



# INDEPENDENT FINAL EVALUATION OF THE SUSTAINABLE SUPPLY CHAINS TO BUILD FORWARD BETTER (SSCBFB) PROJECT

## QUICK FACTS

**Countries:** Global Supply Chains and actions in Colombia, Madagascar, Malaysia, Namibia, Colombia

**Evaluation date:** 01 March 2023

**Evaluation type:** Project

**Evaluation timing:** Final

**Administrative Office:** ILO/SECTOR

**Technical Office:** ILO/SECTOR

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**DC Symbol:**

**Donor(s) & budget:** EC-EaSI (1.400.000 €) and ILO: (146.734 €). Total Budget: 1.546.734 €

*Key Words:* Global Supply Chains, Decent Work, Social Dialogue

## BACKGROUND & CONTEXT

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

The Sustainable Supply Chains to Build Forward Better (SSCBFB) project was developed by ILO and the EC's Directorate General for Employment (DG-EMPL) under its Employment and Social Innovation (EaSI) programme to address key decent work-related challenges in a number of specific supply chains and countries. The SSCBFB project is implemented from January 2021 until July 2023, with a budget of € 1.546.734 (1.793.075 USD), of which € 1,4 million (1.612.265 USD) was contributed by the EU.

ILO and the DG-EMPL shared a common concern to address impacts of COVID-19 on decent work in selected global supply chains. The selected sectors in the SSCBFB project are key to the five countries' economies and continued growth and development, and the EU is an important market for all of them. The five selected sectors in the SSCBFB project are: Coffee production in Colombia; Textiles manufacturing in Madagascar; Rubber gloves production in Malaysia; Fisheries in Namibia; and Electronics manufacturing in Viet Nam.

The SSCBFB project is composed of three closely inter-related outcome areas:

1. Analysis and research on selected supply chains, including in five countries and further tiers of the supply chains, and the impact of COVID-19;
2. Tools, policy advice and training;
3. and Support to national, sectoral, regional and global constituents and stakeholders along the supply chains taking steps to advance decent work in the supply chains as part of their response to the COVID-19 crisis

### Present situation of the project

The SSCBFB project at the time of this evaluation, is in its final period of implementation until its end date of 30 June 2023, including a three-months no-cost extension phase from April to June 2023. The project has finalised deep dive and rapid assessment studies in all five sectors and countries. Numerous events, training courses, tools and other communication products have been delivered, with outreach activities at the level of the EC and EU-level stakeholders still planned for the remaining period.

### Purpose, scope and clients of the evaluation

The main objective of this independent final evaluation is to provide an objective assessment of the accomplishment of SSCBFB project activities during its implementation period. This evaluation has examined the project intervention from January 2021 to December 2022, the moment of implementation of this evaluation, with six months to go the end of the project at the end of June 2023. The geographical coverage of the



	<p>assessment includes the deliverables and products at global level and in five countries and their value chains.</p> <p>Gender equality, non-discrimination, international labour standards, social dialogue, and a just transition to environmental sustainability have been addressed as crosscutting themes in this evaluation.</p> <p>The key users of this evaluation are ILO’s constituents, national and international partners, including national ministries of labour and other line ministries, sectoral social partners, enterprises and EU actors in the five countries. Furthermore, the findings of this final evaluation will be used by ILO’s management and its policy portfolio departments as well as ILO regional offices and field offices covering concerned countries. Another important user of this evaluation is the donor, the European Commission’s DG-Employment’s EaSI programme.</p>
<p><b>Methodology of evaluation</b></p>	<p>This evaluation was based on a mixed approach to ensure that forward and backward perspectives in the analysis can be combined. Furthermore it has focused on utility of conclusions and recommendations for the future phase of the project. And also lessons learned were generated from the research. Within the short-term framework and limited budget for this evaluation, the evaluator has tried to maximise participation of evaluation stakeholders to ensure that their views were properly taken into account.</p> <p>In total 71 key informants were interviewed and an additional 19 stakeholders have provided inputs through a multi-lingual survey. In two countries, Malaysia and Viet Nam field work was done to meet with internal and external stakeholders at the country and sector level, in two four-day country visits.</p> <p>At country and global level briefing and debriefing meetings were organised with ILO officers and EC representatives. The research approach and methodology were prepared during an inception phase and agreed upon among the key stakeholders in this evaluation, the EC-EaSI and ILO.</p>
<p><b>MAIN FINDINGS &amp; CONCLUSIONS</b></p>	<p>The SSCBFB project of ILO has been relevant to respond to challenges and opportunities in promoting decent work, responsible business behaviour and due diligence principles in the selected five global supply chains.</p> <p>SSCBFB has applied a country focus in its implementation, mainly due to the limited two-year time frame and the modest available budget for this project. As a result, SSCBFB has not yet fully met its original ambition to address building forward better challenges at the global supply chain level.</p>



ILO as the implementing actor of the SSCBFB project has been relevant as an impartial convener and bringing in its highly valued international expertise. ILO has facilitated national partners to come together more easily around sector level challenges, than they otherwise would have done.

The project set-up has been ambitious in considering five different supply chains in five different countries, across three continents. While in specific countries at specific sectors relevant outcomes have been achieved, the SSCBFB project, at the time of this evaluation has not yet had substantial outreach to supply chain leading companies and other stakeholders in the EU

At the country level, key outputs foreseen in the original SSCBFB project planning have largely been achieved, though with some delay. In Colombia and Namibia, the SSCBFB project has achieved significant outcome level changes in terms of sectoral and regional tri-partite commissions on decent work in coffee and fishery respectively. In Malaysia, the SSCBFB has been able to align and follow up on Malaysia's National Action Plan on Forced Labour in the specific sector of rubber gloves. In all SSCBFB countries, trust has been built among national and sectoral tri-partite partners and regular social dialogue has been established at the sector level.

An important bottleneck in achieving sector level changes in social dialogue on decent work in global supply chains, is the fact that organisational capacities of workers' organisations in specific countries and sectors are not as strongly developed and presence of trade unions at specific sector and company level is sometimes weak, which is causing imbalances in social dialogue and CBA processes.

The COVID-19 pandemic has had a big influence on specific supply chains addressed in the SSCBFB, and its effects have been quite diverse in kind and time-frame. These different contexts and timeframes of change processes have influenced the speed and perspective to reach longer-term outcomes and institutional changes in the framework of the SSCBFB. While countries and sectors show recovery from COVID-19 challenges in 2022, new supply-chain challenges are emerging to global high inflation rates leading to increased food and energy prices and regional re-ordering of supply chains, particularly in Asia.



While social dialogue and collective bargaining in the SSCBFB countries at the sector level contribute to addressing decent-work challenges, solving these decent-work challenges comes with costs. Companies at the country level express concern that these costs of improving decent work conditions are mainly absorbed at the country and at specific company level, with lead actors in supply chains pushing these costs to the upstream level in the supply chains. Employers and workers organisations at the country and international level call for a fairer distribution of these costs across the international supply chain.

Against the modest external EC-contribution, ILO has provided a significant contribution in cash and in kind to complement these external resources to allow effective and efficient implementation at the country level. Additionally, the SSCBFB project was designed as project to be implemented in close alignment and synergy with other ILO interventions in the countries of implementation. This has allowed the SSCBFB project to bank upon previous deliverables and expertise in other ILO projects.

The tripartite sectoral commissions established in the coffee and fishery sector in Colombia and Namibia and first joint-inspections in the fishing sector in Namibia provide proof of emerging impact of the SSCBFB project with good potential for sustainability with the formal establishment and recognition of these commissions and practices. In Malaysia, the SSCBFB project has been able to link initiatives in the rubber glove sector to the National Action Plan on Forced Labour and among companies in the sector there is wide commitment to further work on improvements. Perspectives for institutional changes that can be sustained without further support by ILO are not as strong in Viet Nam and Madagascar than in the other SSCBFB countries.

Women have been considered in project design and implementation of activities, mostly in research and training activities that include systematic attention to gender equality and women’s empowerment. In Malaysia, specific attention for inclusion of migrant workers, as a vulnerable group, was provided. Environmental aspects of building forward better of the specific supply chains have not been considered systematically in the SSCBFB research rapports and activities.

**RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES**

**Main recommendations**

1. ILO-SECTOR is recommended to move beyond the current country-focus in SSCBFB and consider a stronger international approach to address decent work challenges in global supply chains in a possible

follow up project to the SSCBFB. This includes an increased focus on the EU and EU-stakeholders at the downstream level of the supply chains and also by securing a closer involvement of international and sector level employers' and workers' organisations. This international approach should match available time and resources in the choice of sectors and number of countries;

2. ILO-SECTOR and EC-EaSI are recommended to discuss possibilities to establish a longer-term time frame for implementation of the next supply chain project. In addition, ILO-SECTOR and EC-EaSI should explore possibilities to mobilise support from decentralized EU delegations in relevant project countries and from possible other EU sources and ILO-SECTOR should actively explore other sources of internal and external funds to complement the EC-EaSI funds;
3. ILO-SECTOR and EC-EaSI are recommended to establish a closer link between the next SSCBFB project-phase and the EC's Due Diligence Directive preparation and implementation to achieve more synergy between ILO's actions on International Labour Standards (ILS) and EU's enforcement of Human Rights Due Diligence to achieve lasting improvements in decent work conditions across global supply chains;
4. ILO-SECTOR is recommended to explore cooperation with relevant other actors, including relevant other ILO projects, offices and departments in other relevant countries, to address upstream challenges in specific supply chains that require actions in countries where sourcing of inputs is done or in countries that compete in the same supply chains. This requires an international focus across sourcing countries;
5. ILO is recommended in the follow up on the current SSCBFB project to strengthen ILO cluster approaches to look at structural features of social dialogue and collective bargaining mechanisms and institutions that exist at the country, sector and company level;
6. ILO-SECTOR is recommended in the next generation of the decent work in supply chains project to establish more direct cooperation with relevant Global Union Federations (GUFs), who are active in specific supply chains and reach out to social partners across the global supply chain;
7. ILO-SECTOR is recommended to systematically include attention to gender, inclusion and environmental sustainability aspects, during all phases of project implementation and to systematically include dedicated sections in its plans, reports and communication deliverables.

**Main lessons learned and good practices**

- Selection of sectors and countries in SSCBFB was based on ILO's contacts and experiences in these countries. This has enabled ILO to





quickly liaise with the relevant partners in the countries and time for trust-building with local partners could be rationalized. And additionally, the SSCBFB could be linked with other ILO interventions;

- ILO has pooled resources from ILO and other ILO projects with the available resources of the SSCBFB project enabling cost-effective production of training- programmes and tools and guidelines to address decent work principles in SSCBFB;
- The sector and supply chain level identified In the SSCBFB project design and implementation as a key entry point to improve decent work conditions has proven to be valid because specific partners and stakeholders can be brought together around concrete and tangible problems and challenges;
- The design, preparation and sourcing of sectoral research is time-consuming and this presents a clear risk in situations where conditions in supply rapidly change, sometimes in less than two years that it took to finalize these research projects. Quick and flexible approaches are required to produce these supply chain research reports to ensure that they can feed into policy development and development of new up-to-date interventions;
- Tackling decent work challenges in global supply chains require, in addition to national actions, also an international approach, as problems and causes for specific poor performance or non-compliance with decent work principles are both national and international. A country focus alone is insufficient to address effectively key governance and management challenges in supply chains both at the upstream and downstream level;
- A global supply chain project, such as SSCBFB, requires a long-term timeframe and a considerable budget to produce lasting changes at the outcome and impact level and at the level of global supply chains;
- While COVID-19 has had a pronounced impact on direction and speed of changes in supply chains, the structural challenges to improve decent work in specific supply chains have remained largely the same. A consistent approach to improve decent work in international supply chains requires a combination of working on legal frameworks and enforcement and voluntary actions.