roles, both in BWI and the National Foundation, and in anticipating present weakness areas: re-engagement activities with APINDO, API and KOGA; seeking to update the situation on a policy level; and building relationship and networks with other Ministries and Parliament, both at national and provincial levels.

BWI has started a gender analysis of the Indonesian garment and footwear industry, which was expected to be completed in the second term of the 2016-2018 programme. This strategy should be shared among three tripartite stakeholders, MoM, unions and employers through their respective organizations by involving the corresponding gender departments.

At the country level, further guidance is needed from BWG on how to take advantage of the advancements achieved in workplace compliance at the factory level to influence the policy agenda. BWI could easily benefit from strategic advice from Better Work Global. Further involvement of BW Officials dealing with the policy influencing agenda is needed in Indonesia, including scalability of BWI to reach the garment

supply chain through further expansion into the large export-oriented garment and footwear sector and/or beyond tier-1 garment exporters, their subcontractors, and to producers for the domestic market.

The interconnection between BWI and the ILO Jakarta Office must be more strategic in order to achieve the programme's influencing agenda goals. When reviewing the PAC and its development towards a national tripartite body/forum for the garment sector, the possibility of having a special tripartite commission chaired by the ILO Jakarta office director could be considered.

The German-funded project on labour standards in the global supply chain that covers Cambodia, Indonesia and Pakistan has a similar advisory committee (PAC) that helps the project to liaise with the tripartite constituents. The German project has focused on *changing mindsets instead of changing the law*. Positive synergies between the two projects could be further developed.

In order to increase the programme's efficiency, reviewing the work plan and budget and including further consultancy/research activities and study visits for the stakeholders is advisable. Peer learning among garment sector employers in the ASEAN region could increase the programme's effectiveness. Further analysis with BWG on how to optimize the comparative experiences within the programme is also prudent.

It is advisable for API and APINDO to consider the interest in engaging in BWI as a means of following up on the developments taking place in industrial relations within the garment sector. Inviting factories participating in the programme to take part in the PAC is recommended.