



# BetterWork

## STAGE IV STRATEGY

# Third Annual Donor Report 2019

Global • Bangladesh • Cambodia  
Ethiopia • Haiti • Indonesia  
Jordan • Nicaragua • Vietnam



International  
Labour  
Organization



International  
Finance  
Corporation  
WORLD BANK GROUP

## P&B OUTCOMES

P&B 2018-2019: Outcome 7: Promoting workplace compliance through labour inspection

PB 2020-2021: Outcome 7: Adequate and effective protection at work for all

## COUNTRIES COVERED

Bangladesh, Cambodia, Ethiopia, Haiti, Nicaragua, Indonesia, Jordan, Vietnam

## PHASE IV START DATE

1 July 2017

## PHASE IV END DATE

30 June 2022

## FREQUENCY OF REPORT

Annual

## SEQUENCE

Third Report (January - December 2019)

## DONORS RECEIVING THIS REPORT

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Australian Government  
Department of Foreign Affairs and Trade



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FOREIGN AFFAIRS  
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State Secretariat for Economic Affairs SECO



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<b>ACTRAV</b>	ILO Bureau for Workers Activities	<b>MOLE</b>	Bangladeshi Ministry of Labour and Employment
<b>ACT</b>	Action Collaboration Transformation	<b>MOLVT</b>	Cambodian Ministry of Labour
<b>ACTEMP</b>	ILO Bureau for Employers Activities	<b>MOLISA</b>	Vietnamese Ministry of Labour
<b>AGOA</b>	African Growth Opportunity Act	<b>OFATMA</b>	Haitian Office of Occupational Accident Insurance, Sickness and Maternity
<b>BEF</b>	Bangladesh Employers Federation	<b>OSH</b>	Occupational Safety and Health
<b>BGMEA</b>	Bangladesh Garment Manufacturers and Exporters Association	<b>ONA</b>	Haitian National Insurance Office
<b>BKMEA</b>	Bangladesh Knitwear Manufacturers and Exporters Association	<b>PAC</b>	Project Advisory Committee
<b>BSCI</b>	Business and Social Compliance Initiative	<b>PACE</b>	Personal Advancement and Career Enhancement
<b>BSR</b>	Business Social Responsibility	<b>PC</b>	Participation Committee (Bangladesh)
<b>CAT</b>	Compliance Assessment Tool	<b>PICC</b>	Performance Improvement Consultative Committee
<b>CBA</b>	Collective Bargaining Agreement	<b>PACE</b>	Personal Advancement and Career Enhancement
<b>CGTI</b>	Cambodian Garment Training Institute	<b>QA/QC</b>	Quality Assurance/Quality Control
<b>CNZF</b>	Nicaragua National Free Trade Zone Commission	<b>RCA</b>	Root Cause Analysis
<b>DWCP</b>	Decent Work Country Programme	<b>RCC</b>	Remediation Coordination Cell
<b>EA</b>	Enterprise Advisor	<b>RDW</b>	Regulating for Decent Work
<b>EBA</b>	Everything but Arms Initiative	<b>RMG</b>	Ready-made Garment Industry
<b>FDC</b>	Fixed duration contracts	<b>RSC</b>	RMG Sustainability Council
<b>FWF</b>	Fair Wear Foundation	<b>RWP</b>	Respectful Workplace Programme
<b>FOA</b>	Freedom of Association	<b>SAC</b>	Sustainable Apparel Coalition
<b>FTA</b>	Free Trade Agreement	<b>SCORE</b>	Sustaining Competitive and Responsible Enterprises
<b>GEAR</b>	Gender Equality and Returns	<b>SCP</b>	Strategic Compliance Plans
<b>GMAC</b>	Cambodia Garment Manufacturers Association	<b>SDIR</b>	ILO Social Dialogue and Industrial Relations Project
<b>GSC</b>	Global Supply Chains	<b>SLCP</b>	Social and Labour Convergence Programme
<b>GTU</b>	General Trade Union of Workers in Textile, Garment & Clothing Industries (Jordan)	<b>SIWI</b>	Stockholm International Water Institute
<b>HRM</b>	Human Resource Management	<b>SST</b>	Supervisory Skills Training
<b>ILC</b>	International Labour Conference	<b>UDC</b>	Unspecified duration contracts
<b>ILS</b>	International Labour Standards	<b>VCCI</b>	Vietnam Chamber of Commerce and Industry
<b>IOE</b>	International Organization of Employers	<b>VGCL</b>	Vietnam General Confederation of Labour
<b>IR</b>	Industrial Relations	<b>VZF</b>	Vision Zero Fund
<b>JGATE</b>	Jordan Garments, Accessories & Textiles Exporter's Association	<b>WCP</b>	Workplace Communication
<b>MAST</b>	Haitian Ministry of Labour		
<b>MOL</b>	Ministry of Labour		



# Global

This third Annual Donor Progress Report covers the period January 2019 to December 2019, and provides updates on Better Work Global, Bangladesh, Cambodia, Ethiopia, Haiti, Indonesia, Jordan, Nicaragua and Vietnam.

This report does not touch upon the Covid-19 pandemic and its impact, which will be reported in the 4th Annual Donor report to be published in April 2021. Regular updates on the Covid-19 situation in countries where Better Work operates, stories of how we continue to innovate and adapt, answers to common questions regarding our operations, and policy responses and resources can be found on Better Work's website.







Since 2009, Better Work has been helping to create a global garment industry that lifts millions of people out of poverty and makes businesses more competitive through building fairer, safer, more respectful and more productive workplaces. During the reporting period, Better Work continued to expand its reach and impact. 2019 was an important year for Better Work in terms of strengthening existing and establishing new partnerships with organizations such as BSR, UNICEF, IFC and CARE International to provide greater scale in the delivery of training and capacity building on women's empowerment and increase gender equality. Greater emphasis was placed on supporting constituents to use these services to promote gender equality.

In terms of factory operations, Better Work Ethiopia began operations as part of the larger ONE ILO offering and quickly established itself as an integral component of the development of the fledgling garment industry in **Ethiopia**. 2019 also saw important progress in terms of the use of new technologies to provide services more widely and more efficiently e.g. by piloting virtual advisory visits and updating its current IT system for factory compliance data management. The programme also developed an e-learning tool to train staff and factories on root-cause analysis. Better Work anticipates that better root-cause analysis will yield better data to pinpoint the underlying causes of key non-compliances, including highlighting where these causes are due to issues at the sector, government or buyer levels.

Buyer relationships deepened in 2019 with an increasing number of global brands, retailers and manufacturers aligning their corporate policy and business practices with Better Work's approach to improve working conditions in the supply chain.

Better Work's collaboration with the Social and Labour Convergence Programme (SLCP) and the Industry Summit – two key industry initiatives a seeking to reduce duplication of factory level services and drive sustainable change at the industry level – will support Better Work's efforts to advance alignment and harmonization in the industry.

At the national level, to support the strengthening of national institutions from both a policy/regulation and capability perspective, Better Work has created a framework to enable country programmes to enhance soft and technical skills of labour inspectorates in context of national policy priorities. Better Work has also supported constituents to develop shared approaches for the industry and in **Jordan** assisted with the development of an Industry Strategy.

Tailored to the national context and ILO decent work priorities, the programme brought together a cohort of partner representatives in **Cambodia, Vietnam, Haiti and Nicaragua** including labour inspectorates, trade unions, employers as well as international brands to address key industry challenges in their particular jurisdictions. This allowed industry stakeholders to build relationships, exchange skills and experiences, and create a shared vision for the future.



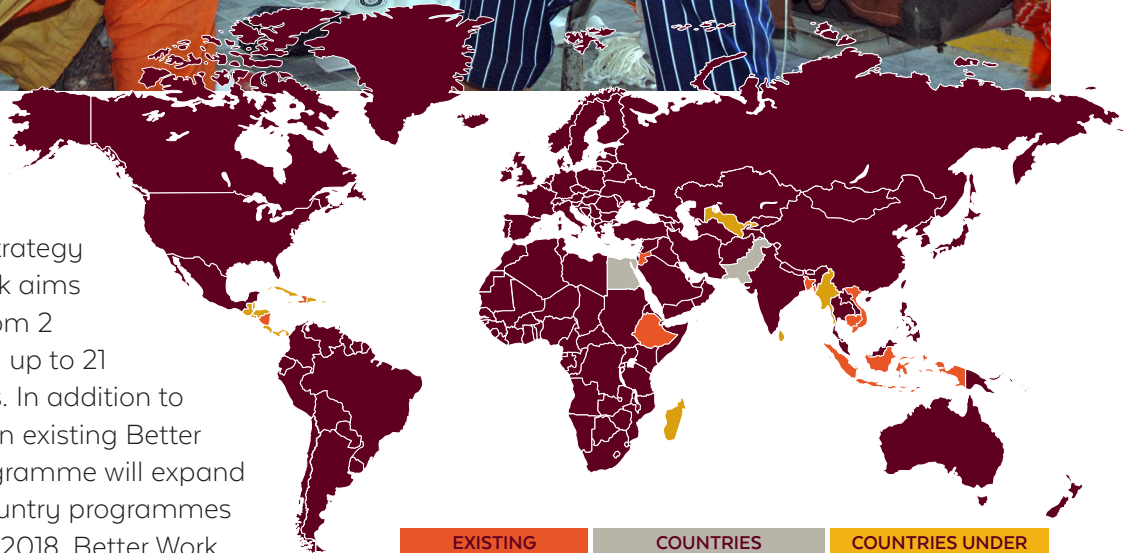
# OVERALL ACHIEVEMENTS

In this section, we provide a summary of key results achieved in 2019 in influencing business practices in the global garment supply chain and strengthening the enabling environment for decent work. More details on country level achievements are provided in the respective country sections.



## Country expansion

As part of its stage IV strategy (2017-2022), Better Work aims to expand its impact from 2 to 8 million workers and up to 21 million family members. In addition to increasing its outreach in existing Better Work countries, the programme will expand to at least three new country programmes in this current phase. In 2018, Better Work launched a new programme in **Ethiopia**, which became the eighth country operation. In 2019, Better Work has prepared the ground for establishing two new country programmes, one in **Pakistan** and one in **Egypt**. The feasibility study for Pakistan was completed and the Better Work Management Group took the decision to implement a three-year pilot programme in **Pakistan** subject to a number of conditions.



EXISTING PROGRAMMES

COUNTRIES PLANNED FOR 2020

COUNTRIES UNDER CONSIDERATION

If both **Egypt** and **Pakistan** programmes are successfully established in 2020 and 2021 respectively, Better Work's goal of expanding to three new countries in its current strategic phase will have been reached. Several other countries are still under consideration for expansion, including **Myanmar**, **Sri Lanka**, **Madagascar**, **Uzbekistan**, and **Central America** as a region.

# OVERALL ACHIEVEMENTS

## Factory Operations

In the course of 2019, Better Work delivered assessment, training and advisory services to over 1,600 factories resulting in improved compliance to labour laws and international labour standards and impacting 2.4 million workers. The programme placed greater emphasis on supporting constituents to promote gender equality. Better Work also developed partnerships to expand the scope and impact of this work.

In 2019, the programme completed successful pilot projects to introduce greater efficiencies in the delivery of factory service. This included the introduction of new services and an IT platform to collect data through a mobile device, share data through an application-programming interface, and displaying data in new and more user-friendly formats.

Other efficiency pilots focused on delivering factory services at a factory group level, building the capacity of factory personnel to take over and oversee Better Work approaches, and conducting virtual advisory services without needing to be onsite for all engagements.

Better Work also developed and piloted an e-learning tool using a game format to train staff on how to conduct more effective root-cause analysis in real factory scenarios. The programme anticipates that better root-cause analysis will yield better data to pinpoint the underlying causes of key non-compliances, including highlighting where these causes are due to issues at the sector, government or buyer levels.

Additionally, Better Work introduced the factory roadmap framework in **Indonesia, Cambodia, Ethiopia** and **Vietnam**. The factory roadmaps link factory-level and national-level interventions to support factories in making long-term improvements through deeper and more targeted interventions focused on gender, social dialogue and management systems.

A highlight of 2019 was the collaboration with the Social and Labour Convergence Programme (SLCP) and the Industry Summit – two key apparel industry initiatives seeking to reduce duplication of factory level services and drive sustainable change at an industry level.



### ABOUT THE SLCP

The Social and Labour Convergence Program (SLCP) aims to create an efficient, scalable and sustainable solution for social audits through the establishment of an industry-wide framework to assess social and labour conditions. This framework includes a tool and verification methodology, which collects objective social and labour data that stakeholders can use to identify opportunities for improvement and track progress.

**BWI SLCP pilot in 20 factories.** The pilot aimed to integrate SLCP's Converged Assessment Framework (CAF) in the Better Work assessment process, to advise on an approach to ensure that the framework produces credible and usable data that aligns with national labour laws and international standards, and to provide preliminary learning opportunities for potential scaling beyond 2019. More specifically, this pilot gave Better Work the opportunity to provide solid feedback on the CAF as well as the roles of governments, employers, and workers in the framework. Outcomes shape the next version of the CAF and provide input for the discussion on future collaborations between SLCP and ILO-Better Work, in **Indonesia** and other countries/regions.



# OVERALL ACHIEVEMENTS



## Gender

Building on previous research, Better Work developed a gender strategy in 2018. To date, Better Work has developed the capacity of all staff to deliver gender-sensitive advisory and assessment services. The programme has also scaled up its sexual harassment prevention training in factories and among constituents. In addition, the programme drafted a protocol to address harassment and violence detected in workplaces and related remediation activities, which will be finalized and implemented in 2020.

To provide greater scale in the delivery of training and capacity building on women's empowerment, partnerships were developed, including with CARE International and Better Work helped to establish the Empower@Work Collaborative,

an open-source toolkit of best practice worker-level training to improve and increase gender equality and worker empowerment.

In this reporting period, Better Work also adapted key training tools to embed a gender focus including the development of new tools such as a grievance module focused on handling harassment and violence and a remediation protocol on responding to violence and harassment in the workplace. The programme has piloted tools on gender norms in both advisory and training services in country programmes, which will be progressively rolled out in 2020.

Better Work assisted internal discussions within the ILO to support the promotion and ratification of the new violence and harassment convention (C190) and will actively participate in an internal task force focused on this matter in 2020.



**1,588**  
factories  
enrolled with  
Better Work



**2,394,726**  
workers in  
Better Work  
enlisted factories



**73%**  
of the  
workers are  
women



**1,241**  
assessment  
reports  
completed



**508**  
training  
sessions  
conducted



**6,202**  
advisory  
visits  
conducted

# OVERALL ACHIEVEMENTS

## Buyer Engagement

Global brands, retailers and manufactures are increasingly aligning their corporate policy and business practices with Better Work's approach to improve working conditions in the supply chain. Strategic brand partners demonstrated improved levels of adherence to the operational commitments of the Partnership Agreement (including actively supporting and promoting the Better Work factory ownership improvement approach) and many have started to engage at a more strategic level. Brands are also engaging more with national constituents — governments, employers, and unions — via specific initiatives such as the transportation safety group in **Cambodia**, wages working group in **Indonesia**, and the Building Bridges project that aims to increase partnerships between public and private sector actors, or by providing input into national sector strategies, such as in **Cambodia** and **Jordan**.

Better Work provided key strategic inputs to the Industry Summit, which is a group of 15 leading apparel brands working to create greater alignment on social and labour compliance approaches. Better Work supported the group in its initial formation and has offered strategic advice to the steering committee as well as the Summit's four working groups focused on common assessment, shared remediation, joint capability building, and



purchasing practices. Better Work has advised the working group based on our experiences of “what works” including the need to establish ownership of the remediation process by workers and management in factories, collect better data for root-cause analysis, and focusing on key activities that drive and sustain compliance over time. The brands in the working group on joint remediation have agreed that Better Work will lead this work in Better Work countries, and test these methodologies in non-Better Work countries in 2020.



## THE BETTER WORK ACADEMY

In order to scale its impacts, Better Work has adapted its proven methodologies for use by other parties beyond Better Work factories and countries. To date, eight international brands and one manufacturing group are part of the Better Work Academy. During the programme, Better Work trainers teach them factory-level approaches and methodologies, particularly in the areas of advisory and training. The participating companies have together delivered advisory and training services to 270 suppliers in 12 countries beyond the Better Work programme. An independent study of one of the brand participants in the Academy shows that the impact of training in their supply chain has been beneficial to improve workplace communication and the ability of workers to raise their concerns.



# OVERALL ACHIEVEMENTS

## Collaboration with Labour Inspectorates

To support the strengthening of national institutions from both a policy/regulation and capability perspective, the Better Work Global team has created a framework to enable country programmes to enhance soft and technical skills of labour inspectorates in the context of national policy priorities.

Better Work's vision is that sustainable compliance can only be achieved if the role and capacity of national inspectorates is strengthened and supported by other public and private sector actors. In this light, the Better Work programme works closely with and supports ILO LABADMIN/ OSH in the development and implementation of strategic compliance plans at the country level. In support of the broader ILO intervention to promote strategic compliance planning (see box), Better Work has followed various approaches to strengthen the capacity of labour inspectorates in countries where it is active.

◆ In **Ethiopia** and **Haiti**, the programme focused on improving the information management system of the labour inspectorate, paired with continuous technical support for labour inspectors to use data effectively in planning and reporting.

◆ In **Vietnam**, the programme supported the national inspectorate in reviewing and improving its online self-assessment tool.

◆ In **Vietnam, Cambodia, Haiti** and **Nicaragua**, Better Work strengthened the capacity of the



inspectorate to engage and collaborate with social partner organizations as well as the private sector.

◆ In **Jordan**, Better Work has continued to offer several secondment positions in its team to representatives of the Ministry of Labour to promote skills transfer to the ministry and in 2019 delivered assessments jointly with labour inspectors.

By the end of 2019, Better Work conducted about 250 factory visits jointly with labour inspectors across our country programmes.

Finally, the Better Work Global team is working on a global framework to facilitate data sharing among government, social partners, businesses, and other ILO technical units to support evidence-based dialogue on priority issues in the sector, the root-causes of persistent issues in the supply chain and facilitate a discussion and decisions for how such issues can be addressed in an efficient and coordinated way.

## STRATEGIC COMPLIANCE APPROACH

The strategic compliance model is a proactive, targeted, and tailored intervention engaging multiple stakeholder. It provides the labour inspectorate with a new methodology to achieve compliance outcomes in light of limited resources, mismatched powers and a need to shoulder greater responsibility for promoting compliance in the ever-evolving world of work.

Strategic compliance planning for labour inspectorates is a flexible and dynamic exercise that allows them to develop a short-term inspection strategy for a compliance issue, or to come up with a comprehensive proactive compliance strategy targeting multiple compliance priorities for a long-term inspection plan; it also covers contingencies that fall between these two extremes.

# OVERALL ACHIEVEMENTS



## Sectoral Strategies for the Garment Sector

A major focus for 2019 was our work with national constituents to develop long term plans to strengthen the sustainability of their compliance interventions. Better Work has helped bring industry actors together at the national level to develop shared approaches for the industry. Tailored to the national context and ILO decent work priorities, the initiative brought together a cohort of partner representatives in **Cambodia, Vietnam, Haiti** and **Nicaragua** including labour inspectorates, trade unions, employers as well as international brands. This allowed industry stakeholders to build relationships, exchange skills and experiences, and create a shared vision for the future.

In **Vietnam**, the approach has supported the national reform process, in particular with regard to the ratification ILO Convention 98 on the Right to Organise and the commitment to ratify Convention 87 on Collective Bargaining. By bringing together representatives from the Ministry of Labour (MOLISA), the employers' association (VCCI) and the trade union (VGCL), as well as Vietnamese representatives of brands and manufacturers, Better Work

supported each stakeholder in understanding the Convention. Facilitating interaction between the public sector and business, Better Work provided participants with knowledge and skills to identify and prevent risks related to industrial relations at a practical level.

In **Cambodia**, Better Work facilitated a convening of national constituents in developing a shared vision to establish a culture of sustainable compliance around health and safety. Better Work helped create greater trust between the inspectorate and other national partners and a platform to support more effective coordination on OSH in the sector. In conjunction with the various convenings, Better Work helped to develop an online training in collaboration with the ILO Training Centre in Turin focused on Occupational Safety and Health. The training was provided to the ministry and national partners.

In **Haiti**, Better Work supported the Ministry of Labour and Social Affairs (MAST), ONA (National Insurance Office), and OFATMA (Office of Occupational Accident Insurance, Sickness and Maternity) to coordinate their engagement with the private sector, improving payment of social security contributions and extended coverage of these protections.



# OVERALL ACHIEVEMENTS

## KEY DELIVERABLES IN 2019



### INDUSTRIAL RELATIONS

Together with relevant policy units, Better Work completed an ILO training toolkit on industrial relations. The programme made the online industrial relations distance learning programme, industrial relations toolkit, and grievance mechanisms tools available to Better Work partners. We also expanded Better Work's industrial relations distance learning programme to include not only global and country programme staff, but also international brands. Furthermore, we developed a more sustainable approach to promoting IR that builds on the capacity of existing dialogue mechanisms and institutions.



### SYSTEMS

Better Work developed its current STAR system in 2008, which still provides a basic platform for pulling data from each factory for analysis and distribution to the market. As Better Work evolved, so did its needs for a more agile and affordable technical solution. The programme has now created a roadmap towards establishing a new system. The new system will consist of multiple modules giving greater flexibility to the programme to collect and share data externally. The "Assessment" and "Reporting" modules have been successfully tested and improved through a pilot in **Indonesia** in 2019. Other priority modules under design include the "Advisory" and "Training" modules.



### PURCHASING PRACTICES

In 2019, the programme started working with brands to address their purchasing practices. Toward this end, the programme finalized an online e-learning and accompanying 1-day in-person training focused on the linkages between brands buying practices and compliance. The aim of this training is to ensure that Better Work staff and partners at the global and national levels have a strong overview of the role that brands can play in minimizing the pressures they place on factories that may be the root-cause of recurrent non-compliances. The programme is also developing an in-factory tool to assess purchasing practices impacts on compliance outcomes.





# OVERALL ACHIEVEMENTS

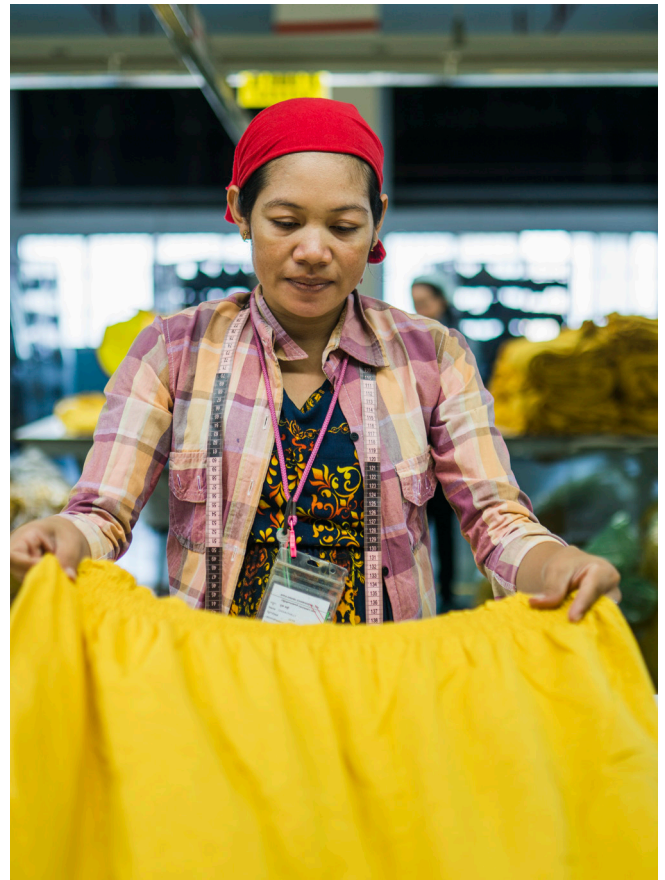
## Research Collaborations and Impact Assessment

The implementation of the research strategy continued in 2019 in collaboration with a wide range of academic partners, and resulted in the publication of six discussion papers and four research briefs (see Better Work website). These research outputs demonstrated the impact of Better Work's transparency reporting in **Cambodia** and **Vietnam**, the business impact of Better Factories Cambodia, and a compilation of all Better Work research findings on workplace sexual harassment and its drivers and dynamics.

The programme is finalizing impact evaluations in **Bangladesh, Cambodia** and **Ethiopia**.

A baseline data collection was completed for the impact evaluation of the Better Work Academy looking at participant brands' suppliers in China. Impact indicator data collection resumed in **Jordan** with two waves covering more than 1,700 garment workers each; and pilots on implementing data collection with mobile phones in connection with Better Work advisory services were launched in **Indonesia** and **Vietnam**, with the objective of scaling them in 2020.

Better Work's research and evidence base was featured in the ILO report prepared for the SDG 8 review of the UN High Level Political Forum on the SDGs, and in the World Bank's flagship report, the World Development Report 2020, on Global Value Chains and Trading for Development. Recent research findings were also prominently discussed at the ILO's Regulating for Decent Work conference, where a panel on Better Work was included in the special session on the future of work in global supply chains. The RDW conference in the ILO's centenary year



was very well attended by academics and policy makers providing significant visibility for research and evidence generated by the programme.

An analysis of workplace compliance data from the Better Work programme has been conducted to identify dynamics and improvements in social dialogue. The results were widely disseminated including at the Regulating for Decent Work conference. Lessons include measures to improve the impact of ILO's support to constituents on industrial relations including a shift to more scalable interventions that support constituents to build industrial relations at multiple levels of the organisation.

***I found the meeting really stimulating. The discussions were at a very high level of specialization and the information regarding Better Work's strategy on amplifying impact was fascinating and innovative."***

**Anne Posthuma**, Director, ILO/Cinterfor

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>OUTCOME 1: By 2022, Better Work will have accelerated improvements in working conditions and business competitiveness through in-factory services.</b>		
<b>1.1</b> Service model is adapted for manufacturing conglomerates.	<b>On schedule</b>	Better Work developed a framework to engage with global manufacturing groups to promote its influence in international brand and retailer dominated value chains. A partnership model for manufacturers was approved and a business plan was developed, including the adaptation of the existing factory services and Better Work Academy modules for manufacturing groups. Key adapted features include the development of advisory and training approaches elevated to the group HQ staff and the development of “factory ambassadors” to act as champions of the Better Work approach within the manufacturer group. HQ staff was also trained on the importance of social dialogue and how to establish bipartite committees to oversee the compliance improvement process. In the reporting period, partnership agreements were signed with two global manufacturing groups.
<b>1.2</b> Expansion to <b>Central America</b> .	<b>Delay: behind schedule</b>	The garment industry is a key contributor to the economies of several countries in <b>Central America</b> . With the increasing pressure on speed to market in the apparel industry, coupled with the changing trade landscape including the US-China trade tensions and renegotiation of NAFTA, the Northern Triangle countries <b>El Salvador, Guatemala, and Honduras</b> are in an unparalleled and unique position to considerably grow their global market share. However, concerns with labour conditions, in particular about Fundamental Principles and Rights at Work in garment factories represent a risk in terms of reputation, and growth. Better Work has been receiving an increased number of requests from manufacturers and brands in the region to offer targeted interventions, in particular promoting more sound industrial relations and addressing gender issues. In <b>Central America</b> , the programme will pilot both a thematic focus as well as scoping for a regional approach in 2020. This will allow us to identify the interests and needs of the national constituents on these topics as well as to seek synergies with other projects and activities in the target countries. This is expected to lead to important recommendations to further shape support for the region beyond 2020.
<b>1.3</b> Expansion to <b>Egypt</b> .	<b>On schedule</b>	From July 2017 to March 2019, Better Work implemented a pilot programme in <b>Egypt</b> to engage constituents and stakeholders to test the extent to which Better Work could contribute to improving working conditions and boost business competitiveness in the country’s garment industry, including the enabling legal and policy conditions to achieve these outcomes together with other ILO units. In mid-2019, the government of <b>Egypt</b> revised its trade union legislation, which triggered the ILO to put together a comprehensive technical assistance programme that includes Better Work. The programme called “Strengthening labour relations and promoting inclusive social dialogue for development” was launched on 8 March 2020.
<b>1.4</b> Expansion to <b>Madagascar</b> .	<b>Not yet started</b>	Better Work feasibility work in <b>Madagascar</b> will be conducted in 2020.
<b>1.5</b> Expansion to <b>Myanmar</b> .	<b>Delay: behind schedule</b>	In 2019, Better Work conducted two missions to <b>Myanmar</b> to further consult the stakeholders and the ILO office on the feasibility of establishing a Better Work programme. Better Work draws the following conclusions from the mission: <ol style="list-style-type: none"> <li>1. The employers’ association MGMA is not yet supportive of a Better Work Myanmar programme;</li> <li>2. There is potential for a “One ILO intervention” in Myanmar.</li> </ol> <p>The Advisory Committee members have not indicated unilateral support to proceed with the opening of a Better Work operation in <b>Myanmar</b>. Taking into account both the growth potential of the garment industry, yet the uncertain political outlook in Myanmar, it seems the most realistic option for 2020 is to remain involved in exploring a holistic ILO offering, while also remaining vigilant of any changes to the political and economic landscape.</p>



# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<p><b>1.6</b> Expansion to <b>Pakistan</b>.</p>	<p><b>On schedule</b></p>	<p>In <b>Pakistan</b>, Better Work has been undertaking scoping activities in 2017 and 2018 in order to assess the feasibility of implementing a Better Work country programme. In 2019, the Better Work Management Group conditionally approved a 3-year Better Work pilot programme for <b>Pakistan</b>. In addition to the funding situation that still needs to be finalized for this 3-year programme, Better Work is negotiating an action plan with Pakistani constituents on the enabling environment for Better Work to implement a successful pilot programme in <b>Pakistan</b>. It is expected that these preparations will be finalized at the end of 2020 in order to launch the pilot programme. Operations will focus on Sindh and Punjab provinces where the majority of garment, textile, and footwear production is located.</p>
<p><b>1.7</b> Expansion to <b>Sri Lanka</b>.</p>	<p><b>On schedule</b></p>	<p>The European Commission's Directorate General for International Cooperation and Development (DEVCO), Better Work's newest donor, requested Better Work to explore operations in <b>Sri Lanka</b> and has earmarked EUR 600,000 for that purpose. In 2019, initial research and informal engagement with ILO staff, the EU and some business leaders in <b>Sri Lanka</b> has led us to the conclusions that:</p> <ol style="list-style-type: none"> <li><b>1. Sri Lanka</b> is strongly motivated to retain GSP+ and the EC remains critical about human and labour rights issues including in the garment sector.</li> <li><b>2.</b> There is a strong interest from the ILO office in a Better Work programme because there is no other programme in the garment sector and a clear need has been identified to strengthen governance in the sector. In 2020, Better Work will continue its feasibility work in <b>Sri Lanka</b> and will start fleshing out an intervention model for <b>Sri Lanka</b>.</li> </ol>
<p><b>1.8</b> SCORE Collaboration.</p>	<p><b>On schedule</b></p>	<p>The collaboration between Better Work and SCORE in 2019 focused on further elaborating the delivery of joint services in Ethiopian garment factories. SCORE delivered productivity training at four Better Work factories, while Better Work delivered workplace cooperation and other trainings in addition to compliance assessments. The SCORE national project officer is part of the Better Work enterprise advisor team and has participated in the comprehensive Better Work induction process which concluded by Q2.</p> <p>As next steps of the collaboration, Better Work will deliver the human resources modules of SCORE in 2020. Moreover, SCORE and Better Work will explore the delivery of productivity interventions by Better Work staff.</p> <p>In <b>Indonesia</b>, SCORE and Better Work have piloted an intervention to work with SME and micro-enterprise factories that are part of the supply chain of Target Corporation, a Better Work partner company. Better Work Indonesia and SCORE, working in partnership with Target and other buyers as well as a domestic manufacturer piloted a combined intervention in the furniture and home décor sector. Better Work training and tools, including the Compliance Assessment Tool, were adapted for these small factories and training was provided to SCORE trainers so that a compliance perspective was added to the SCORE model and offered as part of the services. A baseline assessment of compliance in both tier 1 and tier 2 factories was conducted with advisory services delivered by SCORE. The supply chain expands to homeworkers, which were not included in the initial scope of the pilot.</p> <p>Given the complexity of the supply chain, the pilot will be reviewed in 2020 to analyse the risks and opportunities to focus on this supply chain, to evaluate the expertise that would be required, and to determine whether a feasible fee structure and service model can be created.</p>

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<p><b>1.9</b> Collaboration with other supply chain initiatives.</p>	<p>On schedule</p>	<p><b>For an update on SCLP see earlier sections of this report.</b></p> <p>In 2019, the ILO joined the United Nations Capital Development Fund's Better Than Cash Alliance. Through this partnership, Better Work joins other ILO technical units in promoting wage digitization as a means towards greater transparency and advancement of decent work. Doing so, the programme commits to promoting responsible digital salary payments and social protection transfers to boost financial inclusion, transparency and efficiency.</p> <p>In Q4, the Alliance and Better Work jointly created a framework to engage key stakeholders in <b>Jordan's</b> garment sector to design a roadmap that promotes responsible wages digitization. <b>Jordan</b> is home to more than 68,000 garment workers, 75% of whom are women. The vast majority of these workers still receive their monthly salary in cash from the factories, limiting their capacity to access financial services, remittances and savings.</p> <p>In <b>Haiti, Bangladesh</b> and <b>Cambodia</b>, Better Work is undertaking an IFC-led assessment of the digital payroll market with the aim to understand perceptions, including pricing and solutions available, needs and preferences of workers, employers and financial institutions, as well as to analyse the cost of digital wages vs. cash from an employer and employee perspective.</p> <p>Better Work's ongoing partnership with Fair Wear Foundation materialized in an agreement to support collaboration to prevent gender-based violence in <b>Bangladesh</b>, as well as a framework for the foundation to act as a training service provider in <b>Indonesia</b>.</p> <p>Better Work supported the Dutch Textile Covenant in building capacity of its member brands to improve support supplier wage compliance.</p>
<p><b>1.10</b> Innovative solutions are piloted and developed to drive greater impact.</p>	<p>On schedule</p>	<p>Several innovations were developed and piloted in 2019. Based on country programme needs, an online training tool was developed to help Better Work staff understand root-cause analysis and practice identifying root-causes in simulated factory scenarios. The tool was introduced in two countries in Q4, whereas it will be rolled out to other country programmes in Q1 of 2020. Once the tool is localized in 9 languages, it is anticipated that it can be used with stakeholders beyond Better Work staff.</p> <p>Additionally, new approaches to ensure greater agility in delivering the service model were piloted and subsequently endorsed for further pilots or scaling. These interventions include virtual advisory services, a factory ambassador programme, thematic and group level advisory and hybrid roles for field staff. The factory roadmap approach piloted in <b>Vietnam, Indonesia</b> and <b>Ethiopia</b> will be mainstreamed across all countries.</p> <p>Better Work management also agreed to deepen our global focus on industrial relations, gender and inclusion, and management systems (including wages, HR systems, and OSH) over other trainings, recognizing these are important drivers of compliance and contribute over time to reduction of dependence on Better Work at the enterprise level.</p>
<p><b>1.11</b> Use technology and systems for enhanced impact of services.</p>	<p>On schedule</p>	<p>The delivery of Better Work's assessment, advisory and training services generates huge volumes of data used to prepare assessment reports, analyse training and advisory needs, and produce industry intelligence for constituents and stakeholders. Better Work's current STAR system is out of date and does not meet the needs of our diverse stakeholder demands. In 2019, an analysis of Better Work's systems needs was completed and a systems development plan was rolled out. This includes the construction of a cloud-based database, mobile data-collection tools that will lend themselves to automated reporting, and an Application Programme Interface to enable the sharing of raw data with other entities. The new platform will enable Better Work to harness new tools to innovate and scale impacts. It will support Better Work to adapt services to each factory context by tailoring interventions to support the implementation of unique action plans containing data driven milestones to improve performance and compliance. Automated data functionality will create greater efficiencies in reporting, payments, report access and other administrative functions.</p>



# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
		<p>In 2019, Better Work piloted new technologies and a new modular systems platform to allow greater agility and efficiencies in the delivery of our factory services. The pilot was done in <b>Indonesia</b> in 20 factories and the technology solution was deemed largely successful in eventually reducing the enterprise advisors' workload. Enhancements based on the pilot will be made in 2020 and then a progressive scaling of the systems to other countries will take place.</p> <p>In addition, in 2019, the Research and Impact team piloted mobile survey methods to get more input from workers to validate findings and understand impacts. The method included gathering worker responses directly from workers' smartphones. The pilots took place in <b>Jordan, Indonesia and Vietnam</b> and proved to be a very effective way to gather input from many more workers on a regular basis and in an anonymized and secure way.</p>
<p><b>1.12</b> Quality assurance for factory services is systematically and fully implemented.</p>	<p><b>On schedule</b></p>	<p>Better Work's 2019 quality assurance plan for factory services focused on quality control on advisory and assessment reporting, in particular for <b>Bangladesh and Ethiopia</b>. Accountability frameworks have been created to strengthen quality assurance in several countries. Furthermore, existing quality control tools were tested and evaluated with refinements to be introduced in 2020 for mainstreaming across country programmes.</p> <p>The programme also took steps to further strengthen its capacity at the global level to support country programmes through the strengthening of QA tools, metrics and reporting through dashboards and real-time service performance data as well as to develop a QA framework that can be applied by partners delivering core services including service providers, labour inspectors and social partners. These enhancements will be introduced progressively beginning in 2020.</p>
<p><b>1.13</b> Sound Industrial relations are advanced.</p>	<p><b>On schedule</b></p>	<p>Better Work updated its bipartite committee guidelines for country programmes taking into account key lessons derived from the Tufts University impact assessment and other research on what drives greater impact in social dialogue and compliance. Better Work also developed an Industrial Relations handbook to encourage and accommodate more mature and sustainable social dialogue at factory level, and to avoid duplicative bipartite structures. Better Work's IR distance learning course was expanded to include not only global and country programme staff, but also international brands. Better Work also developed a forward-looking IR approach to industrial relations, to promote sustainable industrial relations in the absence of direct support by Better Work. Results from a staff survey on IR were used to develop recommendations for future IR trainings and to enhance indicators for evaluating social dialogue and differentiating factory approaches accordingly. An IR diagnostic tool to enable a holistic look at industrial relations at factory level is under development, building on work done in <b>Cambodia and Ethiopia</b>.</p>
<p><b>1.14</b> Gender equality issues are embedded into the core service delivery.</p>	<p><b>On schedule</b></p>	<p>Across Better Work country programmes and global, gender equality and inclusiveness workshops have taken place for all staff to equip them to champion these principles in their work. Key partnerships with CARE and Empower@Work Collaborative have been established to sustain the scaling up of strategic components of the gender strategy, especially in terms of training and learning, and policy influence and advocacy in the field of violence and harassment.</p> <p>In 2019, we embedded gender equality and inclusion into our core services delivery through intensifying our efforts in addressing gender-based violence and the mainstreaming of gender into existing services. We introduced awareness raising on gender norms in advisory sessions, which was piloted and scaled in three country programmes. To provide practical guidance to training officers and enterprise advisors on incorporating a gender lens into their day-to-day work, we developed a gender-mainstreaming workbook, which was piloted in one country programme and to be scaled across all programmes in 2020.</p>

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
		<p>Better Work developed the Ethical and Remediation Protocol to support staff in handling cases of violence and harassment in factories, with an emphasis on victim and witness support. This Protocol redefines Better Work's approach to the issues of violence and harassment, including how we report to buyers, our follow-up with factories, and our roles and responsibilities as Better Work staff.</p> <p>Better Work also rolled out the Respectful Workplace Programme in three additional country programmes, a training of trainers programme on the root-causes of gender-based violence.</p> <p>In addition, we developed new industry seminars modules on sexual harassment prevention in the context of Convention 190, which was implemented across eight countries for manufacturing groups and suppliers, reaching 340 factories.</p>
<p><b>OUTCOME 2: By 2022, Better Work will have influenced global retailers, brands and manufacturers in the establishment of business practices that promote decent work outcomes in supply chains.</b></p>		
<p><b>2.1</b> Better Work's engagement with new and existing business partners is strengthened.</p>	<p><b>On schedule</b></p>	<p>Membership expansion efforts have been focused on both signing up additional buyer partners as well as continuing to build the value of existing partnerships at the global, regional and country levels. Three new buyers joined Better Work as our strategic buyers and two European brands and one US brand are currently in the approval process as well as one US brand actively piloting partnership in <b>Indonesia</b>. This increased the number of brands to 39 and the number of participants to 140. To strengthen buyers' engagement in public-private partnership, Better Work country level buyer forums were held in five locations and workshops in two countries provided buyers with an opportunity to engage with national stakeholders. Buyer partners were also offered opportunities to participate in national-level initiatives including transportation safety in <b>Cambodia</b> and dormitory safety and mental health in <b>Jordan</b>.</p>
<p><b>2.2</b> Better Work business partners integrate Better Work methodologies in their supply chain.</p>	<p><b>On schedule</b></p>	<p>In 2019, Better Work Academy continued working with Gap, PVH and Target and in addition, a multi brand Academy collaboration was launched with New Balance, American Eagle Outfitters, The Children's Place, Dicks Sporting Goods and The Walt Disney Company. These five brands came together to share the two year Academy journey (<a href="https://betterwork.org/2020/02/20/from-auditing-to-coaching-how-the-better-work-academy-is-paving-a-new-path/">https://betterwork.org/2020/02/20/from-auditing-to-coaching-how-the-better-work-academy-is-paving-a-new-path/</a>) Furthermore another new approach to the Academy was launched through the collaboration with Levi Strauss &amp; Co in working directly with one of their key manufacturing groups in Sri Lanka.</p>
<p><b>2.3</b> Selected Better Work business partners are supported in testing different approaches to change their sourcing practices.</p>	<p><b>On schedule</b></p>	<p>Better Work finalized a suite of training offerings to improve buyer sourcing practices and their impact on factories' social compliance, based on testing and feedback from staff and brand representatives. This final version will be used with both private and public sector participants in 2020 and beyond. The programme has also developed a set of recommendations for brands on how to adapt their internal ratings systems to include not only compliance, but also the predictive indicators of sustainable compliance i.e. social dialogue, management systems development and commitment to learning. Three Academy brands are now working with Better Work on how to implement these recommendations in their supply chain (beyond Better Work reach) and Better Work is in active conversations with a number of other brands about making their ratings systems more holistic and supportive of sustainable change.</p>
<p><b>2.4</b> Duplication in compliance assessment/auditing and remediation between Better Work and business partners is reduced.</p>	<p><b>On schedule</b></p>	<p>The increased number of buyers using Better Work assessment reports and improvement plans to replace their own audits and remediation demonstrated a stronger commitment and relevance of Better Work in the global supply chain. In 2019, buyers subscribed to 3,564 factory reports up from 3,005 reports in 2018. Progress was also made during the year on aligning remediation efforts and building factory ownership, particularly assisted by the availability of the online live Improvement Plan and targeted webinar and tools for buyers on how to use it. The findings from the partnership</p>



# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
	On schedule	review/roadmap exercise done Q4 of 2019 indicated the reduction in audit and remediation duplication is particularly high among buyer partners. The percentage of partners who do not duplicate audits has risen to 91% (from 74% in 2018 and 25% in 2016) and the percentage of partners who do not duplicate remediation has risen to 91% (from 76% in 2018 and 33% in 2016).
<b>OUTCOME 3: At the national level, ILO, IFC and WBS will have strengthened institutions and influenced policies that create an enabling environment for decent work and improved competitiveness.</b>		
3.1 The capacity of labour inspectorates to promote compliance and enforcement, including the development and implementation of an effective enforcement plan, is strengthened.	On schedule	Reported in country sections.
3.2 National action plans/ strategies on how to position the garment industry are supported and developed.	On schedule	Reported in country sections.
3.3 The capacity and ownership of employer and worker organizations for effective social dialogue is strengthened.	On schedule	Reported in country sections.
3.4 ILO and WBG policy advice to countries in the garment sector are increasingly aligned and coherent.	On schedule	<p>The coordination between Better Work Jordan and the World Bank Program for Results in <b>Jordan</b> continued (Economic Opportunities for Jordanians and Syrian Refugees, 2016-2021). The disbursement-linked indicators make the payment of World Bank funding to the Government of Jordan dependent on disclosing Better Work's non-compliance findings. A similar approach is used in <b>Ethiopia</b>.</p> <p>Better Work contributed to the World Bank's World Development Report 2020 "Trading for Development in the Age of Global Value Chains". The ILO Better Work Research Team has collaborated with the World Bank to ensure that relevant research findings on Better Work were included. The report cites the impact of Better Work with regards to improved working conditions and productivity/profitability, the findings on the link between greater transparency on cases of non-compliance and improved compliance, and mentions the Gender Equality and Returns (GEAR) programme that provides career-progression opportunities for women while contributing to increased productivity.</p> <p>Better Work has actively engaged in the development of IFC's Manufacturing Roadmap for Textiles and Apparel, approved in January 2020. Better Work IFC's Lead helped shape the Roadmap, bringing in Better Work ILO for broader stakeholder consultation meetings. This document, which is the application of the IFC's Manufacturing Deep Dive framework to the textile/apparel value chain, defines IFC's vision and approach to engage in the textile/apparel sector between now and 2030. The importance of labour conditions and IFC's partnership with ILO on Better Work is a core part of IFC's Roadmap.</p> <p>To help IFC assess and manage labour risks associated with investments, IFC and Better Work continued to follow an established protocol to make Better Work assessments available to IFC investment and E&amp;S teams that are considering and monitoring IFC investments in garment factories (e.g. in <b>Bangladesh, Vietnam, Haiti and Jordan</b>). Better Work assessments are also used as inputs to IFC's annual monitoring reports of IFC investees' labour compliance.</p> <p>Better Work and IFC have collaborated on the preparation/delivery of a panel session on the impact of technology on labour at IFC Global Manufacturing Conference in November 2019. The panel notably featured Rubana Huq, President, Bangladesh Garment Manufacturers and Exporters Association (BGMEA), and Dan Rees, Branch Chief, Better Work.</p>

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>OUTCOME 4: Better Work will have influenced the global policy dialogue on decent work and the SDGs with its unique evidence base and proven examples of success.</b>		
<b>4.1</b> Conduct research on the garment sector as a vector for growth beyond the workplace.	<b>On schedule</b>	<p>The Better Work global research strategy is being implemented. In particular, the impact of a garment sector job on workers' life satisfaction and life trajectories is a central question at the core of the One ILO <b>Ethiopia</b> impact evaluation which was launched this year.</p> <p>The relaunched impact indicator data collection in <b>Jordan</b> provided also essential insights into the lives of migrant and Jordanian workers, and their outlook on employment in the garment sector.</p> <p>An IDRC-funded project in <b>Vietnam</b> and <b>Indonesia</b>, looking at work and life experiences for predominantly women workers in Better Work and non-Better Work factories completed data collection this year and will be disseminated in 2020. An analysis of the different working conditions experienced by workers depending on their gender, education and family status was also published this year and sheds light on the intersectionality of vulnerability and discrimination, highlighting important operational lessons for Better Work.</p>
<b>4.2</b> Dissemination of research results and proven examples of success is achieved.	<b>On schedule</b>	<p>There were significant opportunities to feed Better Work evidence and research findings into policy making messages, such as the ILO Report on SDG 8 for the UN High Level Political Forum on the SDGs and the World Bank's World Development Report 2020. Furthermore, the 2019 Regulating for Decent Work conference, organized in the ILO's centenary year, was a significant opportunity to widely disseminate Better Work research findings to a broad audience. These efforts were paired with a significant publication pipeline, with 6 new discussion papers and 4 new briefs published on the Better Work website.</p>
<b>4.3</b> An effective communications strategy is developed and implemented to support Better Work's activities at the national, regional and global level.	<b>On schedule</b>	<p>The Better Work Communications Strategy was updated and implemented in 2019, covering digital media, content production, partner outreach, media engagement and country programme support, internal communications and special projects, among other topics. Key accomplishments for the year include high-level collaboration with the Copenhagen Fashion Summit and ILO Department of Communications during the Organization's centenary year, new materials for brands, the launch of a new interview series and the collaborative development of a new and more engaging format to present our compliance data and other achievements. As quantitative indicators of success, the Better Work website was visited some 360,000 times during the year, 224,800 people viewed our content on Twitter and 84 news articles mentioned the programme in a positive or neutral light.</p>
<b>OUTCOME 5: Support outcome including finance, systems, HR, fundraising &amp; programming.</b>		
<b>5.1</b> Fundraising.	<b>On schedule</b>	<p>In 2019, the European Commission joined the group of Better Work key donors with a contribution of EUR 12.75 million for a period of three years. Discussions and engagement with Canada have advanced and Better Work is now in the process of negotiating a funding proposal for Better Factories Cambodia on advancing its work with labour inspectorates.</p>
<b>5.2</b> Strategic engagement with donors.	<b>On schedule</b>	<p>Better Work is shifting from maintaining donor relations to engaging more strategically with them. This includes participation in conferences and events organized by our development partners, sharing information with donors on developments in the garment sector, identifying collaboration opportunities for example in the area of labour inspection or on specific shared topics such as wages, or supply chain due diligence. In 2019, Better Work participated in two conferences of the Dutch Covenant in the Hague, in a conference on Sustainable Business together with representatives of our Swiss donor SECO. Furthermore, the programme engaged with the Danish Labour Market consortium to identify collaboration possibilities.</p>



# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<p><b>5.3</b> Ongoing programming support.</p>	<p><b>On schedule</b></p>	<p>Several country programmes, including <b>Indonesia, Bangladesh</b> and <b>Ethiopia</b> were supported in reviewing and strengthening their theories of change. This involved missions of the Better Work Senior Programme Officer to <b>Ethiopia</b> and <b>Bangladesh</b> to organize extensive Theory of Change and planning workshops with the teams. Furthermore, several programmes, including Global, <b>Cambodia, Indonesia</b> and <b>Vietnam</b> underwent an evaluability assessment of their results frameworks with a particular focus on gender and sustainability. In 2020, the results of these evaluability reviews will be compiled and global guidelines for measuring sustainability will be issued.</p>
<p><b>5.4</b> Human Resource Management and staff development.</p>	<p><b>On schedule</b></p>	<p>In 2019, the Better Work HR team continued to provide operational and strategic support to Human Resource Management in all of Better Work's country programmes and to Better Work Global in Geneva. This included support in relation to recruitment, management and career development, particularly in the context of country programmes' changing priorities as they focus on their sustainability strategies and the different skill sets which this shift in focus will necessitate in their staff. The HR team are also working to encourage, where possible and within the bounds of donor agreements, an increase in the number of short term and temporary secondments, particularly from our mature programmes to our newer programmes, in order to encourage and facilitate knowledge transfer. Better Work recognises the huge body of knowledge and experience within the staff of its programme and is working as hard to retain that talent and ensure that it is used in the most efficient and practical way possible to support the programme objectives.</p>
<p><b>5.5</b> Support to Better Work finance globally.</p>	<p><b>On schedule</b></p>	<p>In 2019, the Better Work Finance team continued to provide ongoing finance and procurement support to all Better Work country programmes, at both the operational and strategic levels. This included practical support to Finance staff in relation to day-to-day queries around ILO's financial rules and regulations as well as the establishment of a learning network to encourage peer support from finance colleagues. In addition, the team provides support to senior country programme staff in relation to budget management and implementation of financial sustainability strategies, including revenue management and cost recovery. With overall responsibility for the funding situation of the programme globally, including at the Headquarters level, there is constant liaison with the Better Work Programming team in relation to donor proposals and funding gaps, as well as with the ILO's central Finance department. In addition, in 2019, the team coordinated the successful external audit of the active Better Work USDOL programmes.</p>



# Bangladesh

Better Work Bangladesh has proven itself to be a key development partner, improving compliance on legal requirements, enhancing business outcomes, while incentivising an increasing number of brands to source from partner factories.

The programme's primary focus in 2019 was gender equality, as we widened our reach to more factories through a number of services and initiatives. Complementarily, we aimed to adopt sustainability, while we successfully piloted new projects and programmes.





# COUNTRY CONTEXT



## Introduction

The RMG industry in Bangladesh has witnessed tremendous growth over the past four decades, much of the country's positive economic and social developments is credited to the garment industry. As the nation begins to graduate towards middle-income country status, it may lose the European Union trade preference awarded to low-income countries. With the transition period, its position as a low-labour cost country is also likely to shift. It will be crucial to grasp the potential to take the garment sector to the next level in the value chain. Developing high quality products and technology, complementing strategic partnerships with brands which encourages investment and commitment to the sector and to individual factories. Better Work Bangladesh works on the ground in factories and with local and international brands to support and encourage long-term workplace improvement which not only improves productivity and efficiency, but also supports Bangladesh's reputation as an ethical sourcing destination. The programme will continue its discussions with the ILO tripartite constituents, brands and factories to support the industry in its transition to higher value add.

## GARMENT SECTOR STATISTICS

- ◆ In 2019, total exports of the Bangladeshi Ready-made Garment Industry (RMG) reached US\$34 billion (84% of total exports). The EU market represented 62 per cent of RMG exports, and the US market close to 18 per cent.
- ◆ The sector employs approximately four million workers, about 54 per cent of whom are female. The garment sector remains the largest source of formal employment in the country.



**242**  
factories  
enrolled  
with BWB



**560,655**  
workers in  
registered  
factories



**56%**  
of the  
workers are  
women



**174**  
compliance  
assessment  
reports in 2019



**1,136**  
advisory  
visits  
carried out



**127**  
trainings  
including industry  
seminars



# COUNTRY CONTEXT

## International Core Labour Standards and National Labour Law

The RMG sector in Bangladesh experienced industrial unrest in December 2018 and January 2019 following changes made to the minimum wage, published in late November 2018. A tripartite process to address concerns and revisit the minimum wage took place in January 2019, and made changes to address the complaint of workers with higher skills grades not receiving adequate increases in wages.

The Bangladesh Export Processing Zone Labour Act was gazetted on the 28th of February, 2019 with amendment in Workers Welfare Association (WWAs) to work as so-called 'trade unions' with the participation of 20 per cent of workers to form their organizations, down the limit from 30 per cent. It allows workers to apply trade union related practices, and allows DIFE to inspect EPZ factories based on an authorization from the Bangladesh Export Processing Zone Authority Executive Chairman.



***With the help of Better Work, we should define sustainability by ourselves and start working on self-sustaining, self-monitoring and self-implementation tools to adapt and replicate the best practices in the industry."***

***Dr Rubana Huq President,*** *Bangladesh Garment Manufacturers and Exporters Association (BGMEA)*

### ACCORD, ALLIANCE AND REMEDIATION

In 2017, the five year term of the 2013 Accord came to an end and participants, including 180 brands, signed the revised 2018 Accord on Fire and Building Safety in Bangladesh. Since then, the ILO has played a key role in facilitating a transition agreement with the government of Bangladesh, employers, unions and brands, which, in January 2020, led to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Accord on Fire Safety in Bangladesh finalising the establishment of the RMG Sustainability Council (RSC).

An agreement was signed over the transition of Accord's responsibility to the RMG Sustainability Council. The conditions include maintenance of existing transparency with full public disclosure of inspection results and remediation activities and continuation of the Accord's safety and health complaints mechanism independently and autonomously. Factories currently covered by the Accord would be carried over to the RSC, retaining their remediation status and any outstanding remediation requirements as per the factory's corrective action plan.

# ACHIEVEMENT OF OUTCOMES



## Introduction

Better Work Bangladesh increasingly seeks to reinforce partnerships with the government and social partners to leverage greater collaboration which can in turn improve operational safety and health (OSH) indicators, help enforce OSH regulations and build capacity to oversee industrial safety in Bangladesh. It is crucial for the industry that factories emphasize the importance of Participation and Safety Committees, and worker-management relations which remain a challenge, as is outlined in more detail later in the report.

In addition to the 1,136 advisory visits, 174 assessments and 127 training sessions delivered in 2019, Better Work Bangladesh worked with partner brands and institutions to build capacity, strengthen social dialogue and improve industrial relations.

## AN INDUSTRY AND COMPLIANCE REVIEW

In September 2019, Better Work Bangladesh published its first synthesis report (see Better Work website), covering 200 factory assessments conducted between June 2015 and December 2018, providing an overview of the non-compliance findings in factories enrolled with the programme. The data collected measures non-compliance in eight labour standard clusters: four based on ILO core labour standards regarding child labour, discrimination, forced labour, and freedom of association and collective bargaining; and four based on Bangladesh's labour law relating to compensation, contracts and human resources, occupational safety and health, and working time.

## Promoting Gender Equality

A key focus of Better Work Bangladesh's approach has centred around its strategic focus on gender equality and women's economic empowerment. As a top priority, Better Work Bangladesh has focused on building internal capacity around a gender inclusive approach to all elements of work. This has involved training staff, analysis of gender related compliance data.

Through targeted trainings with factories and in partnership with brands, tackling violence and harassment at work, including sexual harassment has taken centre stage and continues to be reinforced via ongoing advisory services with factories, and capacity building of constituents. Better Work Bangladesh has increased partnerships with external organisations to boost the promotion of women in the workplace, and protect the rights and health of expectant and working mothers. As a result of the GEAR programme, a total of 87 female sewing machine operators were promoted to supervisory roles in Better Work Bangladesh factories. The Better Work Bangladesh programme is also seeing increasingly factories taking an improved approach to mitigating and addressing sexual harassment in factories.

## Evaluating the Impact of Better Work Bangladesh.

In order to understand and measure its impact on working conditions, workers' well-being, firm performance and broader social and economic development indicators. Better Work Bangladesh carried out an impact assessment, with baseline and midline data collection conducted from October 2017 to April 2018 in 47 Better Work Bangladesh garment factories. The assessment was carried out by an independent research team working with Better Work Bangladesh surveyed workers, supervisors and managers over a period of exposure to the programme. A progress report with the corresponding information was released in September 2019, focusing on learnings to-date from responses to these surveys.

# ACHIEVEMENT OF OUTCOMES

## Working with the Government

Better Work Advisory Committee participants recognized Better Work Bangladesh's efforts in improving working conditions in the garment sectors to date. During Better Work Bangladesh's BAC meeting in May 2019, the programme called on the committee for input into operational and strategic areas. The meeting also discussed Better Work Bangladesh's synthesis report (June 2015 to December 2018) on non-compliances and discussed particular areas of concern ahead of its publication in December 2019.

In order to address the ever present issue of poor purchasing practices among brands sourcing from the sector, Better Work Bangladesh with the ILO Dhaka and Bangladesh Ministry of Commerce convened a select group of international brands sourcing from Bangladesh to discuss the way forward on responsible business conduct and transparency in Bangladesh's RMG sector. The meeting was held under Pillar Three of the Sustainable Compact and was attended by the MOLE, Ministry of Foreign Affairs (MOFA), brand representatives and employers' organisations, further dialogue on purchasing practices and promoting sustainable improvements in the RMG sector preceded the meeting during Better Work Bangladesh's annual business forum. The programme continues to prioritise these components of its work in its private sector interventions. Increased engagement with the government around this topic and around the long-term sustainability of the sector has seen results. The conversation has increasingly taken



on a forward thinking approach, and is focused on solutions and ideas for how Bangladesh can remain competitive in the global garment sector. During Better Work Bangladesh's 2019 annual business forum, the central theme was the need for a globally competitive garment industry supported by improved labour market governance, effective social dialogue and responsible sourcing practices to ensure decent work and generate long-term prosperity for the industry. A number of speakers also highlighted ongoing issues facing the industry, including how Better Work Bangladesh and its brand partners can continue to address gender and OSH non-compliances. During this event the Additional Secretary of the Ministry of Labour and Employment (MoLE), visibly supported this approach and called upon RMG business leaders to take greater ownership of the sustainability agenda to complement the efforts of the government and development partners.

**Five years into its existence, the Better Work programme is having a significant and long lasting impact on Bangladesh's garment industry. The programme aims to support continuous improvement by putting constituents and the private sector in the driving seat to create sustainable ownership of the tools, framework and mindset and ensure that good working conditions become a de facto standard supported by industry stakeholders and institutions."**

*Anne-Laure Henry-Gréard, Better Work Bangladesh Programme Manager*



# ACHIEVEMENT OF OUTCOMES



## Working with Brands

As part of Better Work Bangladesh's stakeholder engagement to 1) increase expansion of the Better Work Bangladesh programme to an increased number of factories; 2) reduce the duplication of audits in the industry and 3) share knowledge about important industry topics in the garment sector, Better Work Bangladesh conducted regular outreach seminars and interventions.

This collaboration with brand partners also aligns and strengthens the industry's approach to reduce non-compliance. Other joint events held with brands partners encouraged their suppliers to partner with Better Work Bangladesh. This resulted in the enrolment of seventy new factories, as well as a significant reduction in audit duplication. There have been very few reports of Better Work Bangladesh brand partners duplicating social compliance audits in Better Work Bangladesh factories; up until 2019 this had been a major challenge.

It is significant that brands partners like Li&Fung who source from 85 Better Work Bangladesh factories for example, have made clear, written commitments to only use the Better Work Bangladesh assessment tool as a measure

of social compliance. This increase in trust and commitment from brands has resulted in deeper conversations around capacity building in factories, as well as a better use of resources. Some examples of this include having brands carry out fact gathering visits when a zero tolerance issue occurs, with Better Work Bangladesh playing a convening role in ensuring this information is disseminated to other brand partners sourcing from the same factory.

This gives Better Work Bangladesh more space to ensure the programme continues with its mission to support the capacity building and sustainable resolution of issues in factories. Partnerships with the private sector have also resulted in the joint organisation of seminars to address common industry concerns like sexual harassment, freedom of association violations and a lack of managerial skills. Better Work Bangladesh has increasingly focused on working with factories who are not enrolled in the Better Work Bangladesh core service package, and has ensured that brand partners are involved in this process, and are equipped with the tools and techniques to support the factory embed the training plan into the working culture and systems of the factory.

# ACHIEVEMENT OF OUTCOMES

## Working with Employers

Better Work Bangladesh made real progress in strengthening relationships with industry stakeholders in the past year, most notably with the employers' organisations, who engaged with the programme to improve their understanding of assessment and advisory techniques to make sustainable improvements in the garment sector. Employers in Bangladesh mainly use a checklist approach to evaluate factories. This approach is not carried out systematically and does not provide factories with support towards solutions or capacity building, which is essential to their long-term improvement. Their approach to auditing factories does not take into account a triangulated approach either, meaning that workers, managers and documentation checks are not included as they should be when carrying out factory audits, and hinders their ability to uncover and address non-compliance issues in factories.

Relationship building has taken place in the form of ongoing outreach, meetings and knowledge sharing as well as training for compliance teams from the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) who have been trained in Better Works tools and methods. In addition, Better Work has proceeded to strengthen factories with in-house capacity similar to that of the Better Work Enterprise Advisors and Training Officers through its 'Factory Ambassadors' which aims to support factories to build the capacity of enterprise compliance staff to transfer ownership of making long term factory improvements.

**“With the help of Better Work, we should define sustainability by ourselves and start working on self-sustaining, self-monitoring and self-implementation tools to adapt and replicate best practices.”**

**Dr Rubana Huq**, *President of Bangladesh Garment Manufacturers and Exporters Association*

## CASE STUDY



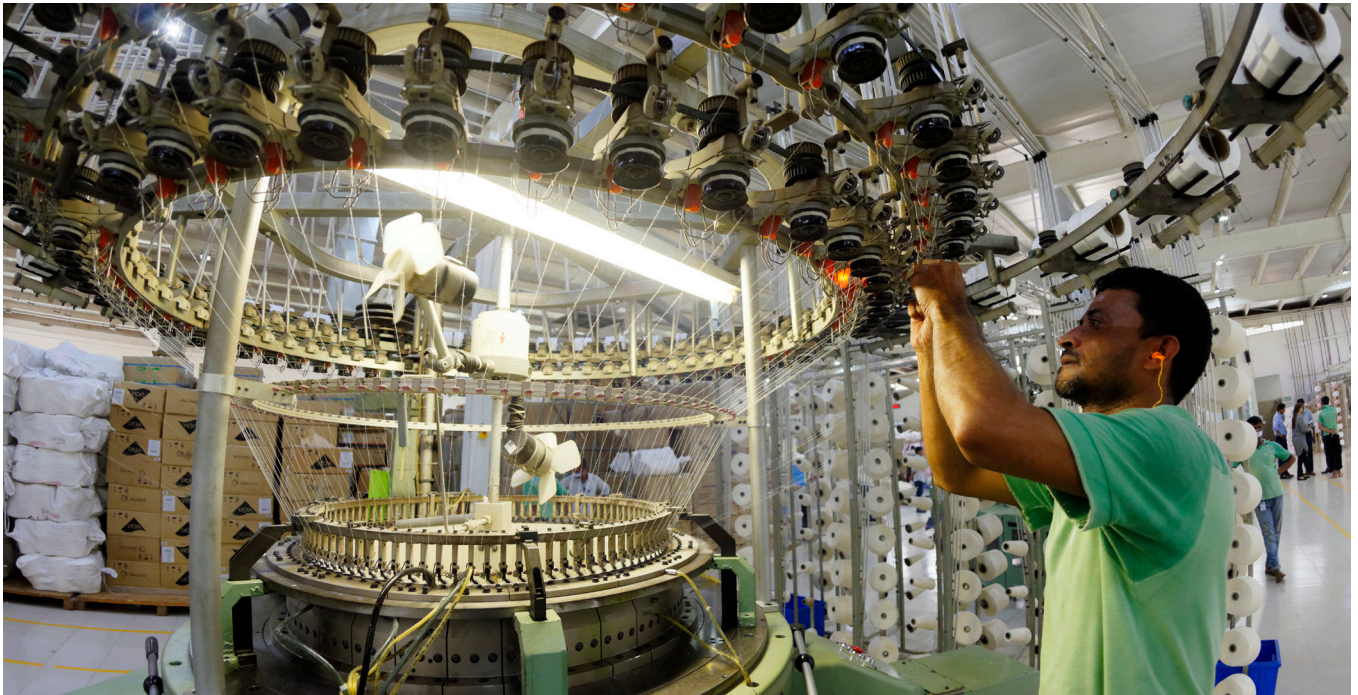
## Workers are making their voices heard

**51% of factories assessed had a functioning Participation Committee**

Participation Committees (PCs) have become an integral part of factories, helping workers to communicate their needs clearly. Better Work Bangladesh facilitated the formation of 171 PCs, of which 66 were established in 2019. As per the Bangladesh Labour Act, factories employing 50 or more workers must form a PC with an equal balance of worker and employer representatives. During our assessments, we checked the formation and existence of these PCs, and that they are functioning appropriately by reviewing their election committee nomination processes, the elections themselves, and the roles and responsibilities of leaders and members. The programme has conducted a series of training sessions and seminars in the SQ Celsius Ltd which boosted worker-management relations. Ayesha Akhter Nazma, a trimming operator who has been working in SQ Celsius Ltd for the past nine years, talks about the transformation she has seen over the years; “Since the launch of Better Work Bangladesh in our factory, workers have started to engage more in open discussions with the management”, she says. “I’ve seen a transformation in the worker-management relationship over the past four years. This helped narrow the communication gap within the factory. It also helped us communicate our demands more clearly.”



# ACHIEVEMENT OF OUTCOMES



## Working with Trade Unions

In 2019, Better Work Bangladesh has worked to strengthen links between workers' organisations and existing unions in Better Work Bangladesh factories and building the capacity of trade union officials engaged in fieldwork, and at factory level. The purpose is to ensure they understand their role as trade unions, clarifying a lack of understanding around the law and the role of trade unions as an important factor in ensuring better social dialogue in Bangladesh. At the factory level, Better Work Bangladesh has focused on building an environment that fosters effective trade union participation. The programme has collaborated with the ILO Social Dialogue and Industrial Relations (SDIR) to deliver a three-year programme to Gap supplier factories focusing on strengthening social dialogue in Gap supplier factories in Bangladesh. In collaboration with international brand Lidl Hong Kong, Better Work Bangladesh has delivered freedom of association and collective bargaining training to 80 factories, during the seminar suppliers saw first-hand the support Lidl Hong Kong were willing to give in this arena. Lidl Hong Kong emphasised the

importance of addressing this industry wide issue in Bangladesh, and put strong emphasis on the need for suppliers to support freedom of association and collective bargaining. Suppliers reported a greater understanding of how they could support this process, and the law around freedom of association and collective bargaining. Although factories involved in the training were for the most part non-Better Work Bangladesh factories, Lidl Hong Kong has continued to work with their suppliers to address this issue in their workplaces. Better Work Bangladesh continues to strengthen collaboration with Trade Unions to promote strong industrial relations in the garment sector, striving to create a better understanding of Better Work and its work and to discuss ways to work more closely to promote strong industrial relations in garment factories and build a more collaboration and understanding of ensuring strong and effective industrial relations in the garment sector. This has taken shape in the form of knowledge sharing meetings and workers organisations involvement in Better Work Bangladesh's 2018 – 2021 strategy which took into account results from these consultations, and subsequently trade unions training based on needs identified during consultations have taken place.



# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>OUTCOME 1: Core service delivery model applied.</b>		
<b>1.1</b> Better Work Bangladesh will upscale operations and effectiveness in core services delivery.	<b>On schedule</b>	<p>Better Work Bangladesh has increasingly offered and delivered capacity building initiatives which go beyond the traditional core service package, and which focus on the needs of the industry as a whole e.g. industrial relations and sexual harassment prevention. This has expanded the number of factories reached by the programme and goes beyond using training and advisory to address individual factory issues.</p> <p>At the same time, Better Work Bangladesh continues to roll out the core service package. Currently, 242 factories are enrolled in the Better Work Bangladesh programme. This figure is slightly below target (285 factories) due to Better Work Bangladesh human resource capacity constraints (these have since been addressed through recruiting an increased number of enterprise advisors) and due to Better Work Bangladesh's increased engagement in delivering non-core services capacity building initiatives.</p>
<b>1.2</b> Ensure staff development, organizational learning and coordination to maximize effectiveness.	<b>On schedule</b>	<p>Internally, the programme invests substantially in continuous improvement of the capacity of its staff. This includes technical training for the delivery of factory level services, a strong system of quality assurance as well as training on leadership and the effective functioning as a team. Training is determined by the priorities of the programme, data analysis on factory findings, as well as demands from staff.</p> <p>Training includes classroom training, external expert missions to support needs based learning, peer to peer learning as well as factory visits. Training on gender related issues have been a core component of learning and training.</p> <p>To strengthen the team's OSH skills and knowledge, a seasoned OSH expert consultant spent several months in Bangladesh focusing on assessing Better Work Bangladesh's OSH assessment techniques and addressing areas of improvement, with particular focus on the safety committee, fire safety, chemical and electrical safety and boiler safety. Further external support was provided by the Better Work Global technical specialist in the induction of new staff, and co-developing and carrying out employer training and capacity building.</p>
<b>1.3</b> Capacities of factory managers and workers to improve and uphold compliance with labour law is increased.	<b>On schedule</b>	<p>Better Work Bangladesh has increasingly expanded training to factories outside the programme, delivering and charging factories for tailored training packages, which aim to address individual factories issues, factory group issues, and industry level issues. This training was done both separately and through collaboration with Puma, Lidl Hong Kong, H&amp;M, Gap and a manufacturing group. The training ensures factories can build the culture and procedures to mitigate and address sexual harassment. 24 training sessions on sexual harassment prevention were carried out and a five-day training for a manufacturing group was implemented with a strong focus on this area. Two violence and harassment in the workplace trainings were also carried out, focusing on senior factory level management.</p> <p>A number of new training courses have been developed to target OSH specific issues (including on boiler safety and OSH management systems), HR management systems, various productivity training, Welfare officer training and increased focus on delivering a training of trainer module, which ensures factories, have the in-house skills to deliver their own training.</p> <p>Better Work Bangladesh's partnership with the SDIR programme on improving social dialogue in Gap factories has largely increased the number of needs-based training delivered to factories. Deliverables and milestones of this project so far include 1.) Project launch with ILO constituents and factories 2.) Nine 2-day Grievance Mechanism trainings 3.) Four 2 days International Labour Standards (ILS) and Bangladesh Labour Act (BLA).</p> <p>Better Work Bangladesh recruited two productivity consultants in order to respond to ongoing requests from factories for support in this area, and to ensure Better Work Bangladesh can support the technical skills building of an increased number of women in the industry.</p> <p>Better Work Bangladesh's factory ambassador programme launched in 2019 includes a component of factory trainer capacity building aimed at supporting the quality and effectiveness of a factory's internal training programmes.</p>

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>1.4</b> Assessment; regular public, industry and factory level compliance reports are produced and published.	<b>On schedule</b>	173 assessment reports have been produced and published in 2019, which resulted in 533 assessments reports produced in the programme's life time. A synthesis report of assessment results carried out between June 2015 and December 2018 was published in September 2019.
<b>1.5</b> Training, Assessment and Advisory Integration.	<b>On schedule</b>	Increased internal alignment and linkages of training to assessment and advisory are evident in an internal standard operating procedures to guide the process of integration as well as specific performance measurement indicators for Better Work Bangladesh staff delivering assessment, advisory and training. 2019 has seen more systematic, timely and relevant training delivered as a result.
<b>1.6</b> Advisory Services.	<b>On schedule</b>	Better Work Bangladesh continued to provide advisory services to its factories with a focus on enhancing management systems and worker-management committees. As a result, 66 elected Participation Committees (PCs) were formed during Jan-Dec 2019. Since the inception of the programme, Better Work Bangladesh has facilitated the formation of a total of 171 PCs and 136 Safety Committees (SCs), where 346,339 workers (57 per cent women) elected 1,863 representatives (44 per cent women).  1,136 advisory visits have been conducted during the reporting period with an objective to effectively influence compliance with national and international labour standards in the Better Work factories. Since the inception of the programme, 3,422 advisory visits have been carried out.
<b>1.7</b> Mechanisms of social dialogue in the garment sector are improved	<b>On schedule</b>	Better Work Bangladesh has encouraged effective social dialogue and industrial relations in factories via the following approaches:  <b>1.</b> Targeted advisory interventions have taken place in factories with poor grievance mechanism systems, poor HR systems and high non-compliance around disciplinary procedures 1) disciplinary procedures (93 participants from 18 factories), 2) grievance mechanism as a proactive measure (86 participants from 19 factories); and 3) Management systems (72 participants from 18 factories).  <b>2.</b> Better Work Bangladesh has collaborated with an ILO partner project to deliver training around strengthening social dialogue in Gap supplier factories. To date 13 training modules have been delivered to 144 workers from 120 factories.  <b>3.</b> Working directly with trade union members to build and improve their systems of social dialogue in factories.  <b>4.</b> Working with brands to target interventions around Freedom of Association and Collective Bargaining, organising a seminar around the topic for 80 Lidl supplier factories.
<b>1.8</b> Support high performance factories with tailored services to support their advancement to stage 2.	<b>On schedule</b>	Better Work Bangladesh has taken extra efforts in 2019 to help factories build a synergic approach to improvement with the aim to become a "High Performing Factory". The selection of learning priorities of factories was made more needs based. Advisory services were adjusted to specific areas of improvements, coming from either assessment or self-diagnosis.
<b>1.9</b> Increased focus on key safety issues in the sector (OSH mgt systems, chemical and boiler safety).	<b>On schedule</b>	Ongoing communication efforts have increasingly helped inform the sector of Better Work Bangladesh's role around safety. Better Work Bangladesh aims to maintain the improvements in fire, electrical and industrial safety achieved since the Rana Plaza disaster through developing management systems that enable the factories to go beyond the minimum standards of safety, identify the root cause of issues, and develop policies and procedures to systematically address and prevent OSH hazards.  Heavy focus has been put on strengthening the OSH capacity of staff. To this end, an external OSH expert has supported Better Work Bangladesh's ongoing learning needs analysis of internal OSH capacity via quality assurance and data analysis, and has delivered targeted training and interventions for Better Work Bangladesh staff.  In 2019, advisory and training included a component on boiler safety, safety committees, chemical safety and OSH management systems.

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<p><b>1.10</b> Introduce/scale up Better Work Bangladesh's gender strategy GEAR, Mothers@Work projects.</p>	<p><b>On schedule</b></p>	<p>Tackling violence and harassment at work, including sexual harassment has taken centre stage in 2019. Based on ILO Convention 190 on violence and harassment, a gender based violence training has been developed and rolled out in factories.</p> <p>Better Work Bangladesh has collaborated with brands to scale up the GEAR programme to promote women leadership through training and capacity building activities to reduce gender imbalances in supervisory and managerial positions in the RMG sector. During the reporting period, 87 female sewing machine operators were promoted to supervisory roles in 12 factories. GEAR is a partnership between ILO, providing supervisory skills training, and IFC who provides technical and soft skills training. Better Work Bangladesh carried out 16 days (8 trainings) of GEAR supervisory skills training in 2019, reaching 158 female operators.</p> <p>In 2018, the Mothers@Work programme, a Better Work Bangladesh and UNICEF partnership to promote, protect and support breastfeeding among working mothers was established. The programme continues to be systematically rolled out in 80 Better Work Bangladesh factories. This one-year long programme addresses maternity rights and breastfeeding protection in the garment sector. Better Work Bangladesh has employed two dedicated Mothers@Work enterprise advisors who support the implementation of the programme. Mothers@Work is supporting factories at every level to ensure this programme is fully integrated and owned in the long-term (owners, top managers, compliance managers, welfare office, supervisors, workers). The specific role of the Mothers@Work enterprise advisory is to provide factories and Better Work Bangladesh colleagues support and training to implement good practices around breastfeeding protection and maternity rights.</p> <p>Better Work Bangladesh has taken a lead role as a convener of a Gender Based Violence platform, which brings together NGOs and UN agencies working in the area of violence and harassment in the workplace. The platform continues to share tools and best practices to address and resolve gender based violence and harassment.</p>
<p><b>OUTCOME 2: Engaging stakeholders to contribute to responsible business practices.</b></p>		
<p><b>2.1</b> Buyer partners address factory and/or industry level challenges.</p>	<p><b>On schedule</b></p>	<p>Better Work Bangladesh organises regular meetings with brand partners to give them industry updates, work together on an approach to resolve current factory issues, as well as organising joint factory visits to promote an understanding of the Better Work Bangladesh methodology. This is important for two reasons: <b>1.</b> to build trust and understanding among local brand partners who are often ultimately responsible for their factory's social compliance; <b>2.</b> to resolve persistent or difficult non-compliance issues like late payment for workers, or ongoing verbal abuse in the factory. Often factories are motivated to address issues with increased seriousness if they are additionally encouraged by the brand to do so.</p> <p>Via the Better Work Bangladesh business forum and other events, Better Work Bangladesh continues to facilitate dialogue between brands and constituents about industry challenges.</p> <p>Better Work Bangladesh began to collaborate with suppliers of three more brand partners, and the number of reports sold to partners has increased significantly from 273 in 2018 to 481 in 2019. Reports sold to participant brands have more than doubled.</p>
<p><b>2.2</b> Partnerships with national and international stakeholders are solidified.</p>	<p><b>On schedule</b></p>	<p>The Better Work Bangladesh country strategy, aimed at guiding Better Work Bangladesh's efforts to maximise its positive impact on social compliance and competitiveness in garment factories, and more broadly the sustainable development of the RMG sector in Bangladesh, has been developed through consultation with the project advisory committee members.</p> <p>A collaboration strategy has been established with trade union organization to identify joint areas of intervention, including mutual consultations, trainings with trade union field officer regarding their role and responsibility on how to represent their members and on how to organise higher level meetings with trade union heads to build their understanding of Better Work Bangladesh's approach and to seek input into the programme's activities.</p> <p>Ongoing capacity building of employers' organizations based on social dialogue, national labour law and international labour standards is in progress</p>



# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>2.3</b> Better Work informs and shapes national labour laws and policies, as well as industry strategies and plans for the garment, footwear and wider manufacturing sector.	<b>On schedule</b>	Better Work Bangladesh released its first synthesis report as well as a progress report of the programme's impact to date. Regular newsletters around the programme's approach and impact, an active Facebook page and more individual (both factory and worker) stories particularly ones that are centred around ensuring a more equal workplace for women, are helping to influence behaviours and perceptions of good working conditions and productivity.
<b>2.4</b> Manufacturers address industry level non-compliance and issues.	<b>On schedule</b>	Better Work Bangladesh carried out a manufacturing group residential training to address ongoing issues of violence and harassment within the group.
<b>2.5</b> Better Work Bangladesh will achieve long term financial and institutional sustainability (revenue).	<b>On schedule</b>	Better Work Bangladesh is trying to achieve long-term financial viability and sustainability via its factory base. Total factory income in 2019 was \$1,012,710 (an increase of \$200,000 from 2018). The programme is increasingly focusing on the institutional sustainability of its partners through capacity building of national partners, employers, workers' organizations and government institutions.

## ISSUES AND ACTIONS

### ISSUES

### CORRECTIVE ACTIONS TAKEN

**BRAND'S PURCHASING PRACTICES CONTINUE TO BE A BARRIER FOR FACTORY IMPROVEMENTS IN THE GARMENT SECTOR**

As Better Work Bangladesh has increased scale and built up its reputation, the programme has more successfully been able to convince brands of the long-term benefits and their responsibility to not cancel orders or withdraw business from the factory when critical non-compliances arise. Making this type of business relationship a reality in Bangladesh has taken extensive effort, knowledge sharing and intervention on the part of Better Work Bangladesh. 2019 has seen an increasingly collaborative approach from brands in supporting factories to resolve critical issues, but it remains a challenge, in particular for brand partners who take a more traditional risk avoidant and top-down approach to factories. Better Work Bangladesh continues to convene brands, employers and government to discuss the implications of poor purchasing practices, as well as the need for greater brand investment and responsibility in the country.

**ECONOMIES OF SCALE OF THE BETTER WORK BANGLADESH PROGRAMME**

Better Work Bangladesh is a resource intensive programme. As the Better Work Bangladesh team cannot grow indefinitely, the programme will need to build more partnerships, including with the rest of the ILO garment portfolio to implement joint activities in the fields of industrial safety and industrial relations, building the capacity of constituents on Better Work tools and techniques, also partnering with relevant organisations to meet the specific learning needs of constituents. Better Work Bangladesh is working with the Accord programmes and buyer partners to resolve factory-level issues and find sustainable solutions for improvement and compliance.

# OPPORTUNITIES

## Partnering for Scale and Impact

The development of partnerships will continue to be a key focus of Better Work Bangladesh's strategy going forward. The programme has joined forces with other development partners to carry out activities within its factories relating notably to sexual harassment, gender-based violence, nutrition or maternity protection.

Better Work Bangladesh plans to expand the SDIR programme to collaborate more closely on joint interventions in factories, and plans to explore further possibilities of working with training institutions to ensure an increasingly joint approach to sector wide improvements.

Through programmes like the Factory Ambassador Programme and by increasing the delivery of Training of Trainers, Better Work Bangladesh aims to ensure the industry has the skills to ensure continuous improvement of working conditions and productivity outside of the Better Work Bangladesh programme.



## LESSONS LEARNED

### COLLABORATION AND PARTNERSHIPS

Better Work Bangladesh's partnerships with tripartite constituents are most effective through regular meetings with Government partners, employer organisations and worker representatives to enhance ownership of constituents and ensure their understanding and support of the Better Work Bangladesh programme and to, in turn, ensure Better Work Bangladesh is regularly seeking feedback and input into the programme.

Using its factory data and narrative as well as technical expertise, Better Work Bangladesh can contribute to the overall institutional efforts

of the ILO and specifically the RMG Programme in the garment sector and act as a capacity building provider for tripartite constituents.

Systematic follow up with Better Work Bangladesh brand partners can ensure an increase in brand engagement with Better Work Bangladesh, ensuring a unified approach towards improving compliance in their supplier base and reducing audit duplication.

Better Work Bangladesh's key strength is its ability to act as a convener bringing together industry and buyers for discussions on responsible business conduct.

# Cambodia

Better Factories Cambodia continued to bring about change in 2019 with new leadership and training programmes and fruitful partnerships. The growth of the sector has encouraged the programme to expand its ambitions and work more closely with stakeholders to create impact through sustainability. Close collaborations with manufacturing groups and factories are critical to driving change in the global garment industry.





# COUNTRY CONTEXT



## Garment Sector Statistics

Export figures for 2019 published by the Ministry of Commerce show a growth from US\$9.3 billion to US\$10 billion (7.81 per cent growth) from 2018 in the garment, textiles and footwear sector in Cambodia. Garments exports increased from US\$7.75 billion in 2018 to US\$7.9 billion in 2019 (2% growth), and the footwear sector grew from US\$1 billion in 2018 to US\$1.2 billion in 2019 (12.7% growth). The impressive growth figures derived from the travel goods sector whose exports grew from US\$488 million in 2018 to US\$864 million in 2019 (77% growth). By the end of 2019, there were around 70 travel goods and bag factories.

**The MoLVT commits to continue improving labour rights and working conditions, competitiveness and productivity in the textile, garment, travel goods and bag sectors in Cambodia, in line with the core labour standards and the Labour Law of Cambodia. With Better Factories Cambodia, we will continue transferring knowledge to stakeholders for compliance in the sector.**

*H.E. Dr. Ith Sam Heng, Minister of Labour and Vocational Training*



**574**  
factories  
impacted by our  
programmes



**621,275**  
workers in  
our registered  
factories



**82%**  
of the  
workers are  
women



**404**  
compliance  
assessment  
reports in 2019



**1,048**  
advisory  
visits  
carried out



**97**  
training  
sessions  
conducted

# COUNTRY CONTEXT

## International Core Labour Standards and National Labour Law



### EMPLOYMENT CONTRACTS

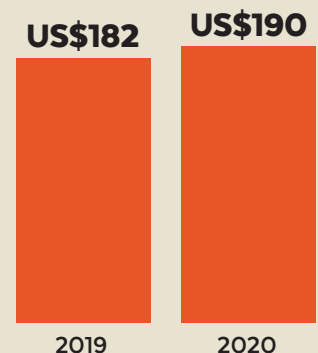
During more than 15 years, the labour law on the determination of fixed duration contracts (FDC) and unspecified duration contracts (UDC) and its interpretation has been a challenge in the industry. In May 2019, the MoLVT issued an instruction (Instruction No. 50) to clarify the determination of employment contracts as stated in the labour law and in relation to the period for which an FDC may be renewed, and the timeframe around the probationary period of employment. There was a discrepancy in interpretation between MoLVT and the Arbitration Council (AC). Better Factories Cambodia adhered to the AC interpretation, which is in accordance with ILO R166. With the new instruction, MoLVT aims to clarify the discrepancies in interpretation.

### ANNOUNCEMENT OF THE EUROPEAN UNION TO PARTIALLY WITHDRAW TRADE BENEFITS FOR CAMBODIA

In October 2018, Cambodia received notice of the launch by the European Commission of a process to withdraw Cambodia's duty-free and quota-free access to the European Union Single Market under the Everything but Arms (EBA) scheme. The 18-month consultative process began in February 2019, and the monitoring and evaluation period ended in mid-August 2019. In February 2020, the EC made a final decision to partially withdraw EBA trade preferences, and these withdrawals are due to come into effect on 12 August 2020.

### MINIMUM WAGE NEGOTIATIONS COMPLETED

Unions, employers and the government agreed to increase the minimum wage of textile and footwear factory workers by US\$8 monthly for 1 January 2020. Workers will receive US\$190 per month from January 2020 up from US\$182 in 2019. The decision was made by the tripartite Labour Advisory Committee on 20 September 2019. The Ministry of Labour and Vocational Training reported after the meeting that the National Committee for Minimum Wage determined US\$187 as the minimum wage, and the Prime Minister Hun Sen then added an additional US\$3.



# ACHIEVEMENT OF OUTCOMES

## New Strategic Phase

The development of the programme's current strategic phase (Phase IV-2019-22) started in the second half of 2018 and was finalized in mid-2019. The strategic phase focuses on the role of each stakeholder on increasing institutional sustainability of Better Factories Cambodia's work and the need to deepen collaboration and partnerships with national constituents and international partners around industry-level issues.





# ACHIEVEMENT OF OUTCOMES



## Plan for Sustainable Compliance

Based on discussions with the constituents in preparation for the development of the current strategy, Better Factories Cambodia started a process towards developing a Plan for Sustainable Compliance in the Cambodian garment, footwear, travel goods and bag industry. This plan will set forth a shared vision among partners for industry sustainability, as well as articulate the role of each partner in reaching that vision. In addition, it will include suggestions for an accountability and governance mechanism.

The consulted stakeholders indicated that the key elements of a vision for a sustainable industry should include industry-wide compliance with the labour law and associated conventions and regulations, strong commitment at all levels of an enterprise to a culture of compliance, and professional development of factory workers, supervisors and managers, worker representatives and trade union officials.

## Promoting Collaboration and Knowledge Sharing among National Stakeholders

In 2019, representatives from the Ministry of Labour and Vocational Training, the Ministry of Commerce, the Garment Manufacturers Association in Cambodia, trade unions, factories and manufacturers continued to share experiences and attend capacity development workshops, focusing on OSH issues. The curriculum included learning and collaboration among the actors to support skills development on joint problem solving. The programme emphasizes behavioural and attitudinal change and encourages national constituents to create a vision for how to embed the learnings from the programme into their own strategic planning. In 2019, two modules were introduced: facilitation and communication, and problem solving skills. In addition, the participants of the programme joined the distance OSH learning course designed by ILO-ITC, covering the essential aspects of Occupational Safety and Health.

Better Factories Cambodia's main partner in this initiative is the Department of OSH of the MoLVT. After the graduation from the first programme, DOSH participants felt that they had enhanced the quality and effectiveness of their work, especially regarding leadership on improving OSH conditions in Cambodia.

This platform of industry actors proved useful for government officials to meet and discuss with the private sector and vice versa. Participants reported that this was a unique way of informally understanding each other's work and priorities especially in the garment sector. The participants could enhance communication among labour inspectors, employers, GMAC, manufacturers, trade unions and brands. These activities have strengthened the relationship between DOSH and Better Factories Cambodia.

# ACHIEVEMENT OF OUTCOMES

## Promoting Gender Equality and Preventing Sexual Harassment

Better Factories Cambodia has continued working on its commitment towards gender equality. Gender dimensions have been integrated into each outcome of the current strategy. In 2019, Better Factories Cambodia increased its focus on gender especially advisory and training services – with a commitment to support women worker and management representatives in bi-partite committees and raising more awareness with factories on the importance of preventing and addressing sexual harassment. Better Factories Cambodia built on existing partnerships with CARE and UN Women, as well as with Solidarity Centre. In the next few years, the focus will be on working with unions to build capacity on gender issues, and especially on voice and representation of female union representatives.

Better Factories Cambodia's training team conducted a half-day learning seminar on sexual harassment prevention for the top management of approximately 20 suppliers. An awareness-raising event for factory managers and buyers of Better Factories Cambodia's advisory factories was also organised in June for around 100 participants to further discuss the importance of preventing and addressing sexual harassment in the industry. The

aim of the event was to share business cases and research on sexual harassment prevention, and to introduce CARE's sexual harassment prevention programme for factories. With these events, CARE and Better Factories Cambodia aimed to increasingly sensitize factory management on the advantages and necessities of addressing sexual harassment of women and men in garment factories.

In collaboration with the Solidarity Centre in Cambodia, the programme developed a male leadership programme for male PICC members. This programme was inspired by the female leadership programme, and it has been designed to allow PICC members to build a good understanding of gender concepts and social norms, to appreciate the benefits of involving different voices, and provide a safe space to ensure that diverse voices are represented and recognized. Respecting and upholding the equal voice of both male and females creates productive dialogues, sustainable changes, and helps to ensure workplace issues are addressed objectively.

***Now I immediately go home after work and reach home at 6 pm to help support household work, play with my kids so that they get support from me."***

*Participant of the male leadership programme*

## THE BUSINESS OF WOMEN AT WORK CONFERENCE

150 people from across the garment supply chain met in Phnom Penh to discuss how to address and prevent sexual harassment in the garment supply chain. The conference, jointly organised by Better Factories Cambodia and CARE Australia and funded by the Australian DFAT, was a two-day event to openly discuss and devise solutions to prevent and respond to sexual harassment in the workplace. A speaker representing the investor community spoke about the importance of considering sexual harassment prevalence and mitigation strategies when conducting due diligence of environmental, social and

governance risks for prospective investments. An IFC representative referred to their research that companies that invest in internal gender equality have stronger financial performance. Other speakers highlighted the importance of not only having workplace policies in relation to gender equality and sexual harassment, but also focus on their implementation. The responses/solutions to the challenges among the participants included the need for all industry players to collaborate and create a better dialogue system between management and workers, and to acknowledge the issue as an industry-wide issue.

# ACHIEVEMENT OF OUTCOMES

## Working with the Government

Project Advisory Committee meetings in 2019 focused on Better Factories Cambodia's new vision and strategy, and its role and impact on the industry. The PAC emphasized the continued need for Better Factories Cambodia in Cambodia and demonstrated maturity and a readiness to advance and work collaboratively on such a plan for the industry.

The Memorandum of Understanding between the Government of the Kingdom of Cambodia, the Garment Manufacturers Association in Cambodia and Better Factories Cambodia was extended for another three years, covering a period from January 2020 to December 2022. Under this renewed MoU, Better Factories Cambodia will also conduct

independent assessments in all exporting travel goods and bag factories in Cambodia.

Under the MoU, Better Factories Cambodia will also work with the Ministry of Labour and Vocational Training on the implementation of a joint strategy and action plan with the objective to support government's capacity and ownership to uphold compliance with labour law and support remediation in the sector, and to collaborate on assessments in the subcontracting sector. In 2019, the main achievement was to expand Better Factories Cambodia's assessment methodology and processes to all labour inspection team leaders through a five-day ToT. The sessions built the capacity of 25 labour and OSH inspector team leaders. As a result, the labour inspectors were able to compare and identify which Better Factories Cambodia procedures could be included in the Ministry's inspection mechanism to further strengthen the inspections.

***The Ministry of Labour and Vocational Training always deems Better Factories Cambodia and GMAC as their key stakeholders in contributing to ensuring labour rights and working conditions and improving competitiveness and productivity in the garment industry in the Kingdom."***

***H.E. Minister Ith Sam Heng, Minister of Labour and Vocational Training***

## WORKING WITH EMPLOYERS

In 2019, Better Factories Cambodia and GMAC institutionalized regular quarterly meetings. These meetings were held to clarify legal interpretation, receive updates from manufacturers, and to coordinate on training on child labour and other topics. These meetings have been successful in building relationships between GMAC and Better Factories Cambodia staff members. In 2020, Better Factories Cambodia and GMAC will further deepen the collaboration to include more joint training and activities for capacity development of GMAC's trainers.

Better Factories Cambodia continued the collaboration with GMAC on the settlement of child labour cases as set out in the MoU signed in December 2014. During this reporting period, nine new suspected child labour cases were identified in the course of Better Factories Cambodia assessment visits, which Better Factories Cambodia further investigated. The results of the investigation showed that there were two confirmed underage workers (below the age of 15). For the confirmed case, the factories involved are part of remediation settlement.





# ACHIEVEMENT OF OUTCOMES



## Working with Trade Unions

Better Factories Cambodia continued to facilitate its trade union contact group consisting of 23 national level federations with an aim to increase engagement with each other and with Better Factories Cambodia. The group serves as a platform for information sharing to address IR challenges pertaining to the industry. In November, Better Factories Cambodia organised an interactive training session for the union contract group to improve their understanding of the key issues of the garment supply chain players and their interests and challenges. After the training, the unions requested Better Factories Cambodia to organize more similar seminars or training addressing industry-wide issues.

In November, another training for trade union representatives of advisory factory bipartite committees (PICC) was organized. The objectives of this training were to empower trade union representatives who are in the management-workers committee to better understand Better Factories Cambodia core services, and to build their knowledge and skills on dealing with conflict on the factory floor. As a result of the training, the participants from the factories had a better understanding of Better Factories Cambodia's core services approach and of social dialogue, and also improved skills for steps to take towards conflict resolution in the workplace. As such training would benefit all bi-partite committee members from advisory factories, Better Factories Cambodia will aim to conduct regular training for PICC worker representatives.

## WORKING WITH BUYERS

The 17th Annual Business Forum was held in January 2019, gathering Better Factories Cambodia buyer partners and strategic buyers, along with representatives from the Royal Government of Cambodia, garment manufacturers, development partners and agencies and representatives from IFC, ILO, and other UN agencies. Better Factories Cambodia's next four-year strategy and a vision for a sustained culture of good working conditions and social dialogue was the focus piece of the day.

**Better Factories Cambodia has played a key role to improve compliance across the garment industry and is a model for inspection services”.**

*H.E. Heng Sour, Secretary of State,  
Ministry of Labour and Vocational Training*

# ACHIEVEMENT OF OUTCOMES

## GROUND REPORT



### Safer transport improves workers' wellbeing

The new programme was able to reduce crash cases by 77%

Commuting to and from work is one of the most dangerous parts of the job. A majority of the 700,000 garment and footwear workers are at risk daily due to their commute to and from the factory. Road crashes are rampant, and these can be devastating mentally and financially for families who've lost their breadwinners. The majority of the factories are located on national roads and lack proper lighting near the premises. Also, workers also lack a waiting area and are often forced to wait on the side of busy national roads. The poor national traffic context also adds to this burden: motorcycle drivers often do not use helmets; public transportation vehicles are

of a poor quality (usually old, lacking proper seating or overcrowded); and collective transportation drivers do not hold appropriate licenses.

To tackle this problem, we established the TWG with a vision that "All garment and footwear workers travel safely to and from work, all the time." The project was piloted in five factories located in three provinces and reached 8,000 people directly and around 24,000 indirectly. A series of discussions with key stakeholders was conducted, including the RGC, GMAC and trade unions to identify their respective roles to ensure improvements to the safety of a garment workers' commute.

***I changed from truck to bus because I am concerned about the impact on workers. The bus is safer as it has space for commuters to sit"***

*A transportation driver who joined the programme*

### RESULTS SO FAR

- ◆ Over 60% of the workers said they had attended road safety education events at the factory during that time, and 89% found them beneficial. 28% of drivers reported changes in their driving attitudes.
- ◆ During the pilot, three factories also reported an increase in passenger vehicles, including 15 new buses and 30 new vans.
- ◆ Data indicated a 77% reduction in crash cases from the pre-pilot to the post-pilot period. They decreased from 254 cases to 57.
- ◆ Four drivers (out of 78) also changed their vehicles following the pilot, switching to buses and better transportation options.
- ◆ An increased number of workers expressed a willingness to pay more (up to \$5 more) for safer transport.

Members of the group include brands like VFC, Clarks, Decathlon, Puma, H&M, Primark, M&S, Next, Li & Fung, Lidl, C&A, Tapestry, plus manufacturing group Sabrina and Better Factories Cambodia, Road Safety Experts AIP Foundation, and development agencies; The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and Solidarity Center.



# ACHIEVEMENT OF OUTCOMES

## Buyers and Suppliers Engage in IR Leadership Programme

In 2019, Better Factories Cambodia offered a number of trainings that resulted in improvements in industrial relations and gender issues. Based on a three-steps process, the Industrial Relations Leadership Programme aims to create a sustainable environment for workers and management to interact and coordinate. It started as a pilot programme with apparel brands and its supplier factories. The successful implementation resulted in an expansion to new factories, with a total of seven participating in the programme at present.

The results have been highly successful so far, in terms of capacity building for workers, their

***Before we never talked to each other, now we have lunch together and we keep sharing our opinion on how to improve our workplace.”***

*Participant of the Industrial Relations Leadership Programme*



representatives and management. It has also created a culture that ensures that workplace issues and conflicts can be addressed amicably.

One of the union leaders who attended the pilot session said: “I am very grateful that I joined all these trainings because I can bring the knowledge and good practices to share with other workers, which I could never do before,” added another.

### THEMATIC BRIEF HIGHLIGHTS

#### THE BUSINESS BENEFITS OF BETTER FACTORIES CAMBODIA

In 2019, Better Factories Cambodia synthesized key evidence in 2019 from current and past research that demonstrates that employers can reap significant returns when they improve compliance thanks to the Better Factories Cambodia service package.

The impact study conducted by Tufts University from 2015–2018 revealed that production efficiency, measured as the time elapsed to achieve hourly and daily production targets reported by workers, rises by about 10 percent after the first year of participation in the programme, and by up to an additional 11 percent after two years. This represents a cumulative effect that ranges between 16 and 21 percent for

the average factory. Simultaneously, researchers find that factories appear to be increasing their production targets as they engage with Better Factories Cambodia. Planned production increases by 10 percent, resulting in productivity gains that range between 26 and 31 percent.

The impact study builds on past research in Cambodia, which has demonstrated the efficiency case for adherence with international labour standards. Researchers in the past have demonstrated that more compliant firms are more likely to survive external shocks, such as during a period of reduced demand, as demonstrated in the 2008 financial crisis (Better Work Discussion Paper 12).



# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>OVERALL OBJECTIVES:</b> Contribute to improving lives of workers, their families, communities and competitiveness in the Cambodian garment and footwear factories.		
<b>OUTCOME 1:</b> Sustained improvements in working conditions and business competitiveness in factories accelerated by the end of 2022.		
<b>1.1</b> Regular public, industry and factory level compliance and progress reports produced and published.	Ongoing	Better Factories Cambodia produced in total 405 assessment reports in 2019, and 543 factories were part of Better Factories Cambodia's programme by end of 2019 (531 garment and garment subcontracting factories), 16 footwear and 11 travel goods and bag factories. In addition, there were 12 subcontracting factories voluntarily taking part in the programme.
<b>1.2</b> Support provided to improve factories' capacity for effective social dialogue and improved systems.	Ongoing	In total, by the end of 2019, 184 factories were part of Better Factories Cambodia's advisory service programme. Better Factories Cambodia introduced advisory evaluation in all advisory factories by end of each cycle, and a group of advisors piloted the factory roadmap implementation to show their improvement path along the advisory cycle and beyond (this will be fully rolled out in 2020). Training services consisted of 1) public training (1 to 3 day regular training courses on around 20 different topics), and 2) customized training. Customised and modular OSH leadership programme, industrial relations leadership programme and female/male leadership were piloted and more in demand by both manufacturers and buyers. Male leadership programme was piloted and will be part of Better Factories Cambodia's regular training from 2020. More and more efforts by all advisors and trainers were put on gender sensitive training and advisory services.
<b>1.3</b> A group of high performing factories promoted to create leadership on compliance within the industry.	Ongoing	By the end of 2019, Better Factories Cambodia had three high performing factories (HPF); discussions with all factories have taken place on how Better Factories Cambodia can support them in 2020 for them to sustain compliance and culture of learning. HPFs have been invited to all meetings and workshops for stakeholders for them to share experiences and knowledge.
<b>1.4</b> The creation of an industry-owned strategic compliance approach for the sub-contracting sector and low performing factories facilitated.	Ongoing (approach will be agreed in Q1/2020)	In November 2019, Better Factories Cambodia signed an MoU with the Royal Government of Cambodia (MoLVT and MoC) and GMAC for 2020-22. The MoU also includes a mandate for Better Factories Cambodia to assess subcontracting garment factories and work in collaboration with MoLVT's labour inspection to increase capacity of the labour inspectorate.
<b>1.5</b> The formation of partnerships in support of sustained compliance facilitated.	Ongoing	The importance of strategic partnerships is at the heart of Better Factories Cambodia's programme. In 2019, Better Factories Cambodia continued working with UN Women on female leadership programme, Solidarity Centre on road safety for garment workers as well as on developing a male leadership programme that was piloted in Q4/2019. Better Factories Cambodia also collaborated with UNIDO on their environmental programme in 10 garment factories, with the objective of improving the performance of the industry by increasing their competitiveness based on a more sustainable production model, by saving costs through environmentally sound practices and technologies, and improvement of environmental management.  An official MoU between CARE and Better Work was signed in October 2019, and in Cambodia Better Factories Cambodia has continued working closely with CARE on addressing and preventing sexual harassment in the garment industry.
<b>1.6</b> Gender equality embedded in all BFC works and staff capacity and implemented in collaboration with partners.	Ongoing	As part of the partnership with CARE, and funded by DFAT, a joint regional conference for buyers and manufacturers on how to address SH in the industry was organized; more than 100 private sector and NGO participants from the region participated to discuss the topic and how the industry can collaborate. Material for factories and buyers on the topic were produced and an SOP is being developed for the industry with CARE.

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
		<p>Better Factories Cambodia continued with the female leadership programme, and to complement this, a male leadership programme was developed and piloted in 2019. Better Factories Cambodia has also continued to support IFC on community based day-care centres that will be rolled out in 2020.</p> <p>Better Factories Cambodia also continues to develop capacity of staff on gender related issues; in 2019, a session on gender and diversity was conducted for all staff in December 2019.</p>
<b>OUTCOME 2: A vision and roadmap towards sustained compliance in the industry formulated by stakeholders by the end of 2022.</b>		
<b>2.1</b> Better Factories Cambodia support provided to tripartite constituents and other industry stakeholders to create a roadmap for sustained compliance.	Ongoing	<p>A consultation process for the creation of a roadmap/plan for the industry on sustained compliance was conducted in Q3/2019 – the interviews included all tripartite constituents (incl. Ministry of Economy and Finance), buyers, key manufacturers in Cambodia, UNDP and Resident Coordinator, and ILO DWT specialists in Bangkok. The report from the consultations was finalized and presented to PAC in December 2019. Post-report discussions for the formulation of the Plan/Roadmap itself will be held in Q1/2020.</p>
<b>2.2</b> The existing joint action plan with the MoLVT further implemented and aligned with the roadmap (see output 2.1).	Ongoing	<p>The collaboration with MoLVT on the Joint Action Plan in 2019 was positive. In line with the action plan, several capacity development activities were organized, such as a one-week TOT on Better Factories Cambodia's assessment approach (interview techniques, compliance assessment tool, assessment process) with all labour inspectorate team leaders, knowledge sharing sessions with Department of OSH/MoLVT. The Building Bridges initiative was implemented in three separate training sessions in 2019 focusing on facilitation skills and problem solving skills.</p>
<b>2.3</b> In collaboration with the Cambodian trade union movement, a capacity building plan for strengthened trade union representation at factory level developed.	Ongoing	<p>Strengthening the capacity of factory level unions has been one of Better Factories Cambodia's priorities also in 2019; the Industrial Relations Leadership Programme pilot showed behavioural change and improved social dialogue. The trade union contact group was part of a supply chain training in Q4/2019, and all other workshops involving industry level participation.</p>
<b>2.4</b> Areas of joint collaboration and training with GMAC identified and implemented to support factories in strengthening their management systems.	Ongoing	<p>Better Factories Cambodia and the GMAC training centre have agreed on developing and implementing joint training for topics that they are already conducting separately. A joint training on child labour elimination was piloted in 2019, and GMAC trainers observed and participated in Better Factories Cambodia's public training in Q4/2019.</p> <p>Better Factories Cambodia and GMAC continued to collaborate on identifying and remediating child labour cases in garment factories. In 2019, two cases were confirmed.</p>
<b>OUTCOME 3: Global retailers, brands and manufacturers influenced by Better Factories Cambodia on creating and expanding partnerships in support of the creation of sustained compliance in a competitive and fair garment industry, by the end of 2022.</b>		
<b>3.1</b> Support provided for the implementation of the Ministry of Economy and Finance's (MoEF) garment sector strategy.	Pending	<p>The Government informed that the Garment Sector Strategy would not be adopted yet in 2019, but is planned for Q2/2020. Better Factories Cambodia will support the implementation and dissemination once it has been adopted.</p>
<b>3.2</b> Close collaboration forged with investment and manufacturing groups to support factories becoming leaders in the industry implement projects in partnership with manufacturers on various issues to improve compliance and working conditions in the industry.	Ongoing	<p>Better Factories Cambodia worked closely with one manufacturer on providing support for improvement in OSH (including the OSH Leadership Programme in 9 factories, as well as provision of aggregate data on OSH performance).</p> <p>Another group currently has both of their Cambodian facilities as high performing factories; hence, Better Factories Cambodia collaborates with this group to provide customized services at group level as well.</p>

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<p><b>3.3</b> Partnerships with buyers strengthened and leveraged.</p>	<p>Ongoing</p>	<p>Better Factories Cambodia's Business Forum was organized in January 2019, and all along the year, Better Factories Cambodia has had a close relationship with the key buyers in Cambodia resulting in stronger coordination and buyers having improved understanding of services and work with the stakeholders, and are also willing to collaborate and participate in industry-wide issues. Better Factories Cambodia has also been invited to several supplier meetings of brands to further explain the benefits of its services. For more challenging issues in factories, Better Factories Cambodia also dedicated efforts to dialogue with buyers on the specific issues.</p> <p>Quarterly buyers' calls with all buyer partners and key participants were conducted to inform the buyers on factory level performance as well as industry wide issues. Locally present buyer representatives were part of the Building Bridges programme with an objective of sharing knowledge and experiences between private and public sector actors; all public sector actors appreciated the presence of buyer representatives due to the industry and supply chain knowledge.</p>
<p><b>OUTCOME 4: Data and knowledge measured and used to communicate for improved practices in support of the vision for the industry by the end of 2022.</b></p>		
<p><b>4.1</b> Better Factories Cambodia data analysed to help inform sectoral and factory level policies and practices.</p>	<p>Ongoing</p>	<p>The Annual compliance report for 2019 will be published in April 2020. Internally, all team leaders are using aggregate assessment compliance and timeline data (for assessment process) for their team performance, and specific areas of work (assessment, advisory and training) for decision making on services provided to factories – e.g. on number of findings for team members on FoA issues, non-compliance data on progress in their advisory factories.</p> <p>Aggregate non-compliance data and improvement plan data for each of buyers' factories (on progress of compliance in their factories) is also regularly used for quarterly buyer calls and regular meetings with manufacturers to see progress and areas of improvement.</p> <p>A Bulletin (no 9) for Cambodian footwear sector was published in Q3/2019.</p>
<p><b>4.2</b> Better Factories Cambodia impact assessment data used to demonstrate how improved working conditions have an impact on worker wellbeing, business outcomes and communities.</p>	<p>Ongoing</p>	<p>A "Business Case for Better Factories Cambodia" based on Better Work's impact assessment data for Cambodia was published in Q4/2019. The results were also disseminated at Better Factories Cambodia's PAC meeting in December 2019, and for staff in December 2019.</p> <p>The results from the Better Factories Cambodia impact assessment were disseminated to Better Factories Cambodia staff and PAC in December 2019.</p>
<p><b>4.3</b> Public communication campaigns developed and implemented to showcase sectoral and factory level successes.</p>	<p>Ongoing</p>	<p>A competition for workers on OSH improvements in their factories was organized in collaboration with GMAC and MoLVT in Q2/2019 to highlight good practices – the winners were announced at the National OSH Day organized by MoLVT in May 2019 (supported by Better Factories Cambodia and ILO OSH project). The competition was disseminated through Better Factories Cambodia's Facebook page, and leaflets to factories (through our factory advisors), and by GMAC and MoLVT.</p> <p>Better Factories Cambodia and GMAC continued to collaborate on identifying and remediating child labour cases in garment factories. In 2019, two cases were confirmed.</p>
<p><b>4.4</b> Partnerships with the private sector assessed and created to support outreach and new ways to communicate to workers factories in strengthening their management systems.</p>	<p>Ongoing</p>	<p>In 2019, discussions were held with both Solidarity Center and GIZ on ways to improve communication and dissemination of information for garment workers. Discussions for the development of outreach campaigns will be continued with key partners in 2020.</p>
<p><b>4.5</b> Industry best practices and impact results around working conditions formulated and disseminated.</p>	<p>Ongoing</p>	<p>Due to the lack of communications staff in the second half of 2019, Better Factories Cambodia's work on communication has been limited. Collaboration with CARE and The Asia Foundation (on videos of garment workers and managers) were, however, disseminated through Better Factories Cambodia networks.</p>



# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
4.6 M&E data regularly collected and used to strengthen programme interventions.	Ongoing	Better Factories Cambodia conducted an evaluability study (on M&E indicators, Theory of Change and logframe) in Q4/2019 with proposed changes to some outputs and indicators. The logframe with proposed changes to the outcome-output hierarchy and indicators will be finalised in Q1/2020. The revised frameworks will be disseminated to donors and internally with staff.
<b>OUTCOME 5: Continued improvements in Better Factories Cambodia programme governance, staff development, and financial sustainability.</b>		
5.1 Active engagement of tripartite constituents enhanced in the governance of the programme through the Project Advisory Committee.	Ongoing	Two PAC meetings were conducted in 2019 (January and December). In between the PAC meetings, there were separate meetings on the content of the next MoU 2020-22.
5.2 An MoU for the continuation of the Better Factories Cambodia programme operations signed by national partners.	Ongoing	The MoU between ILO-Better Factories Cambodia, MoLVT, MOC and GMAC was signed in November 2019. The MOU extended Better Factories Cambodia's mandatory mandate for assessments to also include travel goods and bag industry, as well as subcontracting factories.
5.3 Dialogues on sectoral level issues and priorities between tripartite constituents and other stakeholders enhanced.	Ongoing	In 2019, a sectoral (regional) level discussion was held on sexual harassment prevention in the garment industry. In addition, Better Factories Cambodia continued working on workers' transportation/road safety through the Transportation Working Group facilitated by Better Factories Cambodia (members are buyers, manufacturers, relevant NGOs). A national stakeholder meeting was organized in September on transportation safety that was co-organised with Solidarity Centre and AIP Foundation (road safety NGO).
5.4 Strengthened staff development and learning culture within the programme.	Ongoing	Better Factories Cambodia's staff training calendar (agreed by staff based on needs for new knowledge and skills) was implemented among staff and an annual planning meeting was organized in 2019 to discuss and brainstorm on challenges and opportunities for Better Factories Cambodia in 2020. Four staff members were nominated for the Better Work internal two-year Leadership Development Programme (LDP).
5.5 Health and effective financial management ensured in support of strong financial sustainability.	Ongoing	Better Factories Cambodia's management team is informed monthly about the programme's financial status.

## ISSUES AND ACTIONS

### ISSUE

CONTINUED INTEREST FROM BUYERS ON ENROLLING THEIR SUPPLIERS TO BFC'S ADVISORY SERVICES



### CORRECTIVE ACTION TAKEN

Hiring and on-boarding new advisors is occurring. Three new advisor-assessors recruited during the reporting period and they started in Q4/2019.

# OPPORTUNITIES



## Female Leadership Programme

Better Factories Cambodia, working in close collaboration with UN women, developed and implemented training for female workers and union leaders in the PICC to build their capacity in effective communication and encourage them to share and initiate ideas for workplace improvements. The programme links to Better Factories Cambodia's wider role in promoting industry-wide change about women's empowerment, voice and representation in the garment industry. The learnings and experience shared during the programme go beyond just technical knowledge on gender issues or leadership. It is about embedding these standards into the very thinking, planning and investment of factories and industry, which drives the development of the industry in Cambodia. Female PICC members who have participated in the programme reported that many parts of the training supported them not only to change how they work in the factory, but also changed interactions at home with their families and friends. According to some participants, they felt 'power inside,' for some for the first time in their lives.

Better Factories Cambodia's aim is to involve more factories and female PICC members in the training programme from 2020. Through Better Factories Cambodia's advisors in these participating factories, there will be more effort to support the participants in applying the learnings, and to engage male PICC members to take part in Better Factories Cambodia-Solidarity Centre's male leadership programme. Critical to this expansion will be the strengthening of ongoing support arrangements to sustain the learnings.

## LESSONS LEARNED

◆ The **Leadership Programmes** that Better Factories Cambodia developed and piloted in 2018 and 2019 have proven to be successful thanks to the modular approach of the training instead of discrete and short public training sessions. Through this model, factory management, manufacturing group headquarters, PICC members and workers commit to a journey of a learning period of almost a year. In addition, the idea to have hybrid enterprise advisors was supported by the factories. The advisors and trainers of the factory were the same in order for the factory to have one person whom they have a closer relationship with. This approach will continue in 2020.

◆ On **engaging with constituents** and other stakeholders, a systematic and flexible process has proven effective for creating results. Such a process was applied during the consultations on the Plan for Sustainable Compliance, where constituents' requests were respected when developing the plan. This has created ownership of the process and initiative among constituents, while Better Factories Cambodia has been the facilitator of the process.





# Ethiopia

The Better Work Ethiopia programme was established at the beginning of 2019 in the framework of an ILO programme to advance decent work and inclusive industrialization in Ethiopia called “SIRAYE” (“my work”). It is a new way of delivering support in a holistic and coordinated manner.

It operates at national, regional and factory levels, involving different ILO departments and key global institutions such as Better Work, SCORE and Vision Zero Fund. Although the programme has been in operation for a year, there have been rewarding results related to improvements in the working conditions and sector’s productivity.



# COUNTRY CONTEXT

## A Transitioning Economy

Ethiopia's economy has grown quickly over the last few years, transitioning from an agricultural economy to embracing industrialization. The country now has one of the highest economic growth rates in Sub-Saharan Africa. The government has set up the Ethiopian Textile Industry Development Institute, and industrial parks have been built across the country to create jobs and reduce unemployment, especially among the youth, and promote manufacturing.

### GARMENT SECTOR STATISTICS

Garment and apparel exports reached US\$ 191.3 million in 2018, a significant increase from US\$ 62 million in 2010/11. The US and Germany have become key market destinations for Ethiopian-based garment producers, which jointly account for 76 per cent of total garment exports.

◆ The industry employs 62,000 workers, close to 17.5 per cent of the entire workforce engaged in the formal manufacturing sector. Out of this, nearly 60 per cent are female workers in the cutting stage and 85-90 per cent in the sewing stage of production. Indeed, the industry is highly labour intensive; employing 555 workers on average per factory.

◆ The African Growth Opportunity Act (AGOA) with the US and Everything but Arms (EBA) with the EU have opened opportunities for the Ethiopia garment sector in past years. An escalation of production costs in Asia and Latin America has made Ethiopia an attractive sourcing country and encouraged the entry of new and large firms into the country.



◆ The Ethiopian Government is increasingly working on improving the country's investment climate and job creation. Prioritized policy, regulatory and administrative reforms that lower unjustified costs, increase investment, business formation and greater productivity are key areas considered to improve the 'ease of doing businesses'.

### NATIONAL LABOUR LAW REVISION

A number of law and policy reforms have been undertaken in the reporting year, including the finalization of labour law revision. The revised proclamation was enacted by the House of Peoples Representatives (Parliament) and became effective as of September 2019. The proclamation foresees the establishment of a 'Wage Board' to set and revise minimum wages.



**29**

factories enrolled with BWE (15% of the country's total)



**35,509**

workers employed by the programme



**87%**

of the workers are women



**20**

compliance assessment reports in 2019



**86**

advisory visits carried out



**611**

People trained in the 16 sessions delivered

# ACHIEVEMENT OF OUTCOMES



## The SIRAYE Programme

Better Work Ethiopia is implemented in the framework of a comprehensive and coordinated ILO programme called “SIRAYE” (“my work”) to advance decent work and inclusive industrialization in Ethiopia. The programme is a response to a need expressed by the Ethiopian constituents and other key industry stakeholders to advance decent work and inclusive industrialization in the garment and textile and other key priority sectors as identified in the Second Ethiopian Growth and Transformation Plan (GTP II). The “Advancing

Decent Work and Inclusive Industrialization Programme” is unique in the ILO as it brings not only the vast ILO experience from different countries, but also a new way of delivering support in a holistic and coordinated manner. The programme works at national, regional and factory levels involving different ILO departments and key global programmes such as Better Work, SCORE and Vision Zero Fund (VZF). In Ethiopia, the programmes and departments have aligned their service packages to develop a new service model, which combines the expertise of each programme to address the unique needs of the garment and textile industry in the country.



# ACHIEVEMENT OF OUTCOMES



## Factory Services

The programme commenced engagement with 60 factories. A total of 29 factories registered with the programme in the reporting period – 22 FDI (foreign direct investment) and 7 local factories. Based on information and data collected at those factories, the programme designed a demand-driven advisory service package. By promoting dialogue in factories, these services empower management and worker representatives to identify their needs and improve working relationships, which in turn facilitates effective prevention and remediation of problems. For some factories, these regular worker-management meetings are their first experience with social dialogue. Throughout this period, Better Work Ethiopia carried out advisory visits, training and unannounced assessments. The main details and results are described in the following sections.

## ADVISORY SERVICES

Before the delivery of the 86 advisory visits, one-on-one sessions took place at 25 factory to gather facts, compile data and determine areas of improvement. This information was used to develop and provide a demand-driven advisory service and adjust the services to the national and sectoral context. The programme designed a tool to gather relevant information on different aspects of working conditions including the culture of social dialogue and industrial relations, grievance mechanisms, human resources and OSH management systems. Through the established or existing labor management system in the factories, BW has facilitated the team to conduct OSH specific self-diagnosis/risk assessment,

enhanced the culture of social dialog between workers and management and assisted the factories to find the root causes for issues identified through the self-diagnosis and assessment report. The advisory sessions also played a role in improving HR and OSH management systems and provided resources for factories to focus on sustainable solutions.

## ASSESSMENTS

During the reporting period, the programme conducted 20 unannounced assessments against international labour standards and national labour law after 100 days of the start of program cycle. Factories have started developing improvement plans to address the non-compliance issues sustainably. Better Work Ethiopia is closely working with the Ministry of Labour and Social Affairs (MOLSA) to promote public reporting of factory compliance. During the first Project Advisory Committee meetings, members identified the zero-tolerance issues and a draft of the zero-tolerance protocol was developed.

The assessment revealed the following key decent work deficits:

- ◆ High level of verbal abuse;
- ◆ Work done on rest days without proper compensatory rest;
- ◆ Excessive overtime;
- ◆ Non-functional alarm systems;
- ◆ Workers receive less annual leave than specified in the labour law;
- ◆ Workers are not paid when they are absent due to factors that is out of their control;
- ◆ Sexual harassment;
- ◆ Numerous practices are not in line with the OSH directive, including medical check-ups, on-site medical facilities, OSH committees, and chemical handling and labelling;
- ◆ Absence of accurate attendance record;
- ◆ Limited age verification system

Based on the assessment findings, the enterprise advisors are supporting factories in developing comprehensive improvement plans as well as providing training that helps to address some of the systemic non-compliance issues.



# ACHIEVEMENT OF OUTCOMES

## TRAINING

In 2019, a total of 611 (428 female) line supervisors, team leaders, HR and production managers and workers were provided with the following courses.

◆ **Supervisory Skills Training (SST).** This training is one of the most demanded programmes. It aims to improve supervisors' relationships with workers and to enhance productivity. It helps them to acquire knowledge of workers' rights, supervisors' role and responsibilities and professionalism at the workplace and develop skills in effective listening, communication, time management and work allocation. The programme delivered five rounds of these 3-day SST for the registered factories in Addis Ababa, Hawassa and Mekelle for 174 participants. Evaluations indicated that the trained supervisor's confidence, motivation and communication skills were significantly improved.

◆ **Workplace Cooperation Training.** It brings together trade union members and management representatives, it builds trust and mutual understanding and ultimately leads to industrial peace by reducing the likelihood of strikes and industrial disputes. Since this training targets trade union members elected by workers, it was restricted to factories with functional trade unions. Thus, only two rounds were delivered to factories in Addis Ababa and Mekelle, outside the industrial parks.

◆ **Worker training.** It is designed to orient factory workers/operators about their rights and responsibilities at the workplace and to show the big picture of the supply chain process in the garment and textile factories. Two rounds of this training were delivered in Bole Lemi and Hawassa Industry Park, with a total of 234 workers (80% were female). A second round of



worker level training was delivered in Hawassa to seven factories with 132 participants (113 female) attended. According to the participants, the training helped them to understand and reflect on their rights and responsibilities. It also provided clarity on grey areas of the Ethiopian labour law, such as on overtime and sick leave.

◆ **Intercultural communication training.** It is targeted to middle and upper managers both locals and expats, which was piloted for the first time in Ethiopia. It has the objective of raising awareness about intercultural issues and how to improve intercultural communication in garment factories. A total of 17 participants (4 female) took part in the training. It helped participants understand more about their own culture and how to deal better with other cultures. In addition, it stimulated better intercultural understanding and open communication in garment factories. This pilot training triggered an interest in getting an in-depth training on the topic. The plan is to significantly increase the session in the following years.

***I used to be very impatient and short tempered. I always wanted my lines to fully achieve their targets, and this at times invites conflict. After the SST training, I have reflected much on my behaviour and changed quite a lot. I have started to think about others and putting myself in their shoes. The training has helped me quite a lot to improve my communication with my colleagues."***

**Abadit Tesfay,** worker at Velocity (Mekelle)

# ACHIEVEMENT OF OUTCOMES



## Productivity Improvement (SCORE)

In 2019, Sustaining Competitive and Responsible Enterprises (SCORE) Ethiopia, was launched as a pilot programme aiming at improvement of workplace cooperation, quality, and productivity. To roll out the programme, eight private consultants were trained in demand-driven SCORE service delivery, who provided 5S implementation, productivity and quality improvement service to four pilot apparel manufacturing enterprises. Due to successful implementation of SCORE from June to September 2019, some of the improvements in selected pilot lines are summarised as follows:

- ◆ Average rate of absenteeism has reduced from 11.82% to 4.86%.
- ◆ Average rate of turnover has dropped from 11.79% to 1.92%.
- ◆ Average defect rate reduced from 32.88% to 22.4%.
- ◆ Daily rework rate dropped from 25% to 5.6%.

PICC members have transferred good practices of workplace cooperation to other production lines and units and continuous improvement is being practiced by the factories even after the pilot intervention was closed.

As a result of successful implementation of productivity component, SIRAYE programme has decided to scale out the best practices to more enterprises and to diversify sectors.

**The Performance Improvement Consultative Committees (PICCs) meeting we created through the SCORE training allowed us to talk about the consequences of absenteeism not just on production but also on the impact it would have on their career. Before the intervention, people didn't respect me, I explained to them the consequences, but they ignored me. Through this committee, you have the chance to listen to the worker's challenge, to respect and understand each other."**

*Etefwork Kumela, line supervisor and training participant*

**The training is an eye-opener. Take the five S program, for example, teaches you what to do, why things happen, how to avoid deficit. Some other exercises were also helpful in getting people to understand how an individual action can affect the rest of the line. The suggestion box is also helpful in making workers engaged and motivated to care and to contribute. It's the feeling of being heard.**

*Nestanet Berhanu, welfare manager who attended the training*

**I think the PICC committee is playing a significant role in how we work. Before, we had to walk into the manager's office to raise our issue, which is hard to do and often our issues would be overlooked. Now everything is transparent. We get notified a few days ahead that we will be working overtime and it is no longer mandatory. We can choose whether we want to take the overtime work or not"**

*Meheret Baheru, assistant designer and PICC member*

# ACHIEVEMENT OF OUTCOMES

## Promoting Gender Equality and Preventing Sexual Harassment

In collaboration with the UNDP, the programme is implementing a women's empowerment training programme involving skills development in areas such as leadership, time management, goal setting financial literacy, work ethics, communication, teamwork, health seeking behaviour and labour law to help prepare new workers to adapt to the new workplace. The programme targets 2,000 women workers in Bole Lemi, Hawassa, Mekelle and Kombolcha Industrial parks.

## Working with Government

### PROJECT ADVISORY COMMITTEE (PAC)

With the intention of ensuring national ownership, the programme established a Project Advisory Committee (PAC) and Technical Working Group (TWG). The PAC, which is chaired by MOLSA, is guiding the programme and is its highest decision-making body. It is therefore expected to play an important role in building collaboration, commitment and support for the programme, ensuring that national constituents have full ownership of the development intervention in Ethiopia.

To address their different levels of understanding of the sector in general and the programme in particular, Better Work organized a training for the members of the PAC and TWG, which emphasized the opportunity to create the much needed platform for stakeholders to discuss major issues in the garment and textile sector.

### MINIMUM WAGE

The ILO is working with MOLSA on the Minimum Wage Setting Agenda. The programme, in collaboration with MOLSA, organized a high-level tripartite workshop on 16 May 2019,

wherein a 'Road map towards a sustainable minimum wage' was discussed. Subsequently, the Roadmap was developed during a technical meeting held from 14-15 May with the participation of experts all tripartite constituent. The roadmap includes the following actions: enacting a regulation to set up a Minimum Wage Setting Institution, capacity building to establish an effective Minimum Wage system; and the establishment of a functional secretariat as immediate next steps. The Revised Labour proclamation foresees the establishment of a 'Wage Board' to set and revise minimum wages. A study on "establishing a new minimum wage and a sustainable wage system in Ethiopia" was conducted by the ILO in 2019, which will be validated in 2020.

## STRENGTHENING LABOUR INSPECTION

An assessment of the Labour Inspection Actions Management System was conducted and a subsequent workshop on Inspection Workflow Mapping was implemented. The workshop objective was to understand and diagram the labour inspection procedure from initiation to conclusion including all steps in the action and timelines. Once the workflow is validated, labour inspection actions will be designed for the inspectorates. The programme is also working on the development of a continuous learning mechanism for labour inspectors. In a workshop held in October 2019, beginner, immediate and advanced topics for labour inspectors and the preferred delivery methods were considered.

## Working with Brands

The programme is collaborating with The Children's Place (TCP), Hennes & Mauritz (H&M), and Phillips-van-Heusen (PVH), which are currently the major brands in Ethiopia. Out of the 30 registered factories, 19 are working with one or more of these brands. The programme delivered a one-day workshop on labour law orientation for 20 representatives of H&M suppliers.



# ACHIEVEMENT OF OUTCOMES

## ILO SURVEY

### Improving workers' wellbeing in Ethiopia's garment industry

#### The model of shared responsibility

A recent survey conducted by the ILO amongst garment workers in Ethiopia indicated that 44% of workers have concerns about safety at the work place and in their commute to and from work. With this in mind, the ILO commissioned a feasibility report to identify and characterize the key factors that could adversely affect the wellbeing of workers in the supply chains and propose potential opportunities for private/public sector engagement in and around the Hawassa Industrial Park. This exercise aimed at facilitating a collaborative approach for stakeholders implemented through the model of 'Shared Responsibility' to improve workers' well-being in Ethiopia's garment sector. The model implies that in order to address the root causes of the most serious wellbeing issues, a new paradigm is required — one that involves collaborative industry wide action, influence and resources of all major stakeholders.

The report highlighted key factors affecting workers' well-being clustered around nine themes: low wages and high cost of living; access and affordable decent housing; female workers' harassment and violence; overall OSH concerns; low awareness and training on OSH; resistance for freedom of association and collective bargaining; failure to resolve grievance and disputes; compliance with legal provisions on OSH and environmental and social governance challenges. The report also identified investment opportunities for the private sector as well as other opportunities for implementation by other stakeholders through collaboration and public/private sector engagement, with an emphasis on high or medium-high opportunities.

Based on the outcomes of the feasibility report, the ILO organized a one-day high-



level ministerial and technical round table discussion on 2nd December 2019, in Addis Ababa, to create a platform for stakeholders to discuss workers' wellbeing, stakeholders' responsibilities and the way forward in reducing OSH risks in the garment sector. Key areas of responsibility from the perspective of government, private sector, workers association and other support system defined and agreed. Consequently, the ILO conducted a one-to-one consultation to understand the most effective ways on how to implement the "Shared Responsibility Model" with the involvement of major stakeholders. This led to the preparation of a policy brief on the application of shared responsibility approaches in Ethiopia. The document also come up with concrete recommendations that serves as a blueprint or framework for implementing the model at country level defining key stakeholders and resources in the system.

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>OUTCOME 1: By the end of 2023, a labour/enterprise system achieving sustainable and inclusive compliance with national labour law, guided by International Labour Standards, protects the workers' wellbeing in the target areas/sectors</b>		
<b>1.1</b> Labour inspectorates in the garment and textile sector have the technical capacity to develop and implement Strategic Compliance Plan that meets the agreed standards.	<b>On schedule</b>	<p>A Strategic Compliance Planning Workshop was conducted with participants from the MOLSA and the five regional BOLSAs. Utilizing the methodology, participants selected priority sectors, identified priority non-compliance issues within each sector, and developed draft Strategic Compliance Plans (SCP) for each sector.</p>
<b>1.2</b> Labour inspectorates in the target areas/sector (has improved capacity) promote the participatory design and effective implementation (pilot implementation) of a labour inspection information and knowledge management systems.	<b>On schedule</b>	<p>A Labour Inspection Workflow Mapping was completed and a Procedure Workflows Validation Workshop was conducted to review the primary workflows for working conditions and OSH. A number of suggested amendments were proposed during the workshop. The draft workflows will be revised to reflect these proposed changes and annotated to explain each step. In addition to serving as the blueprint for the Labour Inspection Actions Management System, the validated version will serve as a practical procedural manual for labour inspectors.</p>
<b>1.3</b> Labour inspectorates of MOLSA and five regional BOLSAs have technical capacity and resources to do regular inspections and assure compliance with international/national law and regulations.	<b>On schedule</b>	<p>The five BOLSAs (with a total of 20 BOLSA level inspectors between them) prioritized approximately 200 enterprises across the four sectors. The enterprises are now included in the Case Tracking Sheet, which ensures case-specific tracking of progress from the initial inspections through follow-up inspections, total/partial/no correction, and enforcement actions. Given the small number of enterprises targeted, it was agreed that in cases where violations are found and/or not corrected, the BOLSA should endeavour to ensure enforcement of the labour inspection order through the labour bench.</p> <p>A workshop was conducted to brainstorm the development of a continuous education mechanism for labour inspectors. Participants discussed beginner, immediate, and advanced topics for labour inspectors and the preferred delivery methods, including creation of a virtual classroom, peer shadowing, and knowledge assessments tied to performance evaluation and promotion.</p>
<b>1.4</b> A robust system for factory level assessments and remediation including public compliance reporting is established.	<b>On schedule</b>	<p>Better Work Ethiopia started its operations in January 2019. Four EAs and two training officers were recruited and inducted on Better Work approaches. By the end of December 2019, 29 factories were registered with the programme. The initial target was to recruit 60 factories by end of year (30 FDI, 30 Domestic) but due to programme's delayed commencement and low interest from domestic factories, the delivery on recruitment was low.</p> <p>By the end of December 2019, 20 unannounced assessments had been conducted. Factories have started developing improvement plans in order to address the non-compliance issues in a sustainable manner.</p> <p>Better Work Ethiopia is closely working with MOLSA to promote public reporting of factory compliance. During the first Project Advisory Committee meetings, members identified the zero tolerance issues. A draft zero tolerance protocol was developed.</p>
<b>1.5</b> Gender balanced worker-employer dialogue mechanism established and operationalized.	<b>On schedule</b>	<p>During the reporting period, the programme conducted 86 advisory visits. During the initial visits, Better Work Ethiopia coached the factories to create a bipartite or worker/management committee to discuss and resolve workplace issues on a regular ongoing basis. Before the start of advisory, there were no formally established OSH Committees or any Bipartite (worker-management Committees).</p> <p>Because of the Better Work Ethiopia advisory, OSH committees have been established in 14 factories (FDI). Membership ranges from three to eight members. The average representation of women in these committees is 56%.</p>

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
		<p>In four factories that do have Trade Unions (three are domestic and one FDI), Performance Improvement Consultative Committees (PICCs) have been established. On average, women representation in those PICCs amounted to 47% (with 30% being the lowest and 56% being the highest women representation).</p> <p>The advisory process focuses on enabling the bipartite committee to address issues listed in the improvement plan. In the reporting period, these visits have focused mainly on OSH and productivity.</p>
<p><b>OUTCOME 2: By the end of 2023, the Ethiopian garment sector has increased its productivity through the establishment of responsible and sustainable workplace practices</b></p>		
<p><b>2.1</b> Workers and managers have workplace cooperation skills enhanced thanks to Better Work trainings.</p>	<p><b>On schedule</b></p>	<p>Better Work Ethiopia translated and customized training materials on supervisory skills and workplace communication.</p> <p>Since April 2019, five rounds of SST and two rounds of training on workplace cooperation training and one session on intercultural communication were delivered. A total of 680 participants (453 women) took part. The impact of the training will be assessed in the coming period and will be included in the next report.</p> <p>Other worker level training on topics such as ‘introduction to supply chain’; ‘rights and responsibilities of workers’; and ‘workplace cooperation’ were delivered to 383 workers (315 women).</p>
<p><b>2.2</b> Factories’ mainstreamed gender-equality and diversity principles into their policies, procedures and practice.</p>	<p><b>Delay: behind schedule</b></p>	<p>Advisory services that focus on establishing OSH committees, give due attention to the participation of women in those committees. As a result, in addition to having equal representation of women and men in the committees, most of OSH committees also have a female co-chairman. When receiving Better Work training, factories are encouraged to apply principles of gender inclusion while selecting participants. In supervisory skills training, the number of female participants sometimes exceeds the number of men.</p>





# ISSUES AND ACTIONS

## ISSUES

## CORRECTIVE ACTIONS TAKEN

### NO MINIMUM WAGE

The ILO is working with the Ministry of Labour on the Minimum Wage Setting Agenda. The programme, in collaboration with the Ministry, organized a high-level tripartite workshop on 16 May 2019, wherein a 'Road map towards a sustainable minimum wage' was discussed. Subsequently, the Roadmap was developed during a technical meeting held from 14-15 May with the participation of experts all tripartite constituent. Currently the programme is working with the government and social partners in support of providing evidence and indicators on the needs of workers and their families as well as economic factors with a view to help them reach a common understanding of what might be adequate wages at national and/or sectoral level. In addition, the programme is supporting the government to establish a minimum wage board. The government of Ethiopia revised the labour proclamation in September 2019. The proclamation states that a 'Wage Board' will be established to set and revise minimum wages.

### NON-COMPLIANCE WITH OSH DIRECTIVES

During Better Work's advisory visits, the Enterprise Advisors initially focused on introducing the OSH directives and OSH management systems, which leads to a better understanding thereof. This in turn facilitated the establishment of OSH committees in line with legal requirements. Some factories are taking concrete steps to establish bipartite OSH committees that are fully compliant with the legal requirements.

### LABOUR INSPECTION PROCEDURAL WORKFLOW

A Labour Inspection Workflow Mapping was completed and a Procedure Workflows Validation Workshop was conducted to review the primary workflows for working conditions and OSH. A number of suggested amendments were proposed during the workshop. The draft workflows will be revised to reflect these proposed changes and annotated to explain each step. In addition to serving as the blueprint for the Labour Inspection Actions Management System (LIActionS), the validated version will serve as a practical procedural manual for labour inspectors.

# OPPORTUNITIES AND LESSONS LEARNED



## The Power of Collaboration

### PROGRAMME DESIGN

To develop the project document, different ILO units and departments created partnerships and agreed to work together as ONE ILO.

### LEVERAGING EXISTING ILO PROGRAMMES

The partnership between these different programmes enabled the development of the best-fit package for service delivery e.g. Better Work focusing on factory level interventions and industrial relations, SCORE focusing on productivity improvement and Vision Zero Fund addressing OSH issues.

### CONVENING POWER

The programme is also demonstrating the ILO convening power as it brings together government, key development actors, private sector and social partners in all its activities. The partnership allows for collaboration and alignment among all these different actors.

### EFFECTIVE UTILIZATION OF ENGAGEMENT PLATFORMS

Because of the holistic engagement approach of the programme in the garment sector, it was able to engage with numerous existing platforms, including the African sourcing week and the buyers' forum for the garment sector, monthly donor coordination meetings organized by Ethiopia Investment Commission (EIC), Africa Union (AU) and discussions on trade facilitation just to mention but a few.

# Haiti

Since 2009, Better Work has worked on its two-pronged approach. On the one hand, direct factory level interventions allow to have deep insight into each company's compliance performance and assist in a tailored way, on the other hand, the programme works with the tripartite constituents to address endemic challenges in a more substantial way.

In 2019, Better Work celebrated its 10 years of presence in Haiti. Over the past ten years, the garment industry in Haiti grew significantly, from approximately 20,000 to over 50,000 in 2019 with garment exports from Haiti crossing the 1 billion US\$.





# COUNTRY CONTEXT

## Volatility of the Haitian Garment Sector

Since February 2019, the economic, social and political situation of Haiti has deteriorated. The country has seen a devaluation of the Haitian Gourde and an official inflation rate of 17% (as of April 2019). Haiti is operating with an interim government and a series of presidentially appointed prime ministers. Elections for the houses of parliament scheduled for January 2020 were postponed, meaning members of parliament whose terms had expired were not replaced.

Social unrest peaked in October and November 2019. Workers throughout the country missed many days of work due to violent protests, with blocked streets, paralyzed public and private transportation and schools closed. Some businesses were forced to close their doors completely for extended periods. The textile sector was able to continue limited operations with reduced personnel, with factories in the northeast less affected than those in Port-au-Prince.

Also in November, the government announced an increase in the minimum wage (from 420 gourdes to 500 Gourdes) for workers in the textile industry. Unions were dissatisfied with the increase, stating that it was not enough to compensate for inflation. Employers also expressed concerns, noting that the salary increase came in difficult economic conditions.

The country's situation however, did not dampen the vision of the Employer's Association (Association des Industries d'Haïti – ADIH),



which was still optimistic about growth in the textile sector. An October delegation headed by the president of ADIH, travelled to Taiwan to attract investment. In a subsequent interview with National newspaper Le Nouvelliste, the ADIH president stated his belief that up to 30,000 jobs can be created in the coming two years.

Despite the volatile situation, the industry remains a vital source of income for Haiti. According to OTEXA, in the last trimester of 2019 estimated revenues from the garment industry grew by 11.59% from the previous year and exports to the US market were worth approximately US\$ 1.012 billion.



**34**

factories  
enrolled with  
Better Work Haiti



**51,531**

workers  
employed by  
the sector



**65%**

of the  
workers are  
women



**33**

compliance  
assessment  
reports in 2019



**194**

advisory  
visits  
carried out



**109**

training  
sessions  
delivered

# ACHIEVEMENT OF OUTCOMES

## Progress Towards Achieving our Longer Term Goals



### 10 YEARS OF BETTER WORK IN HAITI

In 2019, Better Work celebrated its 10 years of presence in Haiti. While the programme had a difficult start due to the devastating earthquake that shocked Haiti in January 2010, the garment industry grew back to be a key pillar of the Haitian economy. As a mandatory programme under the US HOPE legislation to Haiti, garment exporters are required to participate in Better Work as a prerequisite to export their products to the US market. Over the past ten years, the garment industry in Haiti grew significantly. From approximately 20,000 direct employees at the beginning of the Better Work programme to over 50,000 in 2019 with garment exports reaching about 1 billion US\$ annually.

### PROMOTING GENDER EQUALITY

In 2019, Better Work Haiti has paid growing attention to the gender dimensions of its mission. Gender is now an important cross-cutting component of the programme and is being guided by a specific Better Work Haiti action plan on gender developed in 2019. There have been significant efforts to address issues that disproportionately affect women workers, such as sexual harassment, maternity leave, and women's health issues.

In particular, Better Work Haiti conducted a programme on prevention of Sexual Harassment in the workplace. A total of 816 workers — men and women — benefited from this initiative in the first quarter of 2019. Training sessions and reflection workshops were held at the Metropolitan Industrial Park and Caracol with the aim of raising awareness among workers in the sector on the issue of the prevention of sexual harassment, its definition, common practices, workers' rights and ways to report such behaviour, mainly in the workplace. According to a study by Tufts University, at the onset of Better Work Haiti around one-in-three garment workers have reported problems with sexual harassment in Haitian factories.

Since its establishment in 2009, Better Work Haiti and its partners have supported workers' complaints and worked with factories to set up remediation policies. Furthermore, training sessions have been organized for workers, supervisors, and labour inspectors throughout the year to raise awareness on prevention. The programme also produced a series of audio messages educating workers and stakeholders on labour rights topics including the prevention of sexual harassment that are played throughout

***The research shows that sexual harassment is widespread across the sector. This is why we decided to take more action to address this as part of our current five year strategy."***

***Claudine Francois, Better Work Haiti  
Programme Manager***



# ACHIEVEMENT OF OUTCOMES



**“Women represent the majority of the garment workers and the basis of the household economy. They need their salaries to take care of their families”**

**Marie Louise Lebrun**, Deputy Secretary General of the Inter-Union Committee of Women

factories. Better Work also encourages ongoing discussions among stakeholders for the development and implementation of sectoral industrial relations policies for the elimination of risks around such an important and promising sector for the Haitian economy.

In addition, Better Work Haiti, in collaboration with UN Women, brought together women representatives of workers and other national constituents for a day of reflection on gender issues. The event featured open and heated debates and discussions on the challenges, opportunities and actions needed to overcome barriers to the empowerment of women and the development of their skills in the work place.

On 21 June 2019, the ILO tripartite constituents overwhelmingly voted in favour of an innovative global treaty on the adoption of the ILO Convention on Violence and Harassment, as well as a non-binding recommendation that provides guidance on the obligations of the Convention

(C. 190). In the process of revising the Labour Code, Haiti could take advantage of the newly adopted Convention to integrate the adoption of its recommendation into discussions that would allow workers to benefit. Although sexual harassment remains a sensitive topic in Haiti, debates are intensifying at different levels.

## **WORKING WITH GOVERNMENT**

Better Work Haiti supported the Ministry of Social Affairs and Labour (MAST) to implement greater institutional coordination within different government entities at the sectoral and national level. The labour inspectors have improved their capacity to assess, monitor and effectively report on working environment and conditions in export garment factories, using one joint inspection checklist for both labour and occupational safety and health (OSH) inspectorates. As a result of the use of this new inspection checklist that is also published on MAST's website, the number of inspection warnings per factory in the targeted zone has increased at the rate of 29 per cent. At the same time, the number of violations has decreased by 42 per cent (as per the OSH inspections at the factory level in the exporting zones for the garment sector) in the second half of 2019.

In addition to working with the labour inspectorate, Better Work Haiti built on previous efforts to bring tripartite parties together to discuss legal reforms to



# ACHIEVEMENT OF OUTCOMES



labour legislation in Haiti. While these discussions have not yet resulted in actual legal changes, the draft new labour law is taking shape based on a tripartite consensus that is being built. Several provisions in the law that were considered too demanding by employers – such as the number of required toilets or number of required medical staff – were re-discussed with worker representatives. New compromises were found and will be fed into the new labour law draft.

## **WORKING WITH FACTORIES**

Better Work Haiti has continued to contribute to increased labour standards' compliance through its assessment, advisory and training services to 34 factories. Each individual factory participating in the programme has a designated Better Work Enterprise Advisor that works with the company through advisory and training services to help improve compliance performance, enhance dialogue among workers and management and strengthen management systems. Depending on sectoral trends, Better Work also regularly brings together factories to share best practices and lessons learnt. One thematic area of focus in Better Work Haiti's work with factories in 2019 was gender as described above.

## **WORKING WITH THE PROJECT ADVISORY COMMITTEE**

In addition to the individual level support to the factories, Better Work Haiti also worked with the programme stakeholders to reconstitute the tripartite Project Advisory Committee (PAC). This committee is the programme's governing structure at country level to ensure close coordination of Better Work's activities with the constituents' overall strategies and activities. The PAC comprises representatives from employers, trade unions and the government. The newly constituted PAC in Haiti now includes employer representatives from the industry association as well as representatives from different companies, reflecting also foreign direct investment in the private sector in Haiti. It also more adequately represents the worker representatives on the Committee according to their membership levels in the garment industry.

## **WORKING WITH TRADE UNIONS**

Better Work Haiti and other departments from the ILO have supported national trade unions from the garment sector in the technical consultation meetings on the legislative changes as part of the labour law reform process. The consultations among the tripartite constituents could significantly advance on key issues, which were previously not agreed upon. The newly agreed compromises have been included in the labour law reform proposals to be submitted to Parliament once a new government is in place.

Better Work Haiti also supported the trade unions to actively participate in the consultation process that led to the approval of an HIV policy for the entire garment sector in Haiti. As part of Better Work's efforts to promote gender equality, the programme in Haiti supported trade union tools to collect data on sexual harassment cases more systematically. Anecdotal evidence of cases is widely known but, in general, it is difficult to compile sufficient evidence to make a complete case of sexual harassment. Hence, the programme supported the trade unions to collect information more systematically when a case is reported or brought to their attention. A simple form was developed to systematically collect data.

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>OUTCOME 1: By 2022, Compliance with national labour law and international labour standards in the Haitian garment industry is monitored and compliance levels increased.</b>		
<b>1.1</b> Better Work Haiti assessment services are maintained and adjusted to changing circumstances in the industry in Haiti and based on BW's experience across countries.	<b>On schedule</b>	Better, Work Haiti assesses participating factories at least once a year. During 2019, 33 garment factories, including two newly registered ones, as well as one non-garment participating factory were assessed. The 19th assessment cycle was completed in April 2019 and the 20th cycle started right after that. A review of the Compliance Assessment Tool (CAT) was completed in July of 2019 and two synthesis reports were published, in April and in October of 2019.
<b>1.2</b> Better Work Haiti advisory services contribute to increased compliance and improved social dialogue at the factory level.	<b>On schedule</b>	During 2019, Better, Work Haiti advisors conducted 194 advisory visits. Better Work Haiti worked with factories on the remediation of non-compliance issues identified, and on reinforcing social dialogue mechanisms at the factory level through bipartite and OSH committees.
<b>1.3</b> Better Work Haiti training services are diversified and strengthened and knowledge levels of factories on specific compliance issues are increased.	<b>On schedule</b>	In addition to factory assessments and advisory visits, during the year 2019, Better, Work Haiti provided 109 training sessions, including two sessions focused on building the capacity of national stakeholders. These two workshops were held in Port-au Prince and in the North East and were an opportunity for the tripartite partners to convene in a joint learning process that contributes towards enhanced understanding and trust. A total of 2848 participants, 1411 women and 1437 men participated actively in this training. External partners such as Electra and the Solidarity Centre provided elements of the training. During 2019, Better, Work Haiti also implemented the use of paperless evaluation technology to assess the effectiveness of its training methodology.
<b>OUTCOME 2: The garment industry in Haiti is strengthened and capable to improve labour related issues and industrial relations on a sectoral level.</b>		
<b>2.1</b> Factories have obtained technical support to increase their productivity.	<b>Delay: behind schedule</b>	Since the Productivity Accelerator project was completed in March 2019, Better, Work Haiti has been exploring ways to offer productivity enhancement measures to the industry. However, the previous project cannot easily be replicated with other factories. In addition, several factories have their own productivity improvement programmes.
<b>2.2</b> The Haitian garment industry is promoted to attract new buyers.	<b>Delay: behind schedule</b>	During the reporting period, Better, Work Haiti continued its regular quarterly calls with buyer partners. However, because of political turmoil and unrest, Better, Work Haiti was not able to host a buyers' forum in country in 2019. Buyer partners were offered the possibility to meet in the Dominican Republic or during the global buyers' forum in the US through an online survey. However, their main request by buyers was to meet local stakeholders, which is challenging to organize outside of Haiti.
<b>2.3</b> Lessons learned and knowledge of governance gaps are brought into public and private sector policy debates.	<b>On schedule</b>	Better Work Haiti participated in the "Forum des opportunités de croissance" (Forum on growth opportunities) organized in partnership with the United Nations system in Haiti on June 27, 2019. This event provided an opportunity to present the results of the Better Work programme and to highlight the potential of this sector for economic growth. This event reunited all major donors operating in Haiti, including representatives of diplomatic missions, universities and business owners.  Better Work Haiti also organised an OSH event in 2019 on the International Day for OSH in April of each year in collaboration with the programme's tripartite constituents as well as other partners including UNFPA, the Haiti State University Hospital, and national non-governmental organisations such as CPFO and Share Hope. During the event, awareness-raising sessions were offered as well as free medical consultations for workers.

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>2.4</b> Social dialogue and sound industrial relations are promoted at the sectoral level.	<b>On schedule</b>	The Project Advisory Committee, which includes representatives of worker's associations, employers and the government, reconvened at the end of 2019. Discussions were held on the content of a Memorandum of Understanding, which outlines the role and responsibilities of the parties. This document provides guidelines on how Better Work Haiti will coordinate and communicate with the stakeholders as well as roles and responsibilities of each of the tripartite partners.
<b>2.5</b> BW has strengthened the ability of industry stakeholders to positively influence workers' wellbeing, in particular for women.	<b>On schedule</b>	During 2019, Better, Work Haiti provided training on Human Resources Management, during which 16 factories were represented as well as 5 different federations of unions. 37 people participated in this training session, including 17 women.  Better, Work Haiti has also developed an updated gender strategy to be implemented, starting in 2020. The strategy is focused around the following gender equality themes: Discrimination, Paid Work & Care; Voice & Representation; Leadership & Skill Development.
<b>OUTCOME 3: By The long-term institutional and financial viability of Better Work Haiti activities is strengthened through increased capacity of its constituents and increased revenues.</b>		
<b>3.1</b> Better Work Haiti's efforts to increase cost recovery are intensifie.	<b>On schedule</b>	Two new factories joined the programme during the reporting period. In addition, a big industrial park that was previously registered as one entity to Better Work Haiti agreed to register the different factories in the park separately, starting in Q1 2020, which will represent additional income for the programme while also allowing the programme to provide much more targeted services to the individual companies in this park.  A paid training session on chemical management systems was also provided to a non-garment factory that had requested the services of Better Work Haiti.
<b>3.2</b> The capacity of different institutions of the Government of Haiti to provide services to their respective constituents is increased.	<b>On schedule</b>	During 2019, Ministry of Labour inspectors, as well as their affiliated social security institutions ONA (Office National d'Assurance-Vieillesse) and OFATMA (Office d'Assurance Accidents du Travail, Maladie et Maternité) received training on methods of reporting as well as the use of a labour inspection application to collect data during inspections.
<b>3.3</b> The capacity of the Unions of Haiti's garment sector to contribute to compliant working conditions are the factory and sectoral level and hence promoting mature industrial relations is increase.	<b>On schedule</b>	A two-day training on OSH was offered to trade union leaders affiliated to the ITUC. Union members also participated in training on labour laws and human resource management.  In collaboration with the Solidarity Centre, trainings were held for 481 (274 women) workers in Port-au-Prince and in the Northeast including trade union leaders at the factory level. The training sessions covered a wide range of topics, including the Haitian Labor Code, the rights and responsibilities of workers, ILO Conventions 87, effective advocacy strategies and introduction to collective bargaining.
<b>2.3</b> The capacity of the employers of Haiti's garment sector to ensure compliant working conditions at the factory and sectoral level and hence promoting mature industrial relations is increased.	<b>On schedule</b>	In addition to ongoing individual company level advisory and training services on a huge variety of topics, Better Work Haiti brought an Occupational Safety and Health consultant to Haiti to provide support on emergency preparedness as well as boiler safety.



# ISSUES AND ACTIONS

## ISSUES

## CORRECTIVE ACTIONS TAKEN

### SECURITY CONCERNS WITHIN THE COUNTRY

During 2019, the country endured several street protest and blockages that hampered activities for many days. This situation prevented Better Work Haiti from following its normal course of activities. ILO Haiti hired a local security officer to coordinate with UNDSS and provide support for the office. An armoured vehicle was purchased to be able to deliver core services in certain parts of the country with UNDSS approval. Better Work Haiti is also looking to implement virtual advisory services and e-learning as a way to continue to provide services to its constituents even in time of political unrest in the streets making movement from one place to another impossible.

### PROJECT ADVISORY COMMITTEE WAS NOT FUNCTIONAL

Due to intra-union conflict and political instability, tripartite meetings for the newly re-constituted PAC were delayed. However, at the end of 2019, the PAC reconvened and tripartite members discussed the MOU (Memorandum of Understanding), which lays out the framework for the functionality of the committee and which is currently under revision. If the political situation continues in 2020, there could also be considerations for virtual meetings of the PAC.

### IMPROVE MEASUREMENT FRAMEWORK

During 2019, Better Work Haiti was subject to a USDOL commissioned mid-term evaluation. The evaluation recommended a review of the results measurement framework to develop more comprehensive indicators and targets to measure progress against capacity building objectives (i.e. with trade unions and labour inspectors). The Global programme, in line with its sustainability efforts, has constituted a working group to develop more comprehensive sustainability indicators in the course of 2020. A representative from Better Work Haiti will also be part of the Group.

### INCREASED CONCERNS ABOUT SEXUAL HARASSMENT

It could be concluded that the increase in cases is actually related to the increased awareness as mentioned above in the section on gender, which could be assessed as a very important first step to address the sexual harassment. In addition to policies for the factory level, Better Work is offering training for factory staff – from workers, to supervisors, to higher management – to better equip them to handle cases of sexual harassment. Through consultations at the sectoral and national level, Better Work will also seek to leverage its influence to enhance national mechanisms to address the issue as a way to promote the newly passed ILO Convention No. 190.

### NO SECTORAL STRATEGY FOR SECTOR GROWTH

The industry stakeholders are aware of the lack of a sectoral strategy to further grow the garment sector in Haiti, thus creating decent jobs in a country, which desperately needs employment to address high levels of poverty. The programme will therefore support its constituents to draft a joint garment sector strategy that outlines each partners' role in contributing to the sector's inclusive growth. This is also in line with Better Work's sustainability efforts in other countries where the programme has supported constituents in developing a longer term vision for the garment sector.

# OPPORTUNITIES

## Developing a Vision and a Strategic Plan for the Haitian Garment Sector

A key challenge for Better Work Haiti is to establish a process whereby the Government of Haiti can engage systematically with all stakeholders to develop a coherent vision and strategic plan for the growth and success

of the sector. It is recommended that this process commence with meetings whereby the Government of Haiti facilitates dialogue among the relevant parties. These meetings should result in tangible outcomes – e.g. documented statements of parties’ roles and commitments, timeframes for achieving milestones, and a communications plans to ensure that outcomes are shared broadly within the sector and to interested external parties such as international buyers.



### LESSONS LEARNED

#### JOINTLY AND SYSTEMATICALLY ADDRESSING NON-COMPLIANCE ISSUES

A lack of management systems and widespread informalities within the sector are major barriers to compliance, enforcement and access to remedies. Parallel efforts are needed to promote formalization of policies, effective social dialogue, and sound industrial relations that are critical for the creation of safe, harmonious and productive workplaces. Interventions are most effective when they are based on a multidimensional strategy

that includes enhancing labour inspection and enforcement systems, empowering the social partners and leveraging the impact of compliance initiatives in global supply chains. Consistent bilateral meetings with the social partners were key to prevent major disturbances in the factories over misinterpretation of the laws, and joint inspections with the Ministry of Labour and ONA and OFTMA have reduced non-compliance in OSH and compensation.

# Indonesia

Indonesia is at a crossroads with the most significant changes to labour law in the last 17 years expected in 2020. The country is under pressure to maintain high levels of economic growth and continue to reducing inequality, in a global context of instability, slower growth, trade wars and health scares.

With almost 10 years of presence in the country, Better Work Indonesia and its experiences with a significant part of Indonesia's garment export are informing inform current national debates, demonstrate what works and how policy and reality can be brought closer together for creating sustainable improvements.





# COUNTRY CONTEXT

## Garment Sector Statistics

- ◆ While Indonesian garment exports to the world decreased by 3.6 per cent to US\$7.15 billion from January to October 2019, by the end of the year Indonesian garment exports had reached US\$8.7 billion, an increase of 0.8% compared to 2018.
- ◆ Indonesia's domestic garment and textile industry recorded remarkable growth in the third quarter of 2019, having enjoyed 15.08 percent change year-on-year. National statistics show that the garment and textile industry's contribution to GDP was about 1,14% in 2018.
- ◆ A recent sector analysis highlights gas and electricity prices and ageing machinery and equipment as key factors affecting production efficiency, particularly for traditional and small-scale players in the sector. Furthermore, labour cost issues have affected the business environment for the industry, especially in West Java and Jakarta. This has prompted global and regional investors to increase automation in order to reduce the number of workers or relocate their factories to lower wage provinces and, in some cases, other countries. On the external front, the China-US trade war has filled the domestic textile market with a flood of Chinese import products. This, together with the relatively high rupiah exchange rate has significantly determined the



industry's production costs and seriously affected small and medium size textile companies.

- ◆ An estimated 81 per cent of the around 530,000 workers employed in Indonesia's 344 export-oriented large garment factories are women. The wider Textile and Textile Products sector includes domestic-oriented firms and is believed to cover more than 2,000 companies and 2 million workers. Better Work Indonesia covers almost 72 per cent of all garment export-oriented factory workers and almost 62 per cent of all large factories. About half of the factories in the Better Work Indonesia programme are Korean-owned.

**What makes us unique is that, as part of the ILO and IFC, we can channel our first-hand findings to government and business at the national and international levels, spurring policy change in a way that no one else can."**

*Maria João Vasquez, Better Work Indonesia Programme Manager*



**213**  
factories  
enrolled with  
Better Work



**399,282**  
workers in Better  
Work-registered  
factories



**81%**  
of the  
workers are  
women



**35**  
buyers  
engaged  
add line



**194**  
assessments  
of factories  
add line



**1,202**  
advisory  
visits  
add line



**1,573**  
Better Work  
training  
participants

# COUNTRY CONTEXT



## International Core Labour Standards and National Labour Law

◆ As announced at the beginning of President Jokowi's second presidential term, the government is preparing an omnibus law on job creation, which, if passed, would amend more than 1,000 articles in various prevailing laws, including Indonesia's labour law, which is seen, by employers, as too rigid and hampering investment and economic growth. The landmark bill is expected to affect every Indonesian as it covers a wide range of issues from business environment and licenses, land acquisition, SMEs and cooperatives and regional government powers. As per government sources, the law is expected to ease doing business in the country and attract more foreign investment which in turn would create jobs. The omnibus law is also expected to change workers' severance pay, working hours, employment contracts and

minimum wage provisions, among other points. Labour unions have voiced objections to the draft, claiming it will undermine labour rights.

◆ After a series of policy turns, the Governor of West Java issued Governor Decree Number 561/Kep.983 – Yanbangsos/2019 regarding Minimum Wages at Cities/Municipalities in West Java Province in 2020. Both APINDO West Java Province and Unions in West Java reject the decree. APINDO West Java claims that many employers are not able to pay the new district minimum wages and that more factories are at risk of closing down. The unions, on the other hand, are rejecting the decree and in particular the provision number that allows for bipartite negotiation between employers and workers/unions below the district minimum wage levels.

### TRADE AGREEMENTS

◆ The government of Indonesia continues to be engaged in the negotiation of a major trade agreement with the EU. The EU-Indonesia Comprehensive Economic Partnership Agreement (CEPA) aims at facilitating new market access, increasing trade between the EU and Indonesia as well as expanding direct investment. Although not specific to the garment and textile sectors, CEPA is expected to bring significant economic advantages to the sector

in the form of reduced tariffs. Negotiations may be affected by the recent palm oil trade spat that saw Indonesia filing a WTO complaint against the EU for unfair practices.

◆ In 2019, two important trade agreements were concluded: the Indonesia-Australia Comprehensive Economic Partnership Agreement and the European Free Trade Association which waive import duties on a number of Indonesian products, including garments and textiles.

# ACHIEVEMENT OF OUTCOMES

## Promoting Gender Equality and Inclusion

- ◆ Better Work Indonesia's gender and inclusion strategy is progressing positively with important gains in 2019 in terms of awareness raising and sensitization. A significant number of factories completed sexual harassment prevention and disability equality training. This adds to the regular mainstreaming of gender and inclusion considerations in core-services delivery and fits within an overall strategy of addressing the root causes of gender inequality – social constructs and perceptions, business practices and law enforcement.
- ◆ More than 50 factories were formally engaged in sexual harassment prevention sensitization and programmes. The first learnings from the implementation of the Better Work Indonesia's Responsible Workplace programme are encouraging, as participating factories have developed their own activities and strategies to address the challenges using existing factory resources.
- ◆ Better Work Indonesia is playing an increasingly important role in gender advocacy including through social media, at both a national and sectoral level. For example, the Better Work Indonesia's V-log campaign on gender equality in the garment

industry allowed the programme to increase its Facebook engagement by 24 per cent (reaching 335,169 people) in the period of September and October 2019 and 49 per cent in the same period through Instagram. This, together with other initiatives, are part of a deliberate effort to increase the profile of women's issues in Indonesia using the garment sector as an important entry point. This is part of a wider national call by civil society in alliance with trade unions for the passing of the draft bill on the elimination of sexual violence by President Jokowi's administration. It also fits within the efforts to promote the ratification of the ILO's new Convention 190 to end violence and harassment in the world of work.

- ◆ Disability equality training became an integral part of Better Work Indonesia's regular training offer and is starting to be taken up by an increased number of factories and buyer partners. In terms of numbers, 0,5 percent of disabled workers out of a national legal target of 1 percent are employed in Better Work Indonesia factories (2,000 workers out of 368,700). In 2019, officials from the Directorate General of Industrial Relations and Social Security and business associations were trained to be disability equality facilitators, with the support of ILO Jakarta and Better Work Indonesia. This is an example of a strategy to increase the national capacity to work on these themes and ensure the sustainability of such interventions.





# ACHIEVEMENT OF OUTCOMES

## Working with Tripartite Constituents

In 2019, progress towards achieving the long-term goal of increased national ownership for labour issues and policy, effective social dialogue and conducive labour market policies and institutions has been mixed with some advances but also some setbacks.

### SECTORAL SOCIAL DIALOGUE

Tripartite constituents at the sectoral level have agreed to create a separate tripartite forum from Better Work Indonesia's PAC to address labour policy issues in the sector (and beyond). A first meeting hosted by APINDO ended with mixed results. Despite being a good example of social dialogue with all major parties engaged, it was not solution-oriented, but rather focused on problems and differences of approaches between workers and employers. Better Work Indonesia was asked to play a stronger facilitating role in future meetings. In the meantime, the social dialogue dynamics in the garment sector are being influenced by the overall discussions around the omnibus law. The lack of a clear consultation process with social partners by the Indonesian government is generating higher levels of mistrust among the social partners and risks fragmenting further the union movement.

At the time of writing this report there was great consternation by mainly the trade unions concerning the lack of meaningful consultation around the forthcoming omnibus law and its content. Throughout 2019, the ILO and Better Work Indonesia provided inputs to areas later targeted by the omnibus law including minimum wage policy. This was done by disseminating widely the ILO's proposal to simplify and harmonize Indonesia's minimum wage determination system. The dissemination has reached the President of Indonesia office, ILO tripartite constituents, key policy institutions/actors and the governor of West Java, Indonesia's largest province and home to a large part of the garment sector.

### ON THE GROUND BENEFITS



## Building consensus on use of non-permanent contract

More than 200 labour inspectors and mediators supported by Better Work Indonesia in West and Central Java

Better Work estimates that almost half of the garment sector workforce in Indonesia is employed under a non-permanent contract. These contracts were originally conceived to provide factories with support for seasonal or temporary work requirements. To help the garment industry take advantage of this provision, Better Work Indonesia, in partnership with the Ministry of Manpower, has formulated a set of guidelines that aim to provide a clearer understanding of existing legislation and reduce industry dependence on non-permanent contracts. The instructions are the result of Better Work Indonesia's facilitated collaboration between employers, unions, brand partners, and the government. Furthermore, the programme provided support to the Ministry in disseminating the guidelines to more than 200 labour inspectors and mediators in West and Central Java. They are now being widely used by industry stakeholders, including factories, brands, and union officials and have led to a uniform understanding of the employment of contract workers. The success of the guidelines has also led buyers and stakeholders from other industries (e.g. palm oil sector) to adopt similar frameworks adapted to their industry context.

# ACHIEVEMENT OF OUTCOMES

## OCCUPATIONAL SAFETY AND HEALTH (OSH)

A process of technical consultation has started with the Ministry of Manpower (MoM) focused on the high levels of non-compliance on OSH in Better Work Indonesia factories. The process aims at looking at the root-causes of non-compliances and the development of guidelines and collaboration/partnership models between Better Work Indonesia and labour inspectors and trade unions and others with a role to play on improving OSH in the garment sector in a sustainable way.

## POLICY REFORM AND LAW ENFORCEMENT

Better Work Indonesia's work on supporting policy reform for the garment sector and conducive and evidence based policy making enabled the Indonesian Employers Association (APINDO) and the Indonesian Textile Association (API) to produce the first directory of garment export companies and a study on the future of the garment sector in Indonesia. The study was



presented to ILO tripartite constituents at the end of August 2019. It will form the basis of APINDO's submission to the upcoming administration on the sector priorities and roadmap.

### CASE STUDY

## Minimum wage requirements and the need to ease existing tensions

*The change in the law has increased the risks of factory shutdowns in West Java*

Policy debates around the issue of the minimum wage have remained contentious in Indonesia. In West Java, recent policy shifts have led to a Governor's Decree (Number 561/Kep.983 – Yanbangsos/2019) directed at cities on setting a minimum wage for 2020. However, the decree has faced opposition from both the local chapter of APINDO and Trade Unions in the province. The first has contended that it puts factories at an increased risk of closure since many employers are unable to pay the new minimum wage. Trade Unions,

on the other hand, have expressed their opposition to specific provisions (Provision 7d) that allow for negotiation below the district minimum wage levels between employers and workers/unions. This has led to both parties challenging the decree at the administrative court. As a neutral party, Better Work Indonesia has played a crucial role in easing tensions between various constituents and in advising the government on bringing in all stakeholders (including international brands) on this matter. As a result, 2019 saw increasing collaboration between buyer-partners and the provincial government on issues such as factory closures and minimum wage. There has been no final decision (at the time of writing this report) on this matter.

# ACHIEVEMENT OF OUTCOMES



## TRADE UNION CAPACITY BUILDING

Better Work Indonesia continues supporting capacity building of garment federations and their members and the strengthening of their role in compliance and in harmonious industrial relations as well as improving cross-union coordination. This is part of a wider strategy to achieve stronger and more effective social dialogue that can sustain compliance and the continuous improvement of working conditions. Better Work Indonesia support included training on collective bargaining for trade unions, direct support to the resolution of industrial relations conflicts and support to the operations of the regional trade union task-forces – district based alliances of different unions operating in a given area to improve coordination, fulfil capacity needs and address issues related with trade union fragmentation.

2019 saw an increase in industrial relations issues and intra-union conflict. The programme was directly involved in 32 industrial relations cases providing support by encouraging and facilitating dialogue. The necessary capacity to prevent and deal with these disputes is not yet at an

expected level despite the many years of capacity building efforts by Better Work Indonesia, ILO in general and other organizations. The impact of the task forces has also been limited with capacity and knowledge not trickling down fast enough to the factory level. At the same time and perhaps influenced by the example of the task-forces, other organizations such as APBGATI, an alliance of 8 trade union federations in the textile, garment, footwear and leather sectors were created, with a similar role than the task forces but with a focus at the national level.

At the national level, trade unions sitting in Better Work Indonesia's PAC have reached a state of mutual understanding and higher levels of unity. At the provincial/branch level the situation is tense and has worsened this year given many disputes around membership (different unions disputing members) and specific issues such as wages and factory closures in West Java.

In light of this, Better Work is re-assessing its trade union and industrial relations policy including at the level of, inter alia, the continuation of the trade union task forces.



# ACHIEVEMENT OF OUTCOMES



## Working with Brands

Better Work Indonesia's strategy to increasingly commit and engage buyer partners in the improvement process is bearing fruit with higher levels of efficiencies and support of, for instance, the roadmap approach and joint training and advisory on issues related with workplace cooperation, gender, disability and wages.

The role of buyer-partners has been crucial in regions such as West Java, where it has influenced policy decisions around factory closures, transition process and minimum wage. They were receptive to engaging directly with West Java's provincial government. This is part of Better Work Indonesia's effort to leverage buyers' interest in protecting the region's garment sector, along with the integrity of the minimum wage system and supporting suppliers in fulfilling their legal obligations.

Better Work Indonesia and Better Work as a whole have supported the industry in avoiding duplication around social audits and promoting further alignment of efforts by piloting the Social Labour Convergence Programme

(SLCP) approach in Better Work Indonesia factories (see Better Work Global section).

Better Work Indonesia's engagement with buyers continues advancing beyond compliance looking at more systemic issues such as industrial relations. The first of a series of industrial relations related sessions has taken place with Better Work Indonesia buyers' partner with a focus on trade union landscape at national and international level. This is part of an effort by Better Work Indonesia to have a more regular and intense engagement with buyer-partners on industrial relations and strategic labour issues.

The Better Work Indonesia Business Forum (October 2019) has become the key event in the garment sector and one of the biggest in the country looking particularly at labour issues. The focus of the forum on critical issues such as the future of the garment industry in West Java and government and social partners' role and action in supporting conducive solutions to labour challenges is unique. The fact that the 2019 edition guaranteed the intervention of the Governor of West Java, Mr Ridwan Kamil is a further testament to the importance of the forum.

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>OUTCOME 1: By 2022, an increased number of factories will have internalized decent work in culture and systems, and are better equipped to comply with the law and improve working conditions and promote inclusiveness.</b>		
<b>1.1</b> The capacity of factory management and workers to improve working conditions is strengthened.	<b>On schedule</b>	<p>By the end of 2019, Better Work Indonesia had delivered 194 assessments and 1202 advisory visits. 888 participants from 195 factories were trained and 685 participants participated in industry seminars. 58% of participants of Better Work Indonesia training were women versus 48% in industry seminars.</p> <p>More than 90% of Better Work Indonesia factories have issued progress report 1, which shows the factories' commitment and capacity to report on compliance.</p> <p>The level of perception of usefulness by participants of Better Work Indonesia training and industry seminars (ISs) is very high, at almost 100%. 63% of respondents (from 146 factories) stated that training and industry seminars have been useful for the improvement process and 26% very useful. 56% of respondents claimed also that there were clear links between advisory and training and ISs and almost 30% claimed there was a very clear link.</p>
<b>1.2</b> Factories focus on improvement is shifted through a roadmap approach while building the business case.	<b>On schedule</b>	<p>A third factory has achieved high performing status in Indonesia. All factories in Better Work Indonesia have introduced the roadmap approach to high performing factories and brands are also being (gradually) introduced and have so far been generally supportive of the approach.</p> <p>The visual overview provided by the roadmap is able to move buyers away from compliance-oriented approach, to consider other elements including social dialogue, learning, and management systems. Therefore, brands such as H&amp;M and Uniqlo had agreed to focus more on social dialogue. In general, more training has been directed to these topics during 2019.</p>
<b>1.3</b> Management system approaches are institutionalized in core services and adopted by factories to sustain compliance.	<b>On schedule</b>	<p>Significant efforts have been made this year to build capacity of factories on management systems in a more consistent and wide-ranging manner, with 160 factories following industry seminars on management systems for OSH, wages and HR.</p> <p>Internally the programme has stepped up capacity with (National Manpower Office recognised) training of seven enterprise advisors to become certified OSH Management System internal auditors. Management System Focal Points map the management systems situation of the factories based on a survey. Factories are divided into "basic" and "advanced" management system ranks and benefit from tailored seminars for a more targeted approach. Results are monitored and will be analyzed in the next reporting period.</p>
<b>1.4</b> Gender equality, women empowerment and inclusiveness promoted.	<b>On schedule</b>	<p>Better Work Indonesia has begun implementing Better Work's Respectful Workplaces Programme, a long-term self-sustained and integrated prevention programme focused on sexual harassment, in 6 factories. First results of the programme are encouraging. Participating factories have developed their own activities and strategies to address identified challenges using existing factory resources and plan to incorporate this work in factory social dialogue committees.</p> <p>More than 50 factories were the focus of 1-day sensitization sessions on sexual harassment prevention, organized in collaboration with GAP. An additional 13 factories completed the Better Work Indonesia's Disability Equality programme, an initiative done in collaboration with H&amp;M.</p> <p>16 factories were trained on supervisory skills and managing people with 65% of participants of the training being women.</p> <p>Visibility of gender issues was heightened through an innovative video blog competition to raise awareness of workers in the factories on gender equality and empowerment issues and an article on Better Work Indonesia's maternity protection work featuring in ILO Global and Better Work websites for the commemoration of World's Breastfeeding Day 2019.</p>

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
		Support for external initiatives included supporting USAID's 16 Days Global Activism against Gender Based Violence and ILO and Indonesia's Gender Network platform advocacy campaigns and events focused on promoting the adoption of ILO Convention 190 on Gender-Based violence.
<b>OUTCOME 2: By 2022, social dialogue in the workplace is institutionalized, inclusive and increasingly made effective by social partners.</b>		
<p><b>2.1</b> Capacity of workers and management strengthened to engage in social dialogue including through closer support by trade unions and employ.</p>	<p><b>On schedule</b></p>	<p>As part of Better Work Indonesia's support programme to trade unions, we have engaged in:</p> <ul style="list-style-type: none"> <li>◆ 2 information-sharing sessions with members of unions from TSK Union Federation from various branches in West Java Province (Bandung and Purwakarta).</li> <li>◆ Supporting Collective Bargaining Training for Union – Serikat Pekerja Nasional (SPN/National Trade Union)</li> <li>◆ A 2019 evaluation of the Union Task Force effectiveness, relevance and sustainability concluded that the task forces were partially successful, with adequate improvement of TU capacity and solidarity at national level but limited impact at regional &amp; plant levels on IR problem solving or workers-employers cooperation. Identified issues include task forces being "dominated" by national level leaders, a top down approach towards regional unions, limited representation of non PAC unions, a lack of ownership and organizational capacity. Also, there was some overlap with other trade union groups. In light of this, a decision was made by Better Work Indonesia and the trade unions to merge the task force into existing trade union networks (specifically at the national level) and restructure the task force into a network with theme-based divisions, with more active roles to plant level trade unions or to focus mainly in filling training gaps at the factory level. <p>APINDO (Employer group). Apart from the previously mentioned cooperation for the development of the sectoral analysis and study, engagement with employers' group APINDO includes support for their closer engagement with garment factories. Constraints have been the unequal capacity levels by APINDO at the branch level and competing priorities for the group (e.g. Omnibus Law submissions).</p> <p>A new business association has been created in West Java that merges members from both APINDO and Koga (Korean garment employers association). While Better Work Indonesia has been engaging with them on issues related to just transition and the minimum wage in West Java, the tension around the minimum wage situation means it has not yet been possible to establish a deeper programme of collaboration with this new, potentially important association.</p> <p>Given the above challenges, Better Work Indonesia is revising its strategy of engagement with the trade unions and business associations so that there are clearer results in terms of capacity on the ground. The M&amp;E plan has also been impacted with delays to reporting on workers and managers' capacity to engage in social dialogue through support and engagement with their trade unions and employer' association.</p> </li></ul>
<p><b>2.2</b> Management-workers committees are empowered to take ownership and responsibility to lead dialogue on strategic workplace issues.</p>	<p><b>On schedule</b></p>	<p>There are more factories showing improvement in social dialogue related KPIs. The number had been growing steadily since Q1, and in the second half of 2019, 14% of factories are demonstrating progress towards effective social dialogue and ability to resolve disputes. The main issue seems to be around having bi-partite committees or LKSBs with "sufficient decision-making authority", although progress has occurred. 36% of Better Work Indonesia factories have an active and effective bipartite committee.</p>



# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<p><b>2.3</b> Grievance mechanisms are proven to benefit management and workers in voicing and collectively resolving workplace issues.</p>	<p><b>On schedule</b></p>	<p>2019 saw an increase of intra-union conflict and industrial relations issues in general and particularly in Central Java. Better Work Indonesia has intervened in at least 32 industrial relations cases in 2019.</p> <p>Grievance mechanism indicators have shown some improvement as well. In particular of “Effective Grievance Handling”, there are 33% of factories which had shown good performance on this compliance question. However, more work is needed.</p>
<p><b>OUTCOME 3: By 2022, Better Work Indonesia, brands and other supply chain actors will have built effective partnerships to strategically engage in the improvement process</b></p>		
<p><b>3.1</b> Roadmap approach is used to increase synergies in support of sustainable improvement processes.</p>	<p><b>On schedule</b></p>	<p>The roadmap approach is being gradually introduced to key buyer-partners and is generally being well received. Better Work needs to, nonetheless focus on systems upgrades and clear technical guidelines for the optimal use and reporting of results on the roadmap approach.</p> <p>In the first half of 2019, Gap Inc, Uniqlo, H&amp;M and Target Corp have continued their collaboration with Better Work Indonesia on capacity building to improve social compliance through social dialogue. In addition to OSH and workplace dialogue, H&amp;M has extended their focus to the areas of negotiation skills, inclusiveness and wage management systems. Gap Inc also expanded the collaboration to include prevention of sexual harassment. At the same time, Gap Inc still maintains its collaboration with Better Work Indonesia on supervisory skills training. A collaboration with Target recently was established on social compliance on discrimination, OSH and compensation. With Uniqlo, there was a particular joint push in building factories capacity on grievance systems.</p>
<p><b>3.2</b> Brands, vendors, agents and licensees are engaged and knowledgeable on IR and other strategic issues including labour policy updates in the sector.</p>	<p><b>On schedule</b></p>	<p>The 2019 edition of the Better Work Indonesia Business Forum took place at the end of October and was attended by more than 150 participants consisting of national and international garment industry actors and partners from governments, employer associations, trade unions, and suppliers.</p> <p>The forum reviewed progress, shared successful and good practices and highlighted the importance of social dialogue to address various labour issues in the garment sector. Keynote speaker, Governor of West Java, Mr. Ridwan Kamil shared his vision and strategy to ensure business competitiveness in West Java. He is promoting better labour-management cooperation and emphasized the importance of strong communications and dialogues between employers and workers.</p> <p>More than 10 key buyer-partners participated in a special session on trade union landscape in Indonesia, as part of an effort to build inside knowledge and capacity in dealing with industrial relations issues.</p>
<p><b>3.3</b> Better Work Indonesia has strengthened its engagement with supply chain actors (in particular vendors, agents, holding groups, licensees) for better alignment and fair and sustainable purchasing practices.</p>	<p><b>On schedule</b></p>	<p>By the end of 2019, Better Work Indonesia was finalizing the pilot of a the SLCP in 20 factories in Indonesia: the programme is working closely with the Better Work Global team and the SCLP to put in place the tools, systems and approaches in order to be able to implement the pilot in Q4 of 2019 and has had consultation meetings with local representatives of brands and national stakeholders. A close engagement plan with the pilot factories is also in place.</p> <p>Testing of the new generation of impact assessment surveys was done in Better Work Indonesia factories (sample) in Q3 2019. One of the innovations is the introduction of questions related with buyers’ sourcing practices – linking to Better Work global strategy on fair and sustainable purchasing practices.</p> <p>The work with intermediaries, in particular vendors, agents, holding groups, licensees is progressing slowly.</p> <p>Better Work Indonesia and ILO/SCORE piloted a combined intervention in two factories in Central Java in the home décor industry. The pilot showed that the SCORE methodology is effective in smaller suppliers and how a compliance/ labour law advisory and learning component could be integrated, and the role of international buyers. Better Work Indonesia/SCORE pilot has been finalized and initial results have been presented to the target factories and international buyers:</p>

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>OUTCOME 4: By 2022, Sustainable mechanisms for policy and labour market reform in the garment sector and beyond have been established in Indonesia</b>		
<b>4.1</b> BW/Better Work Indonesia data, approaches and analysis are made available to the ILO tripartite constituents for purposes of labour policy review, design and implementation.	<b>On schedule</b>	<p>A Better Work Indonesia briefing entitled “Facts and Figures on Gender and Inclusion” was published in 2019 and widely disseminated.</p> <p>The programme successfully hosted a session on labour law reform and wage policy of the Employment Policy Forum, a gathering of the key national think tanks, research institutes and public policy advisors including the World Bank. Better Work Indonesia has joined as a member earlier in the year. Specifically, the ILO’s proposal on the further simplification and harmonization of Indonesia’s minimum wage determination system was presented and discussed.</p> <p>ILO/Better Work Indonesia have also engaged directly with the president of Indonesia office on minimum wage policy and other areas targeted by the Omnibus Law.</p> <p>Better Work Indonesia has been working together with other UN agencies to promote the implementation of SDGs, specifically, the goals concerning Decent Work &amp; Responsible Consumption. To this end, in the first quarter of 2019, Better Work Indonesia participated in the Indonesia Fashion Week 2019 to provide information about garment supply chains and its initiatives together with the UN Alliance for Sustainable Fashion. Better Work Indonesia also participated in a panel talk show organized by IOM during International Trafficking Day and delivered a talk on responsible consumption and supply chains.</p> <p>The UN Resident Coordinator and Information Centre together with ILO-Better Work Indonesia organized a media visit to Ungaran Sari Garments – a high performing factory – with various news and television media outlets.</p>
<b>4.2</b> Collaborate and facilitate stronger coordination of tripartite actors and systems at the sub national level (district and provincial level).	<b>On schedule</b>	<p>As a continuation of similar activities in Central Java, in early 2019, Better Work Indonesia conducted the Introduction of Zero Tolerance Protocol (ZTP) Document and Guidelines for the Implementation of Employment Contracts in the Export-Oriented Garment Sector to Labour Inspectors and Labour Mediators in West Java Province.</p> <p>Engagement with local level stakeholders, including the Governor of West Java, has been intensified, including a new minimum wage policy determined with the Foundation. Better Work Indonesia is playing a strong role in advising the government, keeping the international brands involved (and leveraging their influence), diffusing tension between the tripartite constituents and acting as a neutral and (unofficial) mediator amidst the conflicting interests. Better Work Indonesia also organized joint-factory visits to introduce the new head of the Disnaker (manpower office) to the realities on the ground, and proposed the creation of a garment tripartite task-force (TORs). Better Work Indonesia has offered technical support for the local Manpower Office of West Java Province on Labour Mediators Competition and Training (performance, communication skills, technical knowledge on labour issues and level of understanding of the role of labour mediators in their daily duty for promoting and maintaining sound industrial relation in their respective area).</p>
<b>4.3</b> Better Work Indonesia has contributed to regulatory review and enforcement by proposing changes, clarifying and issuing guidance.	<b>On schedule</b>	<p>Better Work Indonesia facilitated a factory visit and provided technical assistance to two factories that joined the Better Work Indonesia Programme in Central Java Province to promote better compliance on Occupational Safety and Health (OSH) – as requested by the Ministry of Manpower and the local Manpower Office to provide technical assistance on OSH issues. The visit was organized as a step to provide further technical assistance for MoM on occupational safety and health.</p>
<b>4.4</b> The creation of a garment tripartite body that has capacity and decision making power to improve policy and address issues is facilitated and supported.	<b>On schedule</b>	<p>At the suggestion of the PAC, national stakeholders are creating a platform to engage in more regular and intense social dialogue around the garment and labour intensive sector/s. The first meeting, in August, focussed on industrial and labour policy priorities for the sector. A series of follow-up meetings have been scheduled.</p>

# ISSUES AND ACTIONS

## ISSUES

## CORRECTIVE ACTIONS TAKEN

### WEST JAVA JUST TRANSITION AND MINIMUM WAGE

Better Work Indonesia, in coordination with ILO Office, is assisting Indonesian tripartite constituents to further simplify and harmonize minimum wages so that regional differences are less accentuated, and minimum wages are determined based on solid economic data and improving compliance. In meetings with both local and national level government offices, APINDO and trade unions at the local and national level, the ILO Senior Wage Specialist presented its study about the Indonesian minimum wage and proposed alternatives for improving the system. Better Work Indonesia is working to help the government, workers and employers mutually agree on improvements on the wages system, including clarifying the criteria, scope, and purpose of the minimum wages, and creating an enabling environment where the minimum wage fixing system is effective and contributes to labour productivity.

### SLOW PROGRESS WITH THE LABOUR INSPECTORATES TECHNICAL AND STRATEGIC ENGAGEMENT

The programme is in the process of developing a stronger planning and reporting process between Better Work Indonesia and the Ministry (specifically, the Labour Inspection DG) that will allow the Ministry to know more about our interactions on the ground and that, importantly, would allow the development of more strategic and consistent framework, with clear objectives and indicators of achievement. This will allow our common work to be more visible and effective. In the future, Better Work Indonesia will look to formalize collaboration through an MoU with vital partners such as the Labour Inspection DG. This will help when there is new leadership to smooth the transition and adaptation process.





# OPPORTUNITIES

## National Labour Policy and Industry Action

### ◆ West Java Minimum Wage Reform.

The relationship with the West Java provincial government provides an opportunity for Better Work Indonesia to engage with those institutions with decision-making power over key labour policy issues such as minimum wage, the labour inspection and mediation functions, and contribute to sectoral policy in this key garment province. A significant shift of strategy and a resource commitment by the team will support West Java in boosting or supporting a just transition for the sector and a minimum wage policy that is conducive to economic and social development. Future collaboration could see support for West Java on reforming labour inspection and mediation, provide capacity building and in setting in place a framework of collaboration with Better Work Indonesia that is more consistent and mutually reinforcing. West Java could, in fact, be a laboratory and example of a closer framework of collaboration that could then be replicated in other provinces.

◆ **The Omnibus Law process** presents challenges from the perspective of the trade union movement and a possible deterioration of workers' rights and protection, but is also an opportunity to reform



the labour law more in line with the reality on the ground. Better Work Indonesia has advocated for a long time that a key driver of non-compliance is the perceived high standards in the law, legal ambiguity, heavy bureaucracy and lack of harmonization of labour laws and regulations. It is foreseen that substantial resources will have to be allocated to this file in 2020. The programme is already collaborating with ILO Jakarta and other units and programmes in the ILO so that solid and strong support can be provided to ILO constituents.

◆ **The SLCP pilot** and engagement present to Better Work an opportunity to support industry-wide efforts to avoid duplication in audits and a re-allocation of resources to remediation and capacity building. This effort may have a wider impact in non-Better Work countries and is a strategic opportunity for the sector and the ILO. Better Work Indonesia like any other country programmes will be adapting its operational strategy in view of developments.

## LESSONS LEARNED

### ENGAGING POLITICALLY AND AT THE RIGHT LEVEL

◆ One of the key lessons learned from 2019 has been about the need to enlarge the scope of our work from a purely legalistic/compliance driven perspective to a more political or policy one. Compliance with labour law may, in some cases, be unrealistic or incompatible with prevailing views and policy. Better Work Indonesia has struggled with the West Java situation to reconcile legal considerations to the (apparent and stated) interest of workers and employers and has learned about the need to compromise and find solutions to issues that are legally but also politically viable.

◆ Despite the strategic interest to continue engaging with the national level government and policy it is clear that the programme can achieve more and more quickly if engaging directly with tripartite partners at the local level. This is due to the decentralization system in Indonesia that grants power over determining minimum wages and overseeing labour inspection and mediation functions to the sub-national level. The challenge is to be able to engage with 5 provinces and 34 districts in a meaningful, organized, strategic and impactful way and not fall into the current trap of trying to “solve all issues for everyone”.

# Jordan

Better Work Jordan aims to ensure decent working and living conditions across the country's garment sector, while also inspiring change in other manufacturing industries. Since Better Work's arrival in Jordan in 2009, the sector has almost doubled in size, valued at US\$ 1.9 billion in 2019, comprising 23 per cent of the country's total exports.

This section of the report highlights the latest developments in terms of Better Work Jordan's sustainability efforts and provides insights from factories on their progress towards well-functioning worker-management engagement.





# COUNTRY CONTEXT



## Garment Sector Statistics

In 2019, Jordan's apparel exports exceeded US\$ 1.9 billion with 11 per cent growth compared to 2018. Apparel continues to be the largest exporting category, accounting 23 per cent of total exports.

The exporting apparel factories employ around 76,220 workers, about 75 per cent of whom are migrants from South Asia, mainly from Bangladesh, India and Sri Lanka. Migrant workers are concentrated in the large-scale factories in Qualified Industrial Zones. The government is keen to increase job opportunities for Jordanians, especially women in rural areas, in response to a high unemployment rate (19 per cent).

Of the approximate 90 garment export factories, the majority are operating at the Cut-Make-Trim stage of production. Foreign-owned companies have a large presence in the exporting sector alongside Jordanian-owned companies; foreign investors are mainly from South Asia (notably India and Sri Lanka, but also Pakistan and Bangladesh).

**Workers' welfare is our core mandate, and we will continue our collaboration with our stakeholders to maintain the transfer of knowledge and build their capacity to improve the living and working conditions of workers in the garment sector and beyond."**

**Tareq Abu Qaoud**, *Better Work Jordan Programme Manager*



**94**

factories in the BWJ program (90 garment and 4 non-garment)



**74,130**

workers in our factories (79% are migrants and 0.6% work in the non-garment sector)



**83**

assessment visits performed by BWJ's team



**480**

advisory visits to support factories and workers



**1,221**

trained from 32 factories (77% of them are women)



**26**

international buyers participating in the programme



# COUNTRY CONTEXT



## LABOUR LAW AMENDMENT AND POLICY CHANGES IN 2019

The Jordanian labour law amendments came into force in 2019. It covers provisions on flexible working hours, measures for discrimination based on gender, exempts non-Jordanian workers with Jordanian mothers from attaining work permits and identifies a minimum age professions and hazardous work.

In October 2019, the Minister of Labour issued a decision concerning the closed, restricted

and specialized occupations for non-Jordanian workers. The decision aimed to increase employment opportunities for Jordanian job seekers through limiting access to certain occupations for foreign workers. With another decision released in December 2019, it is permitted to recruit and place non-Jordanian workers in the garment and textiles factories in those occupations such as middle and senior management positions including accountants, merchandisers and factory managers, while enterprises need to meet certain conditions.



## EXPANSION OF SERVICES UNDER THE JORDAN-EU TRADE AGREEMENT (EU ROO SCHEME)

- ◆ In July 2016, the EU and Jordan agreed to simplify the Rules of Origin to facilitate Jordanian companies' export to the EU market while increasing the employment opportunities for Syrian refugees.
- ◆ New rules for the inspection of enterprises that benefit from the relaxed Rule of Origin scheme came into effect in July 2019, following a revision agreed between the EU and the Government of Jordan. These rules mandate joint inspection visits by labour inspectors and Better Work. As of December 2019, there are currently 15 factories eligible to export to the EU under this scheme, among which nine are non-garment factories and six are textile/garment factories.

# ACHIEVEMENT OF OUTCOMES

## Introduction

Better Work Jordan strives to accelerate and sustain improvements in working conditions and business competitiveness in Jordan’s garment industry as well as the exporting industrial sector at large. In the current strategic phase (2017-2022), the focus is on boosting scalability and sustainability of impact. This is achieved by working with national stakeholders and strengthening their capacities, particularly those

of labour inspectors, the union and employers. In addition to the comprehensive and proven in-factory interventions, which drive stakeholders’ ownership, Better Work Jordan is contributing to greater evidence-based policy making. This enables the private sector to be more competitive and adhere to international labour standards to a larger degree, creating more employment for Jordanian workers.

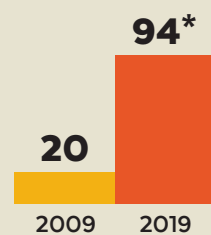
### SPOTLIGHT

## A 10-year journey

Better Work Jordan celebrates a rewarding decade-long relationship with its key partners and stakeholders

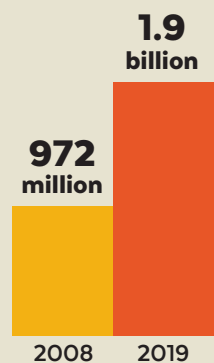
In 2019, Better Work Jordan marked the 10-year anniversary of its operations in the country. Since being set up in 2008 at the request of the Jordanian government, Better Work Jordan has deepened its partnership with national and international actors which has contributed to its growth and effectiveness in its aim to improve working conditions and promote decent work in the garment sector. Over the past decade, the industry has improved non-compliance rates, enhanced social dialogue at both sectoral and factory levels, and cemented Jordan’s role as a preferred supplier, especially for the US market. In addition, the public reporting system, the Transparency Portal, was introduced in 2017 to ensure continuous improvement in compliance. Sector-wide CBAs have encouraged social dialogue and helped eliminate for the most part wage discrimination between Jordanians and migrant workers. The programme is currently in its third strategic phase (2017-2022) and continues its initiatives at all levels – factory, country and global. The figures highlight our progress:

#### NUMBER OF PARTICIPATING FACTORIES

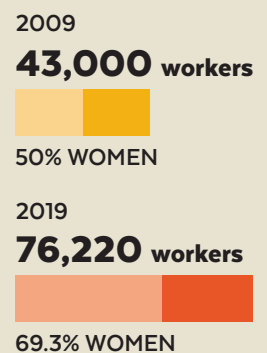


\*4 of them outside the garment sector: chemicals, engineering and plastics

#### EXPORTS WORTH

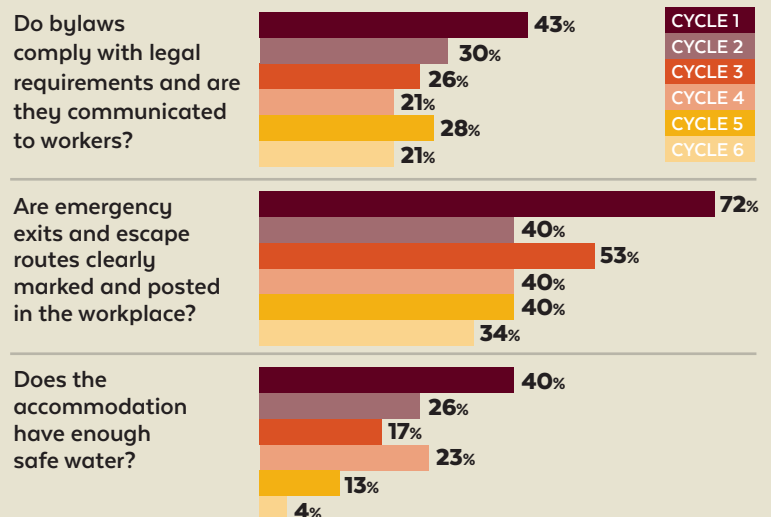


#### THE SECTOR'S WORKFORCE



### THREE BIG ACHIEVEMENTS

Here we compare the average non-compliance rates from Cycle 1 to Cycle 6 for the subset of 47 factories in the BWJ programme for at least six cycles, focusing on areas of concern. Comparing non-compliance rates over cycles is the most accurate way to see the effect of the programme over time.



# ACHIEVEMENT OF OUTCOMES

## Promoting Gender Equality and Inclusion



Better Work Jordan published its Gender Strategy (2019–2022) in March 2019 with endorsement from the Project Advisory Committee. The strategy focuses on addressing intersecting forms of discrimination, including based on gender and migration status; enhancing awareness and facilitating access to health services; and strengthening women’s voices in the factories and the Union.

Tackling violence and harassment at work, including sexual harassment has been a key focus during 2019. For example, 44 managers from the factories, mainly HR personnel, were trained on sexual harassment prevention through an industry seminar conducted by Better Work in collaboration with the MoL – Women and Children Affairs directorate.

### ON THE GROUND BENEFITS

#### More female workers have access to daycare facilities

The service is bringing working mothers closer to their children and communities

As women make up 73 percent of the workforce in the industry, Better Work Jordan and partners have supported the establishment of daycare facilities in different garment factories across Jordan to help increase women’s economic participation and improve the enterprises’ profitability.

Although the number of daycare facilities in the Jordanian garment industry increased to nine in 2019, out of which four are operating in ‘satellite units’ across Jordan, Better Work Jordan assessments found a 19 percent non-compliance among assessed factories which failed to comply with laws governing daycare facilities. More work needs to be done to promote women and family-friendly environments inside factories.

Many factory managers are reporting the positive impact of providing daycare facilities. In 2018, Maliban factory management contracted a childcare facility in the local community to care for the children of working mothers. Having started with 20 working mothers in 2018,



the factory now has 33 working mothers on the production line. “This experience made female workers more comfortable to stay in their jobs, but it also provided an opportunity to build the capacity of the local community”, says Mohammed Qutaishat, Maliban Factory Manager, about the program.

Hanan Khawaldeh, a 37-year-old mother of four children and a supervisor in the Needle Craft factory, shares her story: “I would not have been able to continue working if there was no nursery in the factory.” When her daughter Bailasan was born, she couldn’t find a suitable nursery close to home to take care of her. “Now, as I take my daughter with me to the nursery next to the factory, things are getting better. I can see her and check on her whenever I need to.”



# ACHIEVEMENT OF OUTCOMES

## Working with Tripartite Constituents

### WORKING WITH GOVERNMENT

**Labour Inspection.** Better Work and the MoL continued their collaboration to ensure knowledge transfer and sustainable impact. One key element is the secondment programme, which has seen 20 labour inspectors participate since mid-2018.

Through in-class and field visits, the labour inspectors enhanced their knowledge on international labour standards and skills to carry out comprehensive assessment and advisory services to factories. In addition, a total of 59 MoL inspectors were trained on different topics spanning health and safety, dormitory conditions and sexual harassment prevention. This is part of a broader partnership between BWJ and the Ministry of Labour established by the Memorandum of Understanding signed in 2016.

In 2019, inspectors from the Ministry of Labour started to deliver advisory and assessment visits together with Better Work Jordan enterprise advisors, in-line with Better Work Jordan's strategy to gradually move to a quality assurance role while the Ministry of Labour takes full ownership in inspecting working conditions. Better Work Jordan conducted 81 assessment visits throughout 2019. All the assessments conducted during the second half of 2019 were delivered jointly with the 20 MoL inspectors. These joint visits increased exposure, learning and communication between Better Work Jordan and the MoL inspection unit. The visits were a success and will continue in 2020.

### Improving living conditions in the dormitories.

Dormitories greatly affect the physical and mental health of factory workers, as well as their productivity during the work hours. Better Work Jordan takes a holistic approach to improve workers' living conditions from on-the-ground assessments to policy recommendations. As a result, Better Work Jordan, in collaboration with the Jordanian Ministry of Labour and Ministry of Health, developed a customized Dorms Inspection/



Assessment Guideline. In addition, 15 inspectors were trained on dorms guidelines. Secondees from SSC and MoL joined Better Work in assessing living conditions.

### WORKING WITH EMPLOYERS

Based on a request from Jordan Garments, Accessories & Textiles Exporter's Association (J-GATE), Better Work Jordan initiated discussions on the development of a sector strategy during the PAC meeting on 27 August. The sector strategy, which will be led by the employers' organizations will demonstrate a path to grow the Jordanian garment industry. In parallel, Better Work Jordan will work with stakeholders to embed decent work principles and Better Work's approach in the sector strategy. PAC participants recognized Better Work Jordan's efforts in improving the working conditions in the garment sectors to date and discussed the importance of sustaining its impact and level of compliance through effective inspection and social dialogue among national stakeholders. To this end, Better Work Jordan will intensify its efforts to build capacity of national stakeholders. The sector strategy will be developed in 2020 with a collective effort.

# ACHIEVEMENT OF OUTCOMES

## More Workers's Voices in the new Collective Bargaining Agreement

Thanks to long-lasting and stronger partnerships with Jordan's stakeholders, the fourth CBA was developed with record levels of workers' participation, across seven nationalities. It added new workers' benefit provisions such as addressing violence and harassment, providing psychological health support as well as annual wage increase for workers in the sector.

For the first time, the discussions on the fourth sector-wide CBA included inclusive consultation workshops with workers, especially migrants. The sessions were held in three industrial zones — Irbid, Al-Dulayl and Sahab — and received 283

participants from different factories and different nationalities (Jordanians, Bangladeshi, Burmese, Indian, Nepali, Sri Lankan and Pakistani). Facilitated by the head of Union, the meetings were translated by its representatives and BWJ to three languages: Arabic, Bangla and Hindi, and workers' inputs and requests were later raised in negotiations with employers. After extensive discussion, the new three-year CBA was signed by two apparel employers' associations and Jordan's garment union during the 43rd PAC meeting on 2 December.

It includes new provisions such as:

- ◆ Annual salary increase for workers
- ◆ Internal policies to address violence and harassment and to promote the mental wellbeing of workers
- ◆ Health clinics with medical staff in accordance with the MoL regulations

***This year's CBA is evidence of successful collaboration among all actors in the garment sector, showing good practice in social dialogue. We will continue working for a better environment and to provide a platform for workers to empower them, build their capacity and hear their voices"***

**Fathallah Amrani**, Chairperson of the General Union of Workers in Textile and Clothes Industries

## COUNTRY LEVEL INITIATIVES IN 2019



### WORKING WITH EMPLOYERS

Six industry seminars were conducted to build the capacity of factory middle management on topics such as sexual harassment prevention, mental health, dormitory management, respectful workplaces, supervisory skills and amendments to Jordan's labour law.



### PARTNER-SHIPS

Our strategies focus on sustaining Better Work's impact in collaboration with all stakeholders. For this goal, we signed four agreements with national stakeholders, and continued collaboration with NGOs, international organizations, and brands.



### SPECIAL PROJECTS

In collaboration with Gap Inc's Personal Advancement and Career Enhancement programme (P.A.C.E), Better Work empowered and upskilled 238 local, migrant and refugee female workers along with 37 female job seekers in rural areas with UN Women.

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>OUTCOME 1: By 2022, Better Work Jordan's core service delivery will be expanded and optimized.</b>		
<b>1.1</b> The delivery of assessment is streamlined and optimized. (non-garment)	<b>Delay: behind schedule</b>	Better Work Jordan became mandatory for factories exporting to the EU under the relaxed Rules of Origin in July 2019. Currently, 5 non-garment factories are enrolled in the programme. The number of non-garment factories is lower than target due to 1) delay in issuance of the MoL instruction to make Better Work Jordan mandatory to those factories and 2) slower intake of factories to the EU rules of origin scheme itself.  The Better Work Compliance Assessment Tool's adaptation to plastic, chemical and engineering sectors was completed.
<b>1.2</b> The delivery of assessments is streamlined and optimized. (garment)	<b>On schedule</b>	As of December 2019, 90 garment-exporting factories — 48 direct exporters, 24 subcontractors, and 18 satellite units were enrolled in the programme. All the assessment visits during the second half of 2019 were delivered jointly with labour inspectors to strengthen the capacity of MoL.
<b>1.3</b> Better Work Jordan advisory services are strengthened	<b>On schedule</b>	Better Work Jordan continued to provide advisory services to its factories with focus on enhancing management systems and worker-management committees. Better Work Jordan started to conduct joint advisory visits with the Trade Union in the view to increase Union's outreach to sectors' workforce.
<b>1.4</b> The delivery of training services is strengthened and adapted to achieve greater impact.	<b>On schedule</b>	During 2019, 62 training sessions were delivered to 1,221 workers and managers from 32 factories. Some training (sexual harassment prevention, workplace communication and roles & responsibilities) is now being delivered by the Trade Union, which enables the Better Work Jordan training officer to focus more on Training of Trainers.
<b>1.5</b> Regular transparent reporting of compliance data is ensured.	<b>On schedule</b>	The transparency portal ensures that factories are committed to improving compliance. In 2019, the number of factories with no non-compliance with publicly reported issues reached 21 compared to only 4 in 2017 when the transparency portal was launched.
<b>1.6</b> Gender equality and migrant issues are embedded into core services delivery.	<b>On schedule</b>	In the framework of its Gender Strategy, Better Work Jordan conducted an industrial seminar on sexual harassment prevention in Arabic in collaboration with MoL Women and Children Affairs directorate. 44 participants, mainly HR officers and managers from factories, discussed the definition, types and forms of sexual harassment, and work-related national laws concerning sexual harassment, and shared ideas on the implementation at the factory level. Better Work Jordan also organized a TOT on "Respectful Workplaces" for 15 participants (10 female and 5 male) from 8 different factories.  In partnership with Gap Inc., Better Work Jordan is delivering the GAP Personal Advancement and Career Enhancement (P.A.C.E) training. 134 Jordanian female garment workers from five satellite garment factories were equipped with more skills and awareness on problem solving and decision-making and financial literacy during the pilot from December 2018 to May 2019. Building on this success, the second round kicked off in October 2019 with expanded target audiences. This five-month round will contribute to the empowerment and skills development of female workers in Jordan's garment, including Jordanian, Syrian refugee, and migrant workers both in satellite units and the larger garment factories. The programme is also collaborating with UN Women's 'Oasis Centres for Resilience and Empowerment of Women and Girls' to deliver the training to female job seekers in rural areas.



# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<p><b>1.7</b> IFC complementary productivity enhancement project is implemented and potentially expanded in view of supporting the Government of Jordan's efforts to increase Jordanian employment.</p>	<p><b>On schedule</b></p>	<p>The productivity enhancement project in satellite factories was completed in 2018. The pilot aimed to support the industry in transitioning satellite units to productive entities offering long-term, sustainable, and decent work opportunities to rural Jordanian women and tailored hard and soft skills training were delivered. This pilot confirmed the importance of investing in the workforce through training while investment in factories management systems and community outreach efforts are also essential for successful satellite factories.</p> <p>The learning, summarized in the policy brief, can be utilised in a broader number of satellite factories – pending additional funding availability.</p>
<p><b>OUTCOME 2: By 2022, at the national level, ILO, IFC and WBG will have built the capacity of national stakeholders to allow for full or partial transfer of responsibility for core service delivery.</b></p>		
<p><b>2.1</b> The MoL has incorporated the Better Work service approach in its inception services.</p>	<p><b>On schedule</b></p>	<p>During 2019, 17 inspectors benefitted from the secondment programme, receiving both in-class and field training and 51 joint assessment visits were conducted to Better Work participating factories.</p> <p>To enhance the capacity of MoL, the ILO and the MoL are working to conclude an MoU that covers areas of mutual interest for both parties, such as establishing a Better Work section within the inspection directorate, developing a specialized training centre for labour inspectors, building an e-inspection system, improving the governance structure of the labour and OSH inspectorates and eliminating child labour. The initial revised draft is expected to be submitted by the ILO Regional Office for Arab States (ROAS) to MoL in Q1 2020. A detailed action plan will be agreed after signing the MoU.</p>
<p><b>2.2</b> Local stakeholders are able to gradually take over the advisory function of Better Work.</p>	<p><b>On schedule</b></p>	<p>Better Work Jordan conducted 25 joint advisory visits with MoL labour inspectors. In addition, in total 58 MoL inspectors (19 females, 39 males) have been trained on the following topics: Better Work model, Supervisory Skills Training, Gender, Sexual Harassment Prevention (SHP), Dorms and Occupational Safety and Health (OSH).</p>
<p><b>2.3</b> Strengthen the trade union's capacity to offer services to factories and workers on topics related to worker wellbeing, workers' voice and social dialogue.</p>	<p><b>On schedule</b></p>	<p>Throughout 2019, Better Work Jordan worked extensively with the union and employers to promote social dialogue at the sectoral-level and to actively engage with workers in the process toward the signing the fourth CBA in the garment sector. After the extensive discussions, the new CBA was signed by relevant national stakeholders during the Better Work Jordan 43rd PAC meeting on 2nd December.</p> <p>In March 2019, Better Work Jordan acted as an observer at the GTU's election, which aimed at electing the Advisory Board that represents migrant workers and facilitates the communication between migrant workers and the union leadership. Out of 40 candidates (28 female and 12 male), 25 members were elected from five major nationalities, namely Bangladesh, Sri Lanka, India, Pakistan and Nepal. To improve the communication between GTU and migrant workers, Better Work Jordan hired a Bangladeshi-speaking consultant with a legal educational background and multi-language skills including Bangladeshi, Hindi and English, who works at GTU premises as a Union organiser with financial support of the Government of Canada.</p> <p>Better Work Jordan conducted a gender audit of the Union in June 2019 with the objective to increase gender-responsiveness of the GTU's structure and activities. The gender audit was conducted as follows: i) a gender norms workshop was held to increase the awareness on gender equality principles and organizational cultures; and ii) a desk review of GTU's bylaws, budget and practices with a gender lens including interviews with the gender focal point in the union. The gender audit opened a discussion on gender norms within GTU, and a joint action plan will be developed as a follow-up.</p>

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
		<p>On 28 November 2019, the Union organizer started delivering a series of training sessions in Irbid Industrial Zone. Over the course of three months, migrant workers receive numerous training sessions that aim to build their capacities on topics such as workplace communication, sexual harassment prevention and roles and responsibilities. In addition to technical skills they learn, these training sessions will serve to enhance relationships between the migrant workers and the Union.</p>
<p><b>2.4</b> Strengthen the employers' capacity to offer services to factories and workers on topics related to business competitiveness and social dialogue.</p>	<p><b>On schedule</b></p>	<p>Jointly with the ILO team responsible for the Syrian Response Programme, Better Work Jordan held a series of Supervisory Skills Training workshops between June and July 2019 for supervisors in selected factories as part of efforts to enhance working conditions in Jordan's manufacturing sector. The training programme targeted 60 female and male supervisors from garment and non-garment factories benefiting from the EU's relaxed RoO agreement with Jordan. The training focused on issues related to the roles and responsibilities of supervisors; fairness and integrity at the workplace; effective listening; worker rights; and conflict resolution, among others.</p>
<p><b>OUTCOME 3: By 2022, sustainable mechanisms for policy and labour market reform in the garment sector and beyond have been established in Jordan.</b></p>		
<p><b>3.1</b> A national tripartite body (self-sustaining PAC) is established.</p>	<p><b>On schedule</b></p>	<p>Better Work Jordan continues to organize regular PAC meetings for stakeholders, chaired by Director of MoL Labour Inspection Department, to discuss developments in the garment industry and agree on action plans to overcome various issues. Topics discussed include; renewal of CBA, initial steps to develop a sector strategy and a way forward to sustain the impact of Better Work Jordan, results from Better Work Jordan impact survey, dorms inspection guidelines prepared by Better Work Jordan in collaboration with MoL as well as potential future projects.</p> <p>Regarding the PAC for the non-garment sector, stakeholders agreed during the 43rd PAC meeting held on 2 December to establish a separate PAC from the existing garment PAC starting Q1 2020.'</p>
<p><b>3.2</b> A platform for bringing together the public and private sector to discuss policy and labour market governance issues created.</p>	<p><b>On schedule</b></p>	<p>Better Work Jordan continues to organize its annual stakeholders forum that brings together government representatives, international buyers, garment sector stakeholders and civil society representatives to discuss cooperation in the country's garment sector. This year's forum held on 17-18 June, 2019, focused mainly on sustaining compliance in the garment sector, the need for job creation for Jordanians, the need to address workers' wellbeing through cooperation among employers and other relevant stakeholders, and how to sustain and amplify the impact of Better Work Jordan programme in the garment sector and beyond.</p>
<p><b>3.3</b> Research on the impact of Better Work Jordan is conducted to feed into the policy debate.</p>	<p><b>On schedule</b></p>	<p>This year witnessed the collaboration of Better Work Jordan with different parties to develop and publish several academic papers, specifically on (1) the Evolution of Jordan's Garment Industry, (2) Transparency and Compliance: Evidence from Better Work Jordan, (3) Supporting Mental Well-being of Migrant Garment Workers in Jordan. Policy brief on the Impact Survey Data Collection Round I was also published in 2019.</p>

# ISSUES AND ACTIONS

## ISSUES

## CORRECTIVE ACTIONS TAKEN

**THE GARMENT SECTOR UNION'S CAPACITY TO ENGAGE WITH WORKERS, BOTH JORDANIAN AND NON-JORDANIAN, REMAINS A CHALLENGE**

Better Work Jordan/ILO is working with the Union to improve their capacity to reach out to workers and consult with them through a project funded by the Canadian Government. To bridge the communication gap between migrant workers and the union leadership, a Bengali speaking female consultant supports the union's efforts in better engagement with migrant workers in the garment sector in Al Hassan Industrial Zone in Irbid. Union staff will also deliver training to migrant workers in industrial zones on different topics in coordination with Better Work Jordan. In Q1 2020, Better Work Jordan will commission another two Bengali native speaking consultants to support the union in other two industrial zones.

**SOME STAKEHOLDERS CONTINUE TO SHOW RELUCTANCE TO ACKNOWLEDGE CONCERNS OVER SEXUAL HARASSMENT**

Better Work Jordan will continue to sensitize stakeholders on this topic and actively promote harassment prevention through its SHP industrial seminar, as well as lead sectoral discussions when necessary. In June, the program delivered the industrial seminar on SHP in Arabic in collaboration with MoL Women and Children Affair directorate. 44 participants, mainly HR officers and managers from different factories, joined the seminar and exchanged different levels of expertise. The new sectoral CBA includes provisions for addressing violence and harassment in factories through adopting internal policies in each enterprise –which indicates the progress of the sector. Better Work Jordan plans to support factories to implement this clause in the CBA.

**ADDRESSING ISSUES BEYOND THE TRADITIONAL 'COMPLIANCE/ NON-COMPLIANCE' FRAMEWORK, E.G. MENTAL WELLBEING**

The programme is trying to better understand how it can support the needs of the workforce, especially among migrant workers who have limited access to national psychosocial support systems. For example, Better Work Jordan continued its efforts on mental health by conducting a mapping exercise of existing supporting organisations and by piloting World Health Organization (WHO)-led Mental Health Gap training. Better Work started to participate in national Mental Health and Psychosocial (MHPSS) Working Group in order to raise the awareness on lack of support for migrant workers, in light of the international community's focus on locals and Syrian refugees in providing support related to mental wellbeing. BWJ plans to conduct a worker survey during 2020 to build more understanding on the challenges faced by workers and support needs on this topic.

**THE ENROLLMENT OF NON-GARMENT FACTORIES (CHEMICALS, PLASTICS AND ENGINEERING) TO BETTER WORK JORDAN HAS BEEN SLOWER THAN EXPECTED**

The initial plan to expand core services in the three new manufacturing sectors in early 2019 was hindered due to the delay in publication of the MoL inspection instruction, which mandates Better Work Jordan to conduct joint visits to factories eligible to export to the EU market under the relaxed rules of origin. The number of factories applying to be listed under the customs list under this scheme has been also slow and only 15 factories are on the list by the end of 2019, mainly due to factories not having customers in the EU market. So far, nine factories, including five non-garment factories are registered to Better Work Jordan under this scheme. Better Work Jordan is continuing its effort, together with the MoL to enrol remaining factories.



# OPPORTUNITIES

## Address Worker-Wellbeing

To address mental wellbeing challenges faced by workers, especially migrant workers, Better Work Jordan has been collaborating with academia, the World Health Organization (WHO) and NGOs. The research conducted in collaboration with Columbia University's School of International & Public Affairs explored how Better Work Jordan and national constituents can promote worker well-being in the garment sector, including existing institutional responses in Jordan and options for reform.

Subsequently, a mental health round table discussion was held in collaboration with WHO in March 2019 to better understand and respond to the psychological and psychosocial needs of the garment sector's workforce. The WHO-led Mental Health Gap training was also delivered to 26 medical staff in 10 garment factories as a pilot so that early signs and cases of mental health issues are better detected and addressed in factories and referred to specialised organisations when necessary. Building on these pilot activities, Better Work Jordan plans to scale up training for medical professionals in the factories, and conduct an in-depth worker survey to identify the support needs and conduct awareness raising activities.



In addition, to improve dormitory conditions, Better Work Jordan will be advocating for prioritization of dormitory building safety, strengthening factory capacity to monitor and maintain standards, and will work with the Ministry of Labour to strengthen their capacity to inspect worker dormitories. Better Work Jordan, in collaboration with the MoL, developed a dorms inspection guideline, and will train labour inspectors on legal requirements and on how to assess and advise factories on dormitory building safety. Better Work Jordan also plans to commission an engineering firm to conduct a building safety survey for a sample of dorms to assess the current situation of those buildings and prepare a set of recommendations.

## LESSONS LEARNED

### STRENGTHEN WOMEN'S AND MIGRANT WORKERS' VOICES

Better Work Jordan and the General Trade Union of Workers in Textile, Garment & Clothing Industries (GTU) strengthened mutual communication, and GTU maintained a high level of engagement with Better Work. Close communication between Better Work Jordan and ILO ACTRAV were vital to ensure GTU's commitment, especially at the leadership level.

Better Work Jordan observed a gradual shift of mentality on the GTU side. For example, initially, the GTU leadership was not particularly keen to

receive gender-related training, especially on sexual harassment prevention, but after the gender audit and workshop, there seems to be more space to discuss this kind of topics. A similar change was observed on migrants' involvement in the GTU decision making at the industrial zone level — especially in the Al-Dulyal industrial zone where the first election of the advisory board was held. Better Work Jordan believes that these successful experiences contributed to the gradual mentality shift in GTU.

# Nicaragua

In 2019, Nicaragua has been in political uncertainty since a government crackdown over protests that began in April 2018, initially over social security reform, but increasingly over a broader set of government policies. At the same time, the presence of Better Work Nicaragua has provided a degree of stability in the industry, giving international brands confidence that the programme is ensuring compliance in factories.

Despite the political circumstances, Better Work has also been able to continue to provide a platform for discussion about the future of the industry with tripartite stakeholders and has a plan of action to continue to transfer skills and tools to them.



# COUNTRY CONTEXT



## Introduction

Nicaragua has been in political uncertainty since a government crackdown over protests that began in April 2018, initially over social security reform, but increasingly over a broader set of government policies. The crackdown resulted in roughly 300 deaths, more than 2000 injuries, and ongoing detention of anti-government political prisoners. The subsequent instability in the country has led to concerns by the international community over investing in Nicaragua and has influenced the ability of Better Work Nicaragua and the ILO more generally to engage with constituents at a strategic level. At the same time, the presence of Better Work Nicaragua has provided a degree of stability in the industry, giving international brands confidence that the programme is ensuring compliance in factories. Despite the political circumstances, Better Work has also been able to continue to provide a platform for discussion about the future of the industry with tripartite stakeholders and has a plan of action to continue to transfer skills and tools to them.

## GARMENT SECTOR STATISTICS

- ◆ The textile sector represents 58 per cent of the total exports of the free zone regime according to statistics provided by the Central Bank of Nicaragua. It employs 63,660 workers (53 per cent women), according to data provided by the National Free Trade Zone Commission (CNZF).
- ◆ The 25 factories participating in Better Work Nicaragua represent about 52 per cent of the total number of factories in the export apparel industry in the country and 53% percent of the workforce. With the planned addition of four new factories in 2020, this figure will rise to 58%.

## INTERNATIONAL CORE LABOUR STANDARDS AND NATIONAL LABOUR LAW

- ◆ In January 2019, the minimum wage for workers in the free trade zones in Nicaragua increased by 8.25 per cent. The minimum monthly payment for 2019 was around US\$175.



**25**

factories enrolled with BWN (52% of the country's total)



**63,660**

workers employed by the sector



**53%**

of the workers are women



**23**

compliance assessment reports in 2019



**81**

advisory visits carried out



**353**

people trained in a number of topics in our sessions



# ACHIEVEMENT OF OUTCOMES

## Compliance Trends

The Decent Work Agenda, which brings together the goals of rights at work, employment, social protection and social dialogue in a consolidated and gender-sensitive framework, is at the core of Better Work Nicaragua's mission to improve the garment industry. There is strong evidence highlighting that factories make improvements as they become more mature in their participation in the programme. Declining trends in non-compliance with ILO labour standards and national labour law in the areas of contracts, occupational safety and health, and working time illustrate this argument. Impact assessment results reinforce this evidence, suggesting that improvements have a tangible impact on both workers' daily experiences and the competitiveness of firms.

While declining trends in noncompliance demonstrate that factories made substantial improvements as they became more mature in their participation in the programme, these improvements may not last indefinitely. Hence, addressing the root-causes of non-compliance with a stronger focus on management systems and creating a policy environment that is conducive to social dialogue and better working conditions are vital.

## Promoting Gender Equality and Inclusion

In 2019, tackling violence and harassment at work including sexual harassment has been a key focus of the Better Work Nicaragua programme to promote gender equality beyond factories in the sector and in other countries from the region. This work is informed by findings in three factories in 2018 in which workers reported being victims of bullying, harassment, or humiliating treatment. To address this issue, Better Work Nicaragua has been working closely with factory managers and union representatives to avoid all types of abuses, particularly through the provision of the Supervisory Skills training programme. Better Work has also developed a training of trainers in Nicaragua to train trade union members and representatives from the Ministry of Labour and factories to mainstream a focus on gender equality in their approaches.

With support from Gap Inc., Better Work developed a training module on sexual harassment prevention in the workplace, which was delivered in Guatemala with the participation of factories from Honduras, Guatemala and Nicaragua. This work will be expanded in Nicaragua and throughout the region in 2020.



# ACHIEVEMENT OF OUTCOMES

## Working with Constituents

The Better Work Nicaragua PAC continues to meet regularly and provide strategic input to the programme. Three PAC meetings were held in 2019. The PAC has reiterated its support for the programme and the importance that it provides in creating stability and confidence in the country. The government, in particular, has provided ongoing in-kind resources to the programme, including office space and technical support. The PAC also acknowledged the progress that factories in the sector have shown with Better Work technical support.

### PROMOTING SOCIAL DIALOGUE

Better Work brought together national partners and brands to create a new vision for change in the apparel industry and beyond. Through this platform, national partners can build trust, raise concerns, look for solutions and discuss future challenges. This platform is especially important in the current political environment as it provides a neutral place for the tripartite constituents to discuss the future of the industry. This platform is also key for Better Work to leverage for its sustainability planning.

As part of the discussions the Nicaraguan constituents, with Better Work Nicaragua technical support, developed a joint vision for the garment sector to promote growth, competitiveness and sustainability of the garment sector through social dialogue including an initial action plan. The action plan lays out the steps towards achieving the vision, including key performance criteria and milestones with target dates. Each stakeholder designated a representative to be part of a working group in charge of implementing the plan.



### WORKING WITH GOVERNMENT

A major focus for Better Work Nicaragua is how to provide support to the constituents to increase their capacity to ensure compliance in the apparel industry. The programme has developed a plan of action whereby working with the tripartite partners to increasingly transfer ownership to them is the key priority.

A capacity-building programme was developed with the Ministry of Labour to enable labour inspectors to work more hand in hand with the Better Work Nicaragua team. Topics covered in the training include: respectful workplaces, creating and standardizing assessment criteria, sharing Better Work's experience in assessment, advisory and training. Four labour inspectors participated in joint factory assessment visits conducted by the Better Work team. Furthermore, guidelines to harmonize criteria in the Ministry of Labour's inspection with the Better Work instrument were prepared with technical support from Better Work Nicaragua. This partnership and growing collaboration will continue in 2020, increasingly working hand in hand both at the factory and policy levels.

***The Better Work Nicaragua programme has achieved two things so far: it has raised the standards of compliance of labor laws, hygiene and safety among factories enrolled in the National Free Trade Zone Commission and second, the certainty that it should be expanded to all labor sectors.”***

***Enrique Espinoza Peña, Vice-minister at the Nicaraguan Ministry of Labor***

# ACHIEVEMENT OF OUTCOMES

## WORKING WITH EMPLOYERS

In 2019, Better Work Nicaragua focused on how to strengthen its partnership with ANITEC, the Nicaragua Employers Federation, to jointly develop and offer training to its members. This transfer of knowledge and experience is essential for the employer's federation to take on an increased role in direct support to factories in the apparel sector.

In addition, the programme further expanded its training programme for factory managers. During January to June 2019, training on sexual harassment prevention in the workplace, risk management for pregnant workers and gender perspective in factories' policies and procedures were delivered to 52 management representatives. A total of 17 supervisors completed the Better Work Supervisor Skills training. Finally, 52 middle managers from 11 factories underwent a leadership skills programme. All of this training is essential for leading to the behaviour and culture changes that address the root causes of some of the persistent non-compliance issues in factories.

## WORKING WITH THE TRADE UNION

As on the employer side, Better Work Nicaragua also expanded its trade union capacity-building programme. It is equally focused on building the capability of trade unions in the sector to represent workers, bargain collectively, and offer training and other support to their members. One notable training involved providing 30 trade unions leaders in a training-of-trainers course on sexual harassment prevention.

## RECORDS OF COMPLIANCE

This year, the Better Work Nicaragua programme reached several significant milestones.

The factories that were evaluated achieved full compliance on three issues: adequately installed alarm system, breastfeeding time for female workers and no bullying, harassment, or humiliating treatment in any factory. The programme also had the lowest non-compliance in double payrolls ever due to capacity-building of labour inspectors, advising factory managers on the issue and raising awareness among workers.

## CASE STUDY



### Efforts for healthier workplaces

#### The introduction of air-conditioning in Gildan factories

With 4,000 workers, Gildan installed air-conditioning three years ago. The SAE-A TECHNOTEX invested in the cooling system at the beginning of the operation to provide their 3,300 workers with optimal conditions to fulfill their job requirements. According to previous factory management, in workplaces that did not have this type of system, workers are required to exert more effort, leading to increased physical fatigue and poor performance. A fatigued worker requires drinking water more frequently, which in turn, leads to more regular bathroom breaks and, over time, results in reduced production performance due to increased personal needs. "The costs [are] worth the benefits, as we observed a high satisfaction of both workers and the company," says the General Manager of SAE-A TECHNOTEX. "Providing them the appropriate conditions reduces the risks to which they may be exposed, preserve their health, and prevent them from diseases derived from dehydration, leading to achieving the desired results in the production goals."



# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>OUTCOME 1: Working conditions and business competitiveness is improved in the garment sector in Nicaragua.</b>		
<b>1.1</b> Compliance level of participating factories are monitored and regular public industry and factory level compliance reports are produced and published.	<b>Completed</b>	In 2019, 25 garment factories were enrolled in the programme, 23 assessments were conducted during the reporting and 10 factories presented issues to be reported on the transparency portal of Better Work.
<b>1.2</b> Ownership of compliance and competitiveness improvement processes through strong social dialogue is improved.	<b>Completed</b>	During this reporting period, 81 advisory visits to factories were delivered. 20 factories have a functioning PICC. Better Work Nicaragua continues to provide advisory services to its factories with a focus on strengthening social dialogue and worker-management committees. During this period, a total of 353 persons have been trained on topics such as: sexual harassment prevention, gender perspective in the policies and procedures, risk management for pregnant workers, supervisory skills training, OSH training, work place communication etc.
<b>1.3</b> Gender equality in the garment industry in Nicaragua is enhanced.	<b>On schedule</b>	In 2019, BWN continued to implement its Gender Strategy. For example: 30 trade unions leaders completed the training of trainers course on sexual harassment prevention), and 24 labour inspectors participated in an industry seminar on that topic. Participants received technical support in identifying non-compliance criteria regarding this issue in the inspection process. 52 factory managers were trained on sexual harassment prevention in the work place, risk management for pregnant workers and gender perspective in the policies and procedures were delivered.
<b>OUTCOME 2: The national stakeholders are better equipped to govern the labour market to create an enabling policy environment for the garment sector in Nicaragua to grow.</b>		
<b>2.1</b> The public and private sector have improved capacity to identify solutions to labour issues through use of Better Work approaches and tools, and through increased collaboration and ownership.	<b>On schedule</b>	A capacity-building training programme was developed with MoL, four labour inspectors participated in joint factory assessment visits conducted by the Better Work team and guidelines to harmonize criteria in MoL labour inspection instrument, were prepared with Better Work Nicaragua technical support. The topics covered in the training programme were: a) Address sexual harassment in the workplace, b) Create and standardize criteria through cases of studies,  During 2019, Better Work Nicaragua has implemented the Building Bridges programme to strengthen the capacity of national stakeholders and facilitate a joint learning process that contributes towards enhanced ownership of all parties. The stakeholders elaborated a shared action plan and a vision for the sector.
<b>OUTCOME 3: The Better Work Nicaragua programme has developed a sustainability plan to allow the continuation of operations beyond 2019.</b>		
<b>3.1</b> Revenues of Better Work Nicaragua have increased.	<b>Delay: behind schedule</b>	Better Work Nicaragua was charging a reduced tariff for factories during 2018 as a way to support factories since national unrest. In 2019, Better Work Nicaragua started charging factories with full fee and most factories were willing to pay.  Better Work Nicaragua also tried to bring more factories on board by engaging with brands. For 2020, Better Work Global is expected to sign partnership agreements with brands that place production in Nicaragua which guarantee more subscriptions from factories to the Better Work Nicaragua programme. Better Work Nicaragua also continued discussions with the ILO sub-regional office, national stakeholders, and brands on the potential of delivering services in Central America countries. In 2020, factories in Guatemala and Nicaragua will be trained on sexual harassment prevention.

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>3.2</b> Additional funding or in-kind support has been secured.	<b>Delay: behind schedule</b>	Better Work Nicaragua and Better Work Global had several meetings with potential donors including the International Cooperation Agency of Japan (JICA Nicaragua), Embassy of Canada, Inter-American Foundation (IAF). However, due to the political uncertainty in the country, no funding could be secured for Better Work Nicaragua at this stage.
<b>3.3</b> Options for continuing Better Work Nicaragua services as an independent entity have been evaluated.	<b>On schedule</b>	A document with an overview of possible legal entities including financial scenarios was developed. The Better Work Nicaragua staff considered that due to the current political situation it was complicated to start an independent entity.

## ISSUES AND ACTIONS

### ISSUES

**THE BETTER WORK NICARAGUA PROGRAMME DID NOT HAVE ENOUGH FUNDING TO COVER ALL SALARIES**



### CORRECTIVE ACTIONS TAKEN

Better Work Nicaragua staff had to reduce their working time to 50%. Better Work Nicaragua staff nevertheless managed to deliver all services to factories and stakeholders with the same quality. The government of Nicaragua maintained its in-kind contribution to the programme in the form of providing the team with office facilities.

**SOME FACTORIES WERE RELUCTANT TO PAY THE COMPLETE FEE FOR A CYCLE**



Better Work Nicaragua/ Better Work Global count on brands to support their efforts to fully charge factories for services. Brands are also critical for bringing on board new factories, which is one of the steps to achieve programme sustainability.

# OPPORTUNITIES

## The Programme's Sustainability Plans

There is still strong interest from constituents, factories and Better Work brands for Better Work Nicaragua to continue operating in the country. Better Work Nicaragua spent the last quarters in 2019 preparing for the continued operation in 2020. In 2020, Better Work will actively seek to establish a sustainable model by building capacities of stakeholders, increasing revenues from factories and streamlining services. The programme will also focus its attention on ensuring a long-term vision for the sector is developed together with the stakeholders, with a roadmap that shows the roles and responsibilities of each actor as defined by them.

To ensure lasting impact, Better Work Nicaragua continues delivering a number of capacity building programmes for labour inspectors, focusing on the implementation of the labour law guide, assessment techniques and discrimination in the workplace. Training-of-trainers initiatives focused on payroll analysis, strategies to identify non-compliance with



labour standards through proven Better Work methodologies, interview techniques, sexual harassment prevention and gender equality, as well as communication and social dialogue. An agreement for joint visit factories was signed with four labour inspectors and the plan is to continue this initiative in 2020.

## LESSONS LEARNED

### A JOINT VISION FOR THE FUTURE

Better Work Nicaragua has been in an uncertain position for several years, without certainty of donor funding. The current political situation in the country has led to an increase in the difficulty of attracting donor funding, along with concerns over the degree of commitment from the government of Nicaragua to require factories to join Better Work. Given the importance of Better Work to the stability of the country, and the hope that the programme can use its staff in Nicaragua to support wider efforts in Central America, Better Work has been working to find ways to continue the programme.

At the same time, a key focus has been working with constituents to develop a vision

for the future of the apparel sector and a roadmap for how to jointly achieve that mission. It will be essential in 2020 for the programme to focus on driving a commitment around a shared vision and to continue to build the capacity of the stakeholders to each fulfil their role to support it. It is important that the buyer partners support Better Work Nicaragua by requesting their factories to join the programme. This can increase factory subscription significantly. It is also important to continue working with brands, which continue to use rating systems to classify factories based on the assessments carried out by Better Work Nicaragua. In this way, factories are incentivized to be transparent about their ongoing challenges.



# Vietnam

The successful completion of Better Work's ten years in the country has been marked with outstanding improvements in areas such as dialogue at the workplace, freedom of association and collective bargaining, payroll and time record transparency. More awareness has been created on issues like gender equality among workers and unions, as the need to tackle challenges of overtime and occupational safety and health continues.



# COUNTRY CONTEXT



## Garment Sector Statistics

- ◆ In 2019, Vietnam's apparel and textile sector continued to grow. Apparel exports amounted to US\$25 billion in 2014, by 2018 they had reached US\$36 billion and in 2019 exports hit US\$39 billion USD, an increase of approximately 9 per cent year-on-year. Apparel and textiles are one of the largest generators of export earnings, accounting for approximately 16 per cent of total exports.
- ◆ The United States is the largest export market, followed by the European Union (EU), Japan, South Korea and China.
- ◆ Vietnam has more than 7,000 apparel and textile firms. Foreign-owned companies dominate the export sector (Korea and Taiwan are the biggest investors), but there are thousands of smaller local companies producing both for the domestic market and as subcontractors for larger exporting firms. The vast majority of apparel factories are at the Cut-Make-Trim stage of production. However, the government plans to expand the value-added component of apparel and textile exports from Vietnam.
- ◆ Currently, the sector employs approximately 2.85 million people, approximately 80 per cent of whom are women.

## TRADE AGREEMENTS

In 2018, Vietnam exported US\$42.5 billion worth of goods and services to the EU. On June 30, 2019, Vietnam signed the European Union Vietnam Free Trade Agreement, paving the way for increasing this trade. The agreement includes commitments to implement ILO core labour standards and is part of a "new generation" of FTAs for Vietnam which includes chapters on labour standards. The EVFTA, once ratified by the EU Parliament (scheduled for early 2020), will provide tariff reductions on 99 per cent of goods between the EU and Vietnam.

In recent years, Vietnam has signed more than twelve free trade pacts, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which includes 11 countries.



**363**  
factories  
enrolled with  
Better Work



**606,597**  
workers in  
our registered  
factories



**481,745**  
of the  
workers are  
women



**297**  
assessments  
of factories  
completed



**1,911**  
advisory  
visits  
carried out



**2,122**  
training  
participants  
reached



# COUNTRY CONTEXT

## International Core Labour Standards and National Labour Law



On June 14, 2019, the Vietnamese National Assembly ratified ILO Convention 98, the Right to Organise and Collective Bargaining Convention, 1949. This important step opens the door for improved industrial relations in the country. It will accelerate the spread of genuine collective bargaining at Vietnamese workplaces, which should, in turn, lead to better working conditions, higher productivity and shared prosperity, and contribute to sustainable development. Convention 98 is the sixth (of eight) fundamental Conventions Vietnam has ratified to date.

### REVISED LABOUR CODE TO HELP EVERYONE GAIN FAIR SHARES OF ECONOMIC GROWTH

In November 2019, Vietnam's National Assembly enacted a historic legislation that allows for the formation of independent trade unions at the grassroots level. The law also improves collective bargaining rights, strengthens protections against discrimination at work, and enhances protections for younger workers. Importantly, the new law expands the Labor Code's coverage from 15 to 56 million people by extending legal protections to workers without employment contracts.

***This (the adoption of Labour Code, 2019) is a significant progress as it will substantially improve Vietnam's employment and industrial relations and create a solid foundation for fair international integration and trade."***

*Chang-Hee Lee, ILO Country Director for Vietnam*

### OTHER AREAS IN THE REVISED LAW

- ◆ The right of workers to form or join a representative organization of their choosing, or Worker Representative Organizations (WROs).
- ◆ A definition of sexual harassment and the responsibility of employers to put sexual harassment prevention policies in place.
- ◆ Expansion of the definition of discrimination to include issues related to "Family Responsibilities."
- ◆ Clearer guidance relating to forced labour and minor workers.
- ◆ Reduced involvement of the government in industrial relations with higher autonomy for employers and workers to negotiate and decide conditions of work, including wages, safety and health.

Together, these new provisions demonstrate a significant commitment to advancing the protection of labor rights. The Law will require additional regulations from the relevant government agencies in 2020 before it takes effect as of 1 January 2021. The programme will track these changes closely to ensure our tools and training remain up-to-date and to help our factories and our partners comply with the law.



# ACHIEVEMENT OF OUTCOMES

## Compliance Trends

In May 2019, the Project Advisory Committee endorsed the 10th Better Work Vietnam Annual report. The report is encouraging and demonstrates a general improvement of compliance performance among factories. Compared to previous years, headline non-compliance rates have reduced across almost all compliance clusters.

Compliance is generally high among core labour standards clusters, except for freedom of association and collective bargaining, as many factories (still) fail to follow legal bargaining procedures and ensure that union operations are free from management involvement. None of the assessed factories violated legal requirements on timely salary payments or the resolution of strikes or were found to have resorted to forced labour. Most violations are found under the national law clusters – i.e. occupational safety and health,



working time and contracts- with particularly high concentrations on worker protection, overtime and OSH management systems (which represent the top three non-compliance areas in this report).

### SPOTLIGHT

#### A 10-year journey

**Better Work Vietnam celebrates a rewarding decade-long relationship with its key partners and stakeholders**

Better Work Vietnam, which was inceptioned in 2009, covers more than 360 garment factories with almost 600,000 workers, offering assessments, training and advisory services to all factories enrolled, with an aim to promote better working conditions and help them improve non-compliance. The programme's tripartite partners – the Ministry of Labour, Invalids and Social Affairs, the Vietnam Chamber of Commerce and Industry, and the Vietnam General Confederation of Labour have extended their support all along as it celebrated 10 years in the country in December, 2019. The factories with BWV have shown significant increase in compliance with national laws and international labour standards.

#### KEY IMPROVEMENTS:

- 1.** Minimum wages have nearly tripled since 2011 and almost all of the factories under the programme have paid workers equal or higher than the minimum wages.
- 2.** Strengthened social dialogue through the introduction of worker-management committees. In 2012, this initiative was modelled in the Labour Code to make bipartite dialogue mandatory.
- 3.** The average factory enrolled in the programme experienced a rise in profitability of 25 per cent after four years.
- 4.** Factories that invest in supervisory skill training for female supervisors have gained 22 per cent in productivity.

Also notable was Better Work's impact on influencing labour law. From the outset, Better Work Vietnam worked to introduce factory level worker-management committees to promote social dialogue and improve compliance in the factories. In 2012, this initiative was modelled in the national labour code to make bipartite dialogue mandatory in all of the country's industries, covering up to 10 million workers.

# ACHIEVEMENT OF OUTCOMES

## Promoting Gender Equality and Inclusion

In early 2019, Better Work Vietnam conducted a mapping exercise of different stakeholders in the area of gender equality. This report helped assess the different actors' priorities and activities undertaken to ensure gender equality in the workplace. This gender map is also used to ensure programme activities build on existing efforts and support stakeholders' interests.

In addition to the mapping, Better Work Vietnam's annual Buyers Forum hosted a panel with CARE, Marie Stopes International – a women's reproductive health consultancy, and the IFC to share their experiences in the apparel and footwear industry improving women's health and lives, and increasing factory productivity. This panel provided useful information to many brands and their supply chains on ways to support gender equality. The programme was particularly active this year on issues related to the prevention of sexual harassment in the workplace.

In collaboration with Gap Inc, the programme conducted workshops for over 80 supplier factories. Workshops addressed issues relating to gender norms, the definition of sexual harassment, and conducted role-play exercises to increase understanding of the issue and its prevention. Better Work Vietnam led workshops for factory staff as well as separate sessions for senior factory and supplier officials. Ninety per cent of participants gave very good feedback on the knowledge and skills they have gained from the workshops, and some of the factories have revised their policies and

procedures as well as strengthened their training and communications to supervisors and workers on the issue of sexual harassment prevention.

## Buyer and Brand Engagement

On June 5, the programme hosted a multi-stakeholder forum with VCCI, bringing together VCCI, factory representatives, and key brands, to hear updates on the EVFTA and future labour law reforms. The MOLISA provided key insights into what the EVFTA text includes as it relates to Vietnam's labour commitments, reviewed potential changes in the labour law reform and highlighted Vietnam's government support for the upcoming changes to the industrial relations situation in the country.

Better Work Vietnam hosted over 25 brands at its annual buyer's forum in June, with both compliance and sourcing officials invited to join. MOLISA and ILO experts discussed the new EVFTA labour commitments and explained how Better Work Vietnam is supporting their supply chains in preparing for the upcoming changes. In addition, the buyer's forum provided an opportunity for the programme to share its work on gender equality, and learn about successful initiatives working on gender in the apparel sector from CARE, IFC, and Marie Stopes.

The programme also facilitated a brand forum on legal reforms each quarter. As a result, the brand country representatives are now familiar with these opportunities to discuss issues of shared concern and interest, and how Better Work and the brands can ensure a consistent message for factories.

## SUSTAINABILITY ROADMAP

Better Work Vietnam management started the process of developing the sustainability roadmap by forging the commitment of the national partners towards the importance of the sustainability of the programme impact through the meetings with the leadership and representatives of PAC. There was a broad agreement about the positive impact of the Better Work Vietnam programme, the need to look at how to sustain the impact in the garment sector,

replicate the good practices in other sectors, and the need for strong national ownership and leadership on this. In the PAC meeting in December, the national tripartite partners and Better Work Vietnam agreed on the next steps and actions to be carried out in 2020 with the aim that by end of 2020, the roadmap will be finalised and serve as the guidance for the programme priorities for the remaining of the current phase as well as for shaping the strategy of the next phase.

# ACHIEVEMENT OF OUTCOMES

## Working with Constituents

Better Work Vietnam kick-started the conversations around its sustainability strategy with the national tripartite constituents in early 2017 during the consultation process of developing the strategy for the current phase (2017-2022). Building on the overall commitments of the national partners, and the well-established relationship with them, in 2019, Better Work Vietnam continued to push forward the sustainability agenda at both strategic (see above) and operational levels. Operationally, in 2019, the programme successfully implemented the Building Bridges capacity building programme for the officials of the national constituents which enabled them to gain deeper understanding of Better Work approach, familiarise themselves with Better Work tools and with the business practices (through the interaction with buyers and factories representatives in the training).

In March, the programme hosted workshops in Hanoi and Ho Chi Minh City and trained social partners on practical skills to address challenges related to Industrial Relations. Participants looked at case studies, learned about risk assessment, root cause analysis, problem solving and facilitation.

In a technical workshop in April, potential changes to the revised labour code, and possible subsequent changes in Industrial Relations were discussed.

In a July workshop, MOLISA shared its labour inspector's online self-assessment form. Participants discussed how to advise enterprises to submit the form, which is now mandatory for all enterprises. The workshop also included information on Better Work Vietnam's preventive (as opposed to punitive) approach used for self-diagnosis at the factory level.

In November, the programme hosted a workshop in Hanoi with representatives from the national and provincial tripartite partners from both North and South of the country. Participants discussed ways on how to better collaborate to improve grievance mechanisms at the workplace and learn more about a preventive approach for labour disputes. Participants reported that the discussions helped them to better understand factory situations and better support enterprises in their provinces.

## RESEARCH-BASED APPROACH

Better Work conducts, facilitates and disseminates research for informed policy-making. Vietnam has been part of three research papers published recently (see Better Work website):

- ◆ **Beyond the Workplace:** This paper addresses pertinent questions related to how a quality job in the garment industry translates into changes in gender norms and dynamics at the household level.
- ◆ **Firm Compliance and Public Disclosure:** This research paper examines the impact of the new public disclosure program, where factories' names are made available on an online portal along with their compliance (or lack thereof) with certain "critical issues."
- ◆ **Impact Evaluation of Better Work from a Gender Perspective:** This study shows exposure to Better Work has a positive impact on gender gaps in wages and hours of work, as well as concerns about overtime.

Activities like those listed provide the tripartite partners three tangible benefits:

1. Creating forums for tripartite provincial officials to get together to discuss shared interests and learn about other stakeholders' visions and mandates. In addition, they met with brand representatives, which helped to underscore the importance of the messages and tools delivered.
2. Introducing practical tools relating to facilitation, communication, negotiation, problem solving, teamwork, and action plans.
3. Promoting a deeper understanding of the Better Work approach and how it helps Vietnam be more competitive in the global market. Eighty per cent of participants expressed that the modular training provided them with useful knowledge around global supply chains, industrial relations and practical skills that they can apply in their work. Some labour inspectors reported that the building bridges programme has encouraged them to be more flexible in working with enterprises, with better results.



# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>OUTCOME 1: By 2022, Better Work Vietnam will have accelerated improvements in working conditions and business competitiveness in participating factories while expanding its footprint and positive impact throughout the industry.</b>		
<b>1.1</b> Factory level services are expanded.	<b>On schedule</b>	Better Work Vietnam expanded to 363 active factories by December 2019, an increase from 345 factories the previous year. The Better Work Compliance Assessment Tool's adaptation to plastic, chemical and engineering sectors was completed.
<b>1.2</b> Training services are expanded.	<b>On schedule</b>	<ul style="list-style-type: none"> <li>◆ Better Work Vietnam added a third module to its Industrial Relations series on collective bargaining agreements, a new module for PICC worker training, and conducted training on Prevention of Sexual Harassment.</li> <li>◆ According to the participant training evaluation reports, of 125 courses, the average was "Excellent" (83%).</li> <li>◆ Better Work Vietnam delivered 125 courses, 18 courses above the training target of 107 courses for the year.</li> <li>◆ The number of non-Better Work Vietnam factories taking training increased from 34 in 2018 to 90 in 2019.</li> <li>◆ Of the 370 factories eligible for 15 training days, 220 (60%) factories used some or all of their training days in 2019.</li> </ul>
<b>1.3</b> Strategic partnership established to expand the scope and influence of the Better Work model in driving responsible business and labour compliance.	<b>On schedule</b>	<p>Better Work Vietnam collaborated with IFC to expand the Gender Equality And Returns (GEAR) project. GEAR is multi-day productivity training for selected women factory workers, accompanied by coaching at the factory, to improve productivity and leadership skills. This partnership allowed Better Work Vietnam to take the materials developed for Bangladesh, adapt them for Vietnam, conduct a Training of Trainers (TOT) for Vietnamese trainers and Better Work Vietnam staff, and pilot the programme in five factories.</p> <p>Better Work Vietnam worked closely with the ILO Country office to provide inputs into the ILO proposals and suggestions related to the labour law reform process, supporting efforts to ensure Vietnam law moves closer towards meeting international standards.</p> <p>Better Work Vietnam and SCORE met with VCCI to discuss a proposal to work in subcontracting factories, and further discussion and planning will be needed in 2020 to ensure effective collaboration and national partner support.</p>
<b>1.4</b> Better Work factories demonstrate greater ownership in the process of improving working conditions and business competitiveness.	<b>On schedule</b>	<p>Better Work Vietnam has expanded the use of the factory improvement roadmaps during its engagement with factories to help ensure more ownership of the improvement process. This year, 60% of Better Work Vietnam factories began using the roadmap approach as part of their improvement process, with 20% already showing positive results.</p> <p>Better Work Vietnam has increased the number of High Performing Factories from 2 to 4. Even if this number seems small, it is noteworthy because it is a long journey for an ordinary factory to become a high-performing one. Criteria to become such high-performing factories are rigorous and include requirements on compliance, dialogue, management systems, and continuous learning and improvement.</p>
<b>1.5</b> Gender equality is embedded in the Better Work Vietnam approach and gender-focused policies are adopted at factory level.	<b>On schedule</b>	<p>Better Work Vietnam conducted a TOT workshop on Prevention of Sexual Harassment including Better Work Vietnam staff. The training looked at how gender shapes perspective, and EAs have begun to use the materials in their advisory services.</p> <p>The Better Work Vietnam gender team facilitated sessions with EAs to reflect on gender and how it shapes worker and factory engagement. Better Work Vietnam also brought in an international consultant for a staff workshop to strengthen Better Work Vietnam staff skills for inclusive facilitation – helping all to see the impact of gender and class in Better Work activities.</p>

# PROGRESS TOWARDS ACHIEVING OUTPUTS

OUTPUT	STATUS	SUMMARY
<b>OUTCOME 2: Brands (buyers), vendors and supply chain intermediaries demonstrate greater commitment to the Better Work model and approach, and adopt business practices that support improved compliance and enterprise sustainability across their supply chains.</b>		
<b>2.1</b> Strengthen brand partnerships to enhance supply chain transparency and sustainability, and better align their business practices with those of Better Work.	<b>On schedule</b>	<p>Better Work Vietnam collaborated with Gap Inc. to conduct a prevention of sexual harassment workshop, both for factory level and senior executives from major suppliers. Gap Inc. joined the workshops, helping ensure the engagement of factories and adding weight to the materials shared.</p> <p>Better Work Vietnam was invited to brands' supplier meetings, allowing Better Work to share its mission and impact with suppliers from across Asia.</p> <p>Better Work Vietnam also presented information related to our industrial relations training modules with various buyers to leverage the convening power of the brand to share important information on a key topic with both Better Work and non-Better Work Vietnam factories.</p>
<b>OUTCOME 3: By 2022, Better Work Vietnam will have strengthened national institutions and deepened their role in promoting and implementing the Better Work model, and secured greater institutionalization of lessons and good practices in national policy making.</b>		
<b>3.1</b> The capacity of tripartite constituents to support core services delivery and embed the Better Work approach into their work is strengthened.	<b>On schedule</b>	<p>Better Work Vietnam continued its efforts to bring together officials from the provinces from the different stakeholders: MOLISA, VGCL) and VCCI. They learned practical skills, shared interests, and strengthened provincial level partnership. Better Work Vietnam has expanded the use of the factory improvement roadmaps during its engagement with factories to help ensure more ownership of the improvement process.</p>
<b>3.2</b> The role of the Labour Inspectorate in enforcing labour compliance and upholding international labour standards across the industry is enhanced.	<b>On schedule</b>	<p>Better Work Vietnam continues to track information related to the Zero Tolerance Protocol and the Persistent Non Compliance protocols signed with MOLISA.</p> <p>The Zero Tolerance Protocol and its implementation on cases related to child labour were reviewed at the May PAC meeting. Better Work Vietnam also met with the Child Labour office to discuss challenges in implementing corrective action at the factory level and will have follow up conversations to jointly overcome these challenges.</p> <p>MOLISA inspectors participated in multi-stakeholder convenings in which they were able to share their self-assessment tool kit with the different stakeholders.</p>
<b>3.3</b> Enterprises and tripartite constituents actively support the transition to a new national Industrial Relations framework.	<b>On schedule</b>	<p>Better Work Vietnam expanded its Industrial Relations series to include a third module on collective bargaining agreements, as well as worker training for bipartite committees. Both these courses support factories with the IR transition and changes in the Labour Law.</p> <p>In close coordination with the ILO Country Office, Better Work Vietnam provided input to the Labour Law reform process.</p> <p>Better Work Vietnam also brought a new VGCL PAC member, who is also a representative in the National Assembly, to a factory with an engaged PICC to display benefits of worker-management dialogue.</p>
<b>IMMEDIATE OBJECTIVE 4: By 2022, Better Work will have enhanced overall programme sustainability through reforms to the organizational model.</b>		
<b>4.1</b> The operational and organizational Sustainability of Better Work Vietnam is strengthened.	<b>On schedule</b>	<p>Better Work Vietnam continued to pilot joint and virtual advisory visits, testing ways to improve the efficiency of core service delivery.</p> <p>Better Work Vietnam also met with MOLISA, VCCI and VGCL to discuss sustainability and find ways to expand and sustain Better Work Vietnam impact.</p>

# ISSUES AND ACTIONS

## ISSUES

**MORE COMMUNICATION MATERIALS AND UPDATES FOR CONSTITUENTS**



## CORRECTIVE ACTIONS TAKEN

With a full-time communication officer, Better Work Vietnam will work with Better Work Global and ILO Country Office's communications team to highlight best practices, provide regular updates to stakeholders and leverage the communication network of Better Work Vietnam's national partners. This will enhance the programme's visibility in the coming time.

**FACTORIES AWAITING DECREES AND REGULATION**



Specifically related to industrial relations, Better Work Vietnam has data from 49 factories that participated in Better Work Vietnam over eight years, i.e. non-compliance related to employer interference with union activity decreased from 74% to 4%. This data helps Better Work Vietnam demonstrate to stakeholders who remain sceptical that industrial relations in compliance with international labour standards is possible.

**INTERNATIONAL REPORTS HIGHLIGHT PROBLEMS OF SEXUAL HARASSMENT AND VIOLENCE IN APPAREL SECTOR**



Better Work Vietnam has recognized the difficulty in detecting issues related to sexual harassment at the factory and focuses its efforts on prevention. This year Better Work Vietnam conducted workshops, training, and industrial seminars for factories to support efforts to prevent sexual harassment.

**SOME FACTORIES MAKE VERY LITTLE OR SLOW PROGRESS**



Better Work Vietnam focused more on creating new ways to engage with senior level factory management and manufacturing groups. By engaging senior officials at target factories, Better Work Vietnam hopes to improve its impact at factories that have shown persistent issues of non-compliance.



# OPPORTUNITIES

## Transition to a New Industrial Relations Paradigm

This year was historic for Vietnam in its transition to a new industrial relations paradigm, one that reflects international labour standards and enhances its relationship to the global economy. On June 30, 2019, Vietnam signed the European Union Vietnam Free Trade Agreement, paving the way for increased trade with the EU. Vietnam has now signed over a dozen FTAs, including a “new generation” of FTAs which include labour standards in their commitments.

In this context, the Vietnamese government sent a clear signal and took concrete steps to support collective bargaining and freedom of association. On June 14, Vietnam ratified ILO Convention 98 on Collective Bargaining. On November 20, it passed the labour law reform, which allows for the organization of independent worker organizations.

While the direction of this transition is clear, implementing the change will require time. Some actors are accustomed to unions led by management officials. Others are fearful of what allowing worker organizations, outside of the national trade union VGCL, will bring. There are signs of heightened sensitivity to these issues.

Better Work is poised to help stakeholders with this transition. Better Work Vietnam factories are already familiar with the ILO standards



through the ongoing assessment and advisory process. Better Work Vietnam has data showing that working with a union represented by true workers is possible, and can be part of ongoing successful businesses. As well, Better Work Vietnam has training, apps, and information to help stakeholders understand and properly apply the law. All these will help Better Work Vietnam factories, other factories and national actors be better prepared for the transition to a new industrial relations paradigm.

### LESSONS LEARNED

#### A NEED FOR CREATING RESPECTFUL WORKPLACES

Better Work Vietnam experienced a high degree of interest related to the Prevention of Sexual Harassment. Factory training participants actively engaged and showed an interest in addressing the issue. Brands and buyers expressed their interest in helping their suppliers put prevention policies in place. The Vietnamese revised Labour Law provides a new definition

for sexual harassment against the backdrop of a new in ILO Convention (Convention 190) on Violence and Harassment. While findings of non-compliance remained low, Better Work Vietnam realizes that the issue is of growing concern and will continue to work with the Better Work Global team and other partners to advance its sexual harassment prevention training and tools.



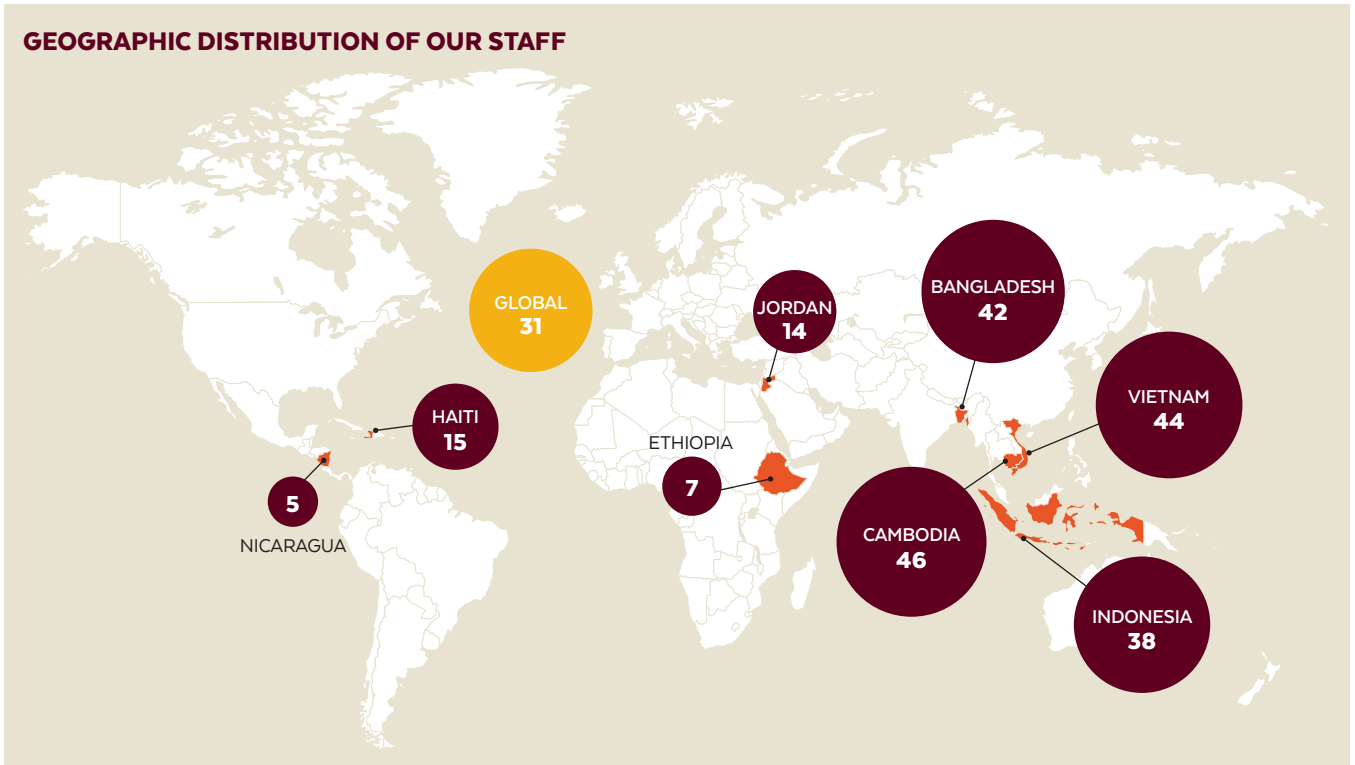
# Our 2019 highlights in numbers

Better Work is an organisation committed to learning, so it's important for us to measure our results to better understand what we are doing well and what we could do better. For the purpose of this report, we have selected a number of relevant indicators that we are measuring across all country programmes. Upon request, we can provide more country-specific indicators.

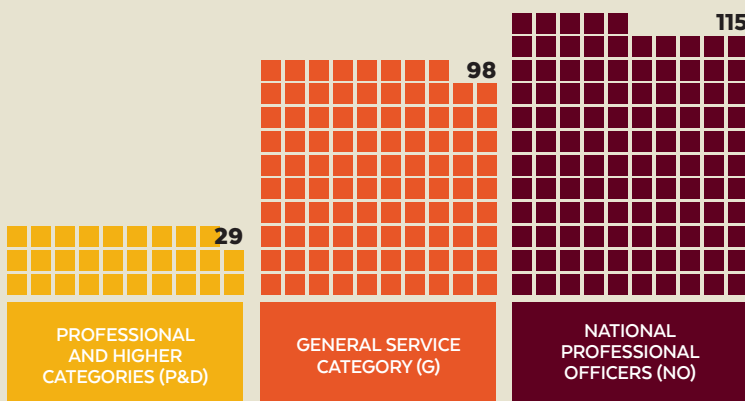
# OUR 2019 HIGHLIGHTS IN NUMBERS

## Our Team

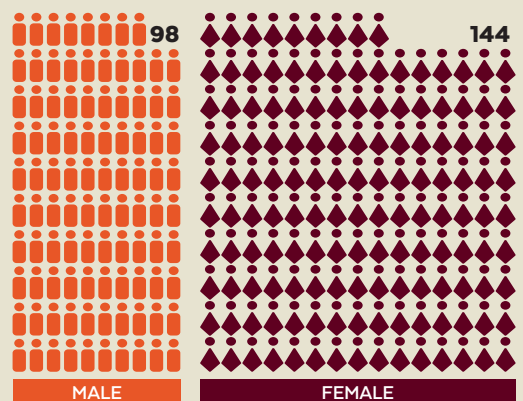
### GEOGRAPHIC DISTRIBUTION OF OUR STAFF



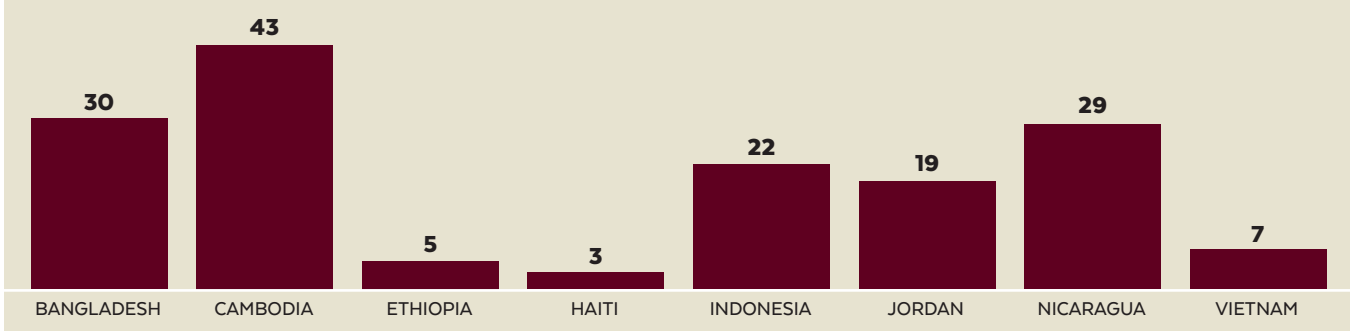
### NUMBER OF STAFF PER UN STAFF CATEGORY



### MALE VS FEMALE STAFF IN BETTER WORK



### NUMBER OF ENTERPRISE ADVISORS EMPLOYED BY THE PROGRAMME

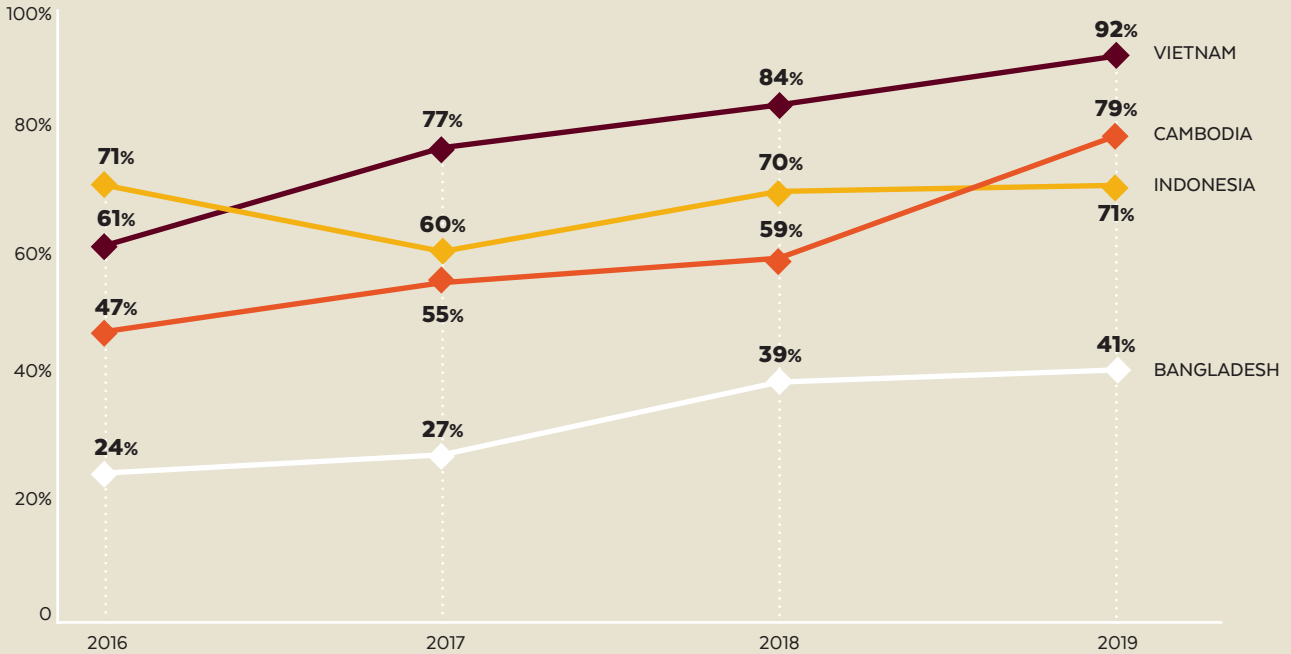




# OUR 2019 HIGHLIGHTS IN NUMBERS

## Our Finances

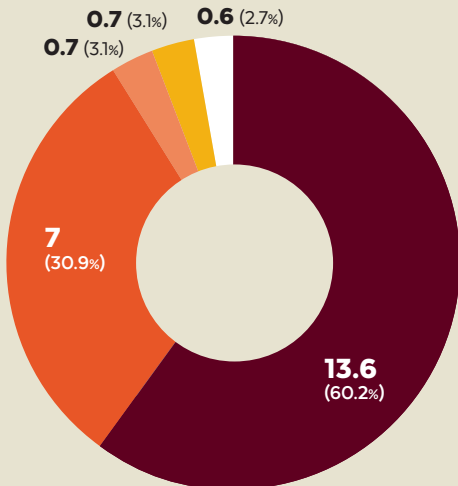
**YEAR-ON-YEAR INCREASE IN FACTORY SERVICES COST RECOVERY FROM THE PRIVATE SECTOR IN OUR ASIA PROGRAMMES**



**BREAKDOWN OF FUNDING SOURCE OF TOTAL BETTER WORK 2019 EXPENDITURE OF US\$22.6M**

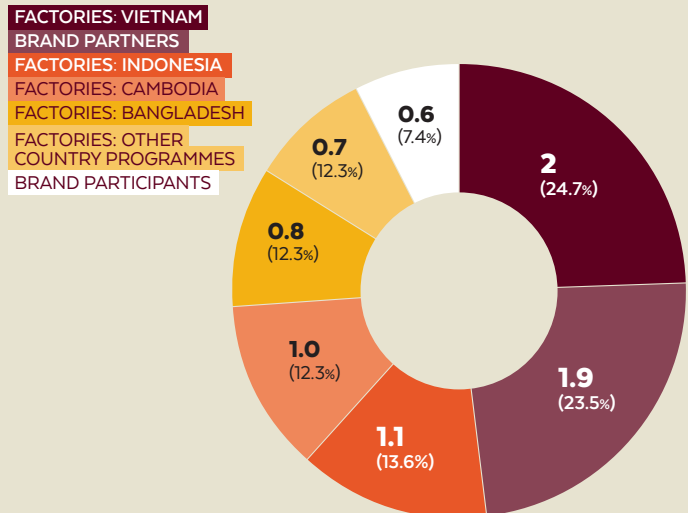
Better Work continues to see a larger proportion of its factory services being funded by revenue from factories and brands.

- DONOR FUNDS**
- REVENUE FROM FACTORY SERVICES AND BRAND FEES**
- ILO FUNDS (RB AND PS)**
- HOST GOVERNMENT CONTRIBUTIONS AND UN AGENCIES**
- CORPORATE FUNDED PROJECTS**



**BREAKDOWN OF SOURCE OF \$8.1M OF PRIVATE SECTOR REVENUE EARNED BY BETTER WORK IN 2019**

Better Work earned \$8.1m in private sector revenue in 2019, which is a growth of \$1m compared to 2018 despite brand fees and factory contributions remaining the same. Over half of this relates to an expansion of factory numbers in Bangladesh, growth in demand for advisory services in Cambodia and an increase in revenue from participant brands and all of our country programmes experienced year-on-year revenue growth in 2019. This reflects the confidence of the private sector in the value added which the programme brings and the ongoing relevance of the factory level activities.

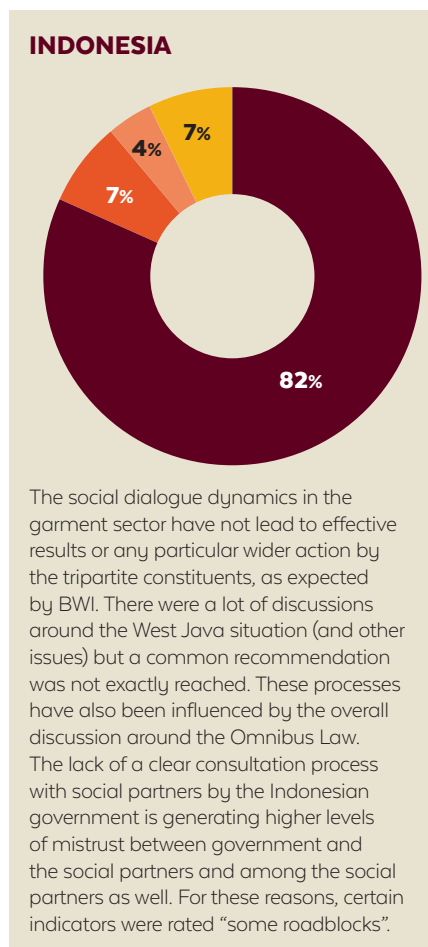
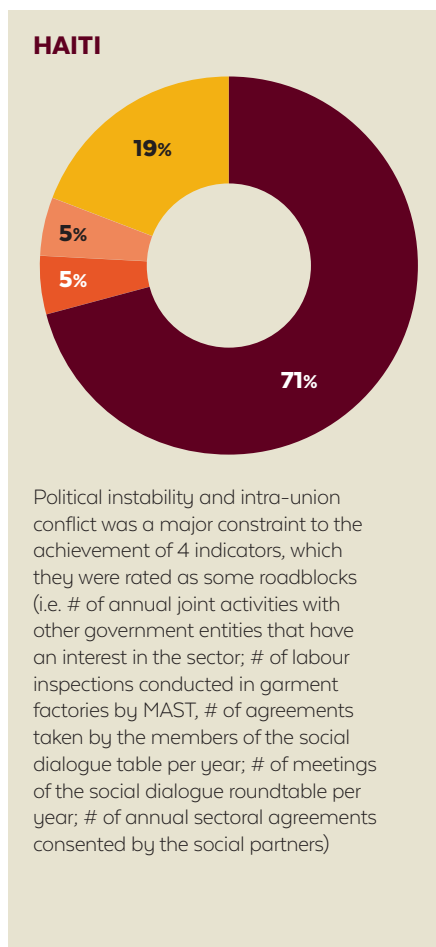
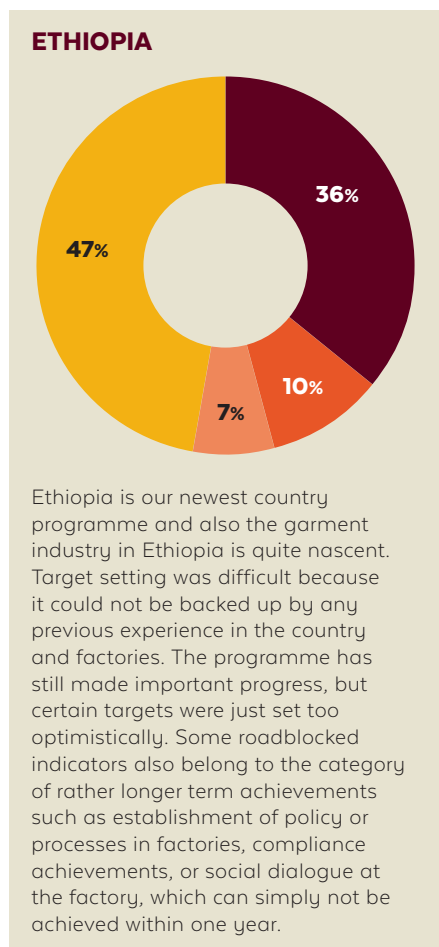
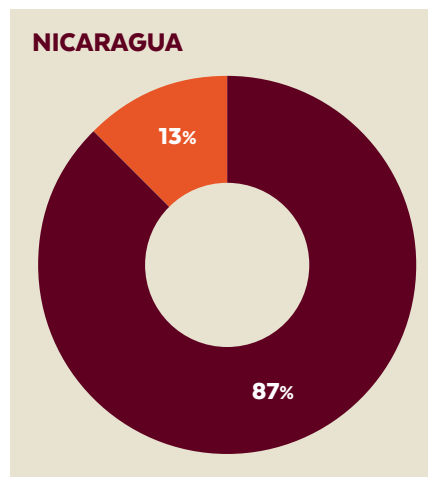
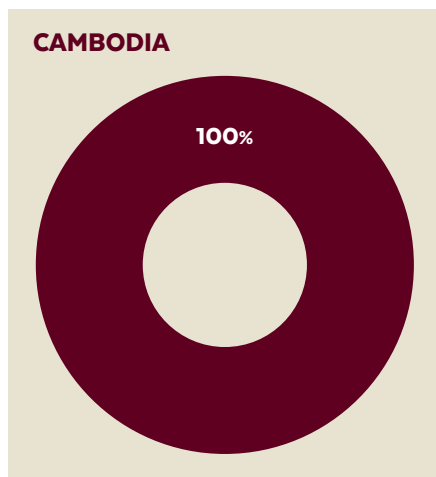
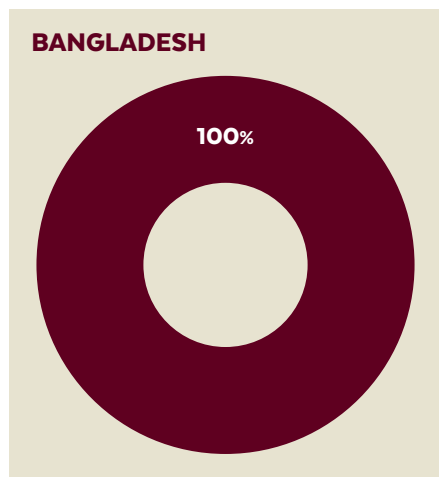


# OUR 2019 HIGHLIGHTS IN NUMBERS

## Our Performance

These charts provide a snapshot of the achievements against targets in each country programme. We take the percentage achievement of each indicator and categorize them into “on track” (>80% achieved), good progress (60-80%), some progress (40-60%), some roadblocks (<40%). Indicators which are currently under review or indicators for which system adjustments are still needed have not been included in the calculation.

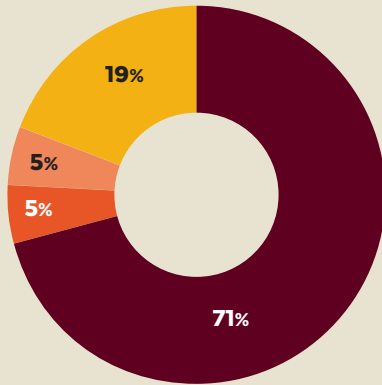
ON TRACK	GOOD PROGRESS
SOME PROGRESS	SOME ROADBLOCKS



# OUR 2019 HIGHLIGHTS IN NUMBERS

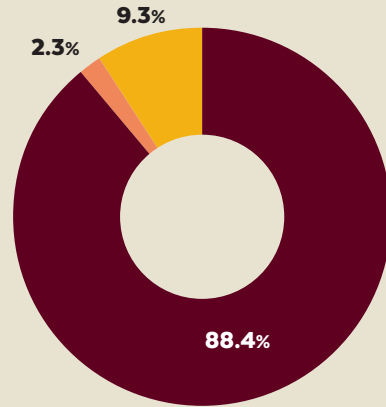
ON TRACK	GOOD PROGRESS
SOME PROGRESS	SOME ROADBLOCKS

## JORDAN



Certain indicators were outside of the control of the programme including number of factories in other sectors receiving Better Work services. Delays are caused by slow factory registration to the customs list. There indicator on Percentage of factories fully serviced by local stakeholders (all core services) has also been qualified as “some roadblocks”. Important progress has been made by the programme in terms of working with national stakeholders so that they will gradually take over core services including joint assessment with MoL or joint training and advisory visits with TU, ILO and MoL is also working to conclude a comprehensive MoU regarding the capacity building of labour inspectorate. However, the programme is not in a position yet to confidently say that these services have been fully taken over by stakeholders. Better Work Jordan plans to adopt QA/QC system for a usage by national stakeholders to ensure the quality of the services when they are delivered by national stakeholders.

## VIETNAM



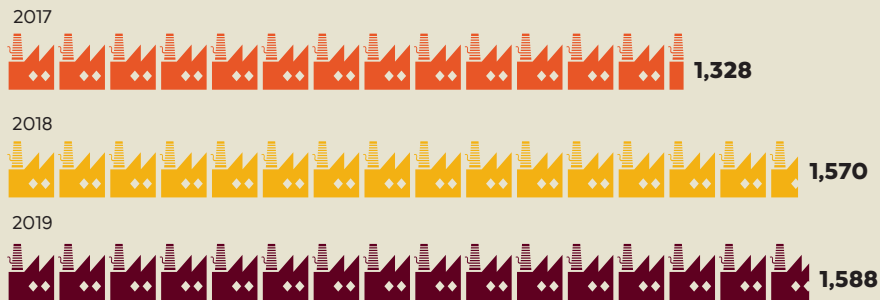
The roadblocked indicators include # of factories in other sectors receiving Better Work services. The programme was not able to move forward with those partnerships in 2019. In addition, Better Work Vietnam was not able to move forward on certain gender projects due to lack of funding. With USDOL’s contribution for gender activities, Better Work Vietnam will work on this in 2020. Two indicators also refer to the handing-over of services to stakeholders. Targets for these indicators have been set too optimistically.



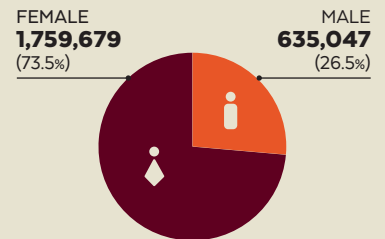


# OUR 2019 HIGHLIGHTS IN NUMBERS

## NUMBER OF FACTORIES IN THE BETTER WORK PROGRAMME 2017-2019

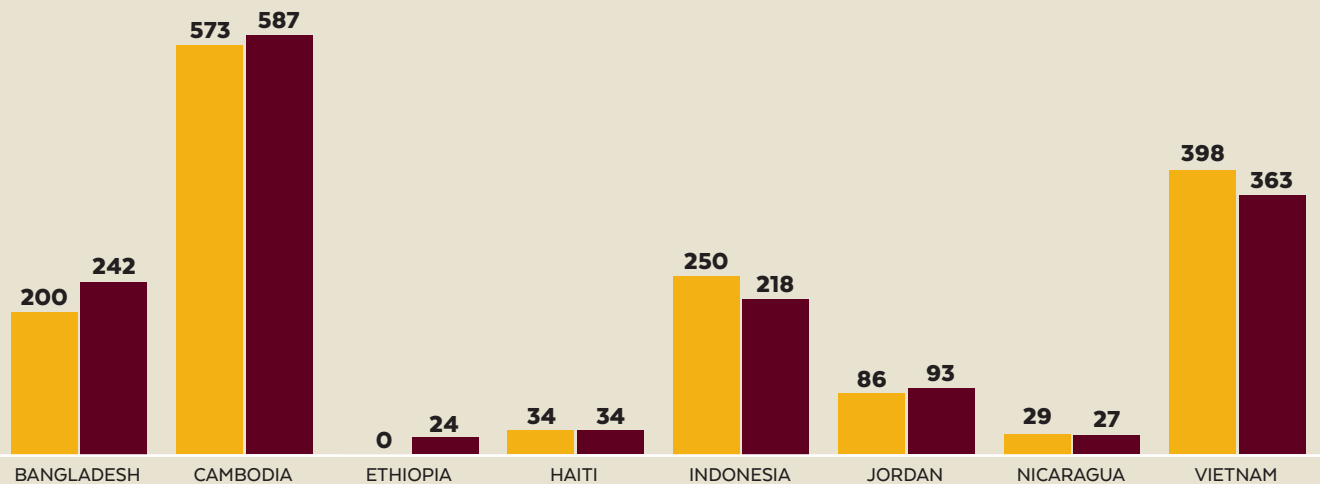


## PERCENTAGE OF FEMALE VS MALE WORKERS IN BETTER WORK FACTORIES (2019)



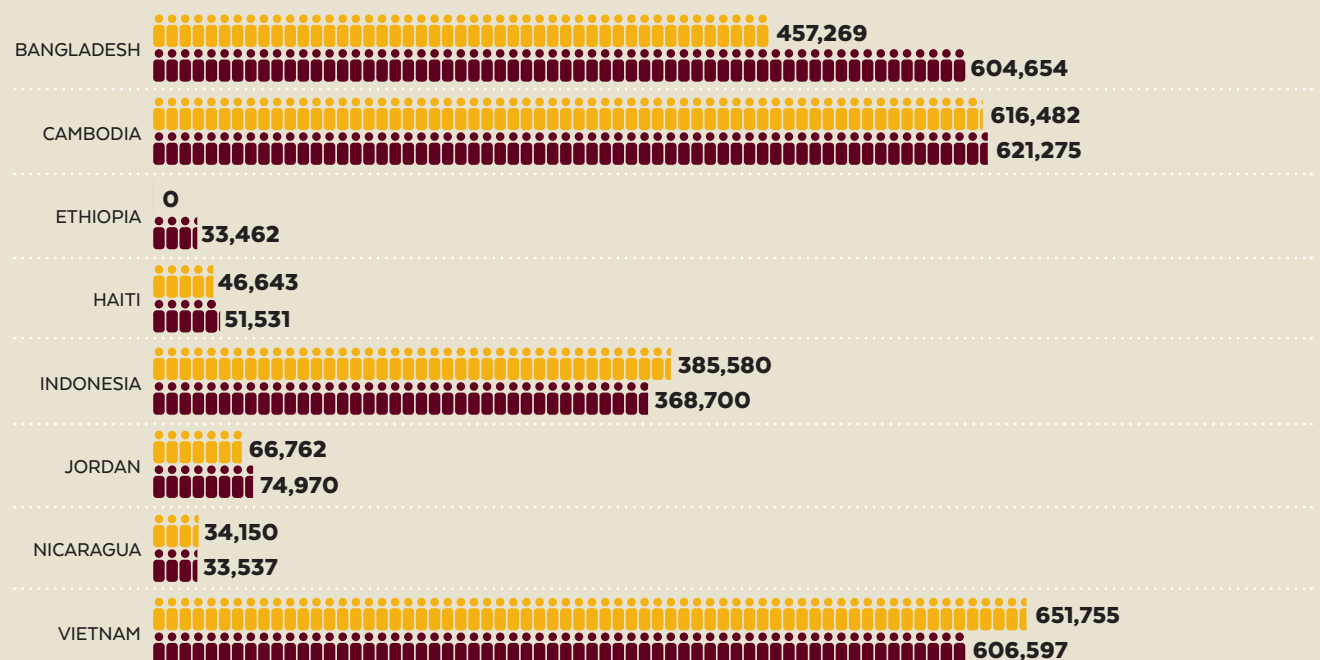
## FACTORIES PER COUNTRY PROGRAMME

2018 2019



## NUMBER OF WORKERS IN THE PROGRAMME

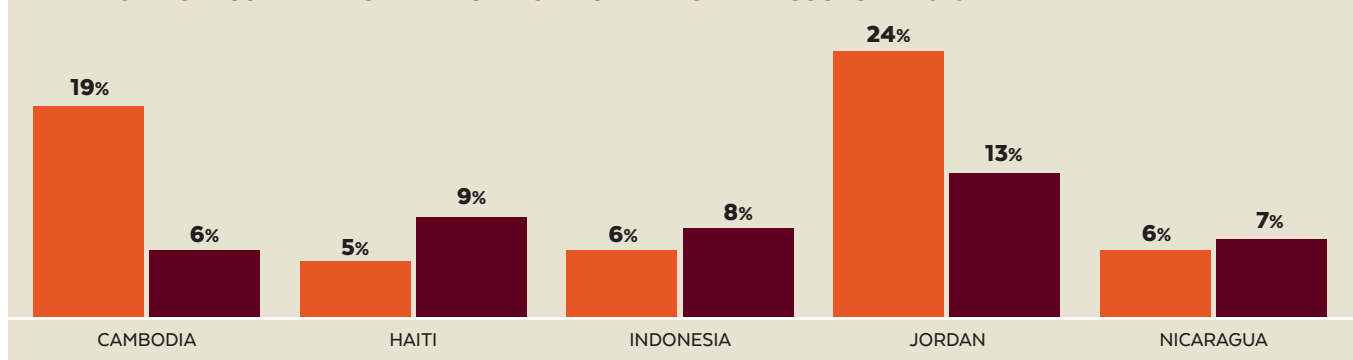
2018 2019



# OUR 2019 HIGHLIGHTS IN NUMBERS

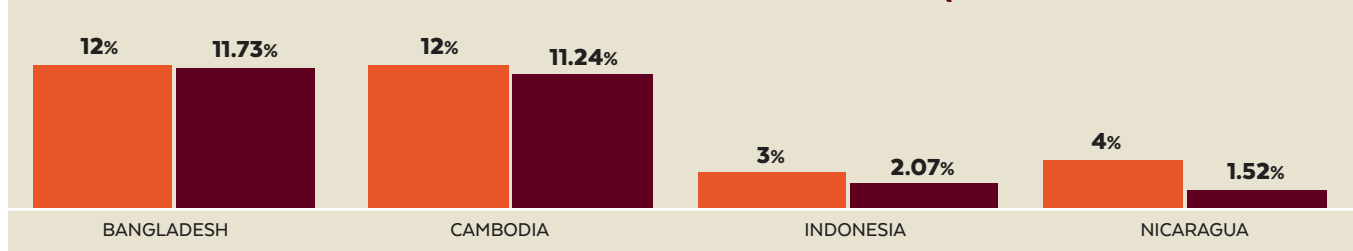
TARGET ACTUAL

## AVERAGE NON-COMPLIANCE RATE ON PUBLICLY REPORTED ISSUES IN 2019



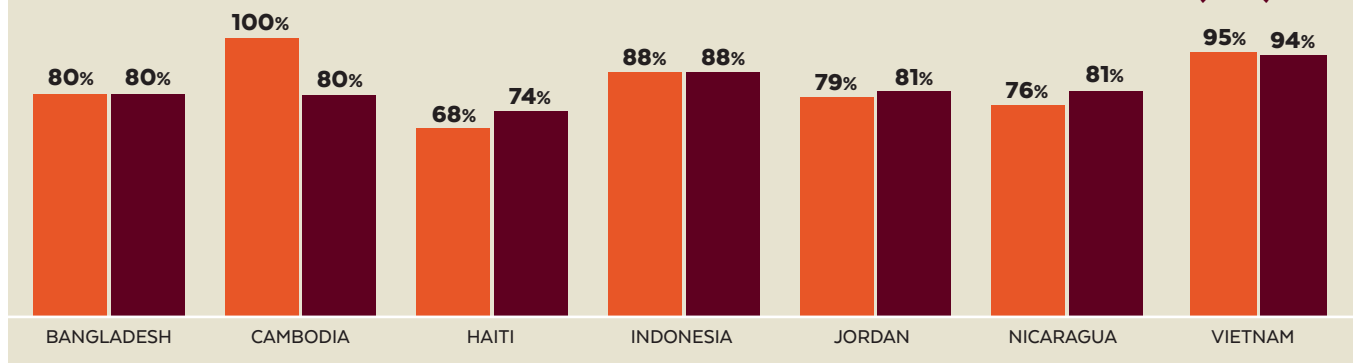
**Definition of the indicator:** The indicator is calculated by taking the mean non-compliance for each factory, which is averaged to obtain an aggregate number. The intent is to get a rough measure of the percent of the 26-28 publicly reported non-compliances that an average factory has. The lower the compliance rate, the better the compliance. **Note:** Bangladesh, Ethiopia and Vietnam have not defined targets for 2019 and are therefore excluded from that chart. Actuals for Bangladesh is 14%, for Ethiopia 19% and for Vietnam 6%

## AVERAGE NON-COMPLIANCE RATE ON GENDER-SENSITIVE COMPLIANCE QUESTIONS

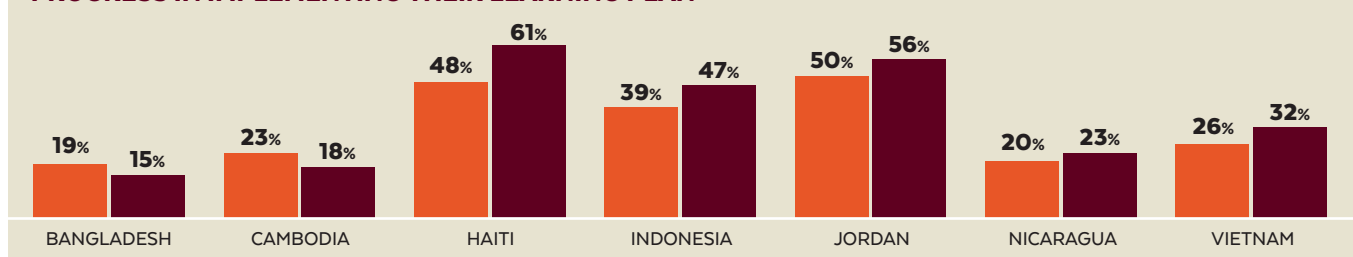


**Definition of the indicator:** This indicator is calculated in similar way to the “Average non-compliance rate on publicly reported issues”, but using the gender focused compliance questions in the country programmes’s compliance assessment tool. **Note:** Ethiopia, Haiti, Jordan and Vietnam have not set any targets for 2019 and are therefore excluded from this chart. The actual number for Ethiopia is 6%, for Haiti is 9%, for Jordan is 7% and for Vietnam is 2%.

## PERCENTAGE OF FACTORIES THAT HAVE ESTABLISHED A WORKER-MANAGEMENT COMMITTEE (PICC)

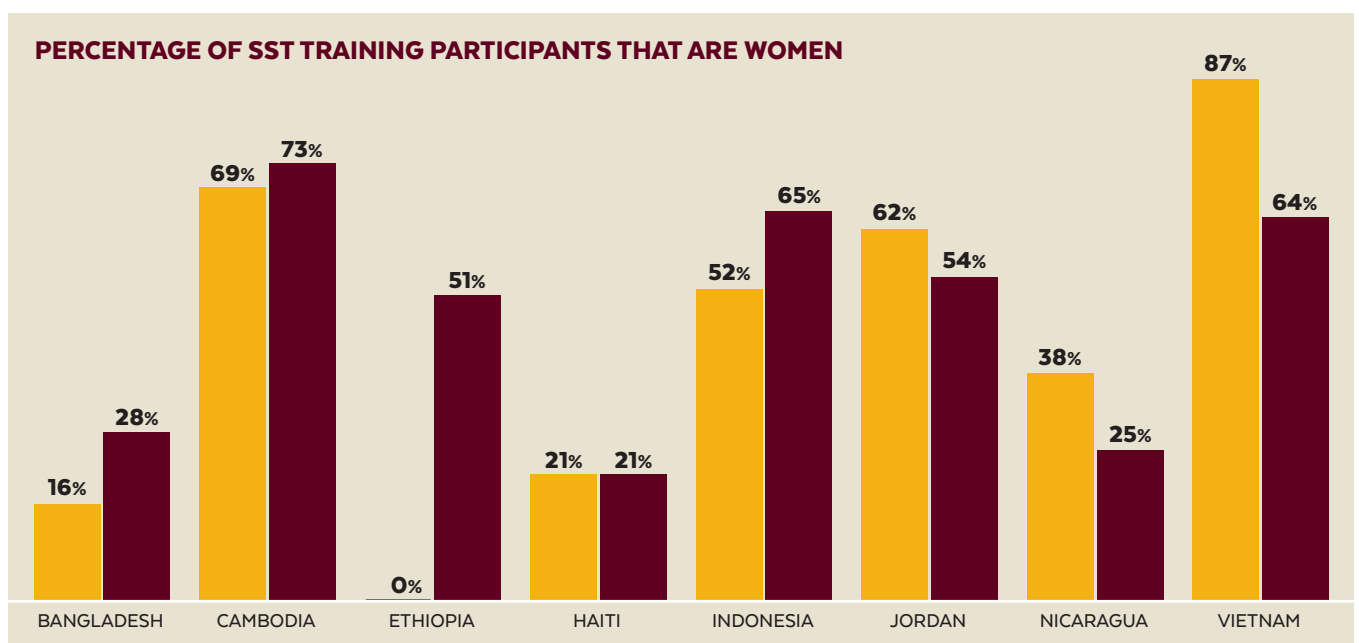
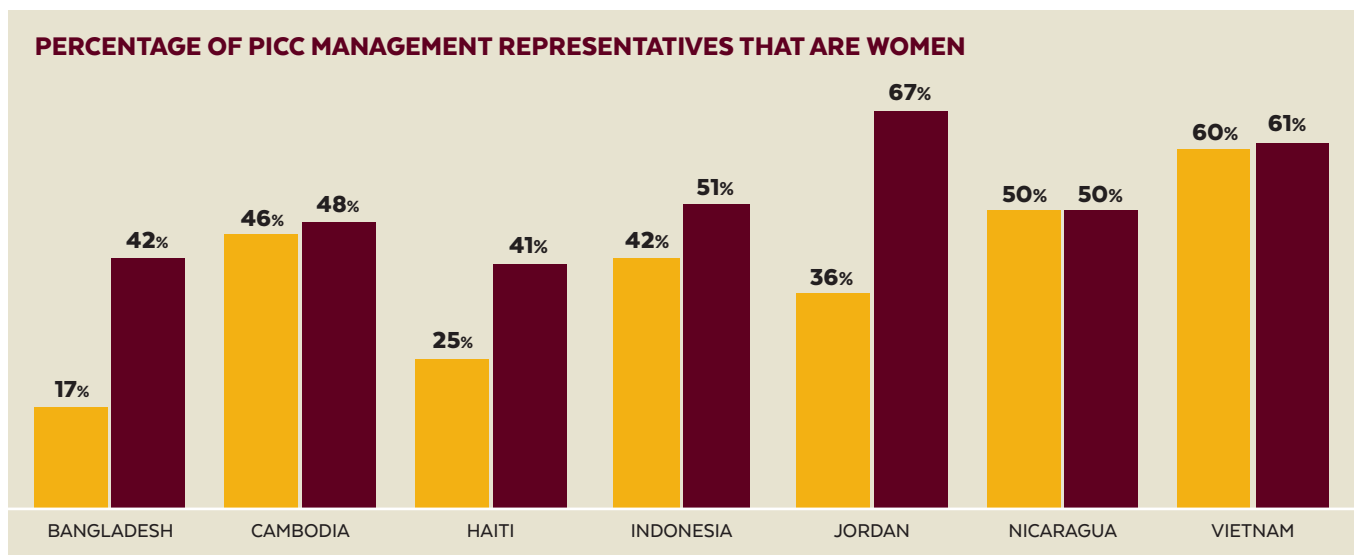
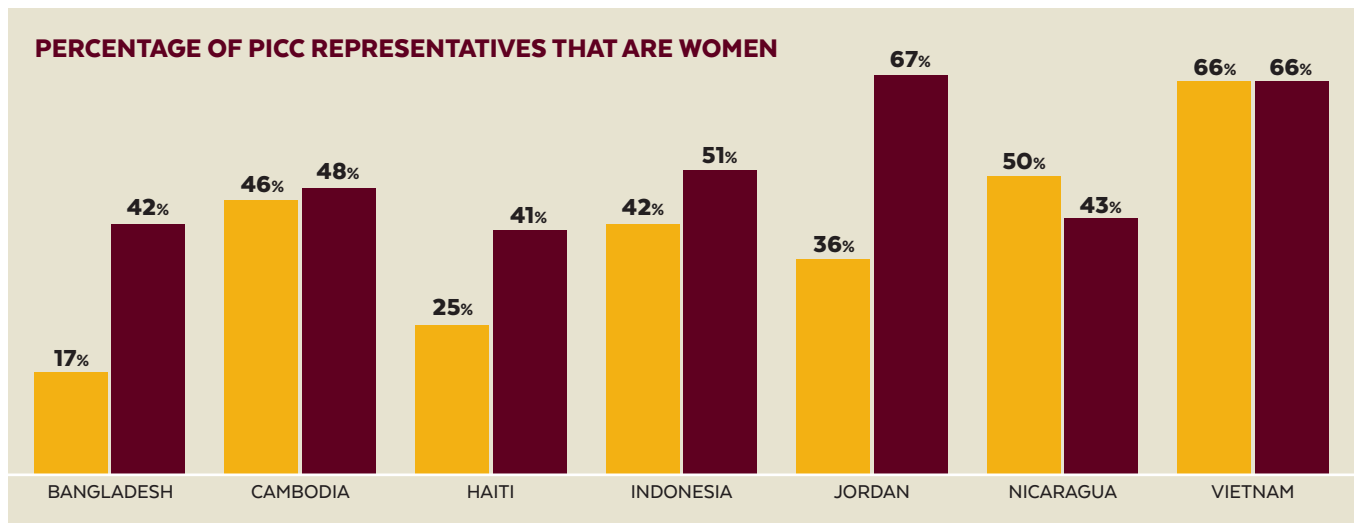


## PERCENTAGE OF FACTORIES THAT ARE ON TRACK TO DEMONSTRATE PROGRESS IN IMPLEMENTING THEIR LEARNING PLAN



# OUR 2019 HIGHLIGHTS IN NUMBERS

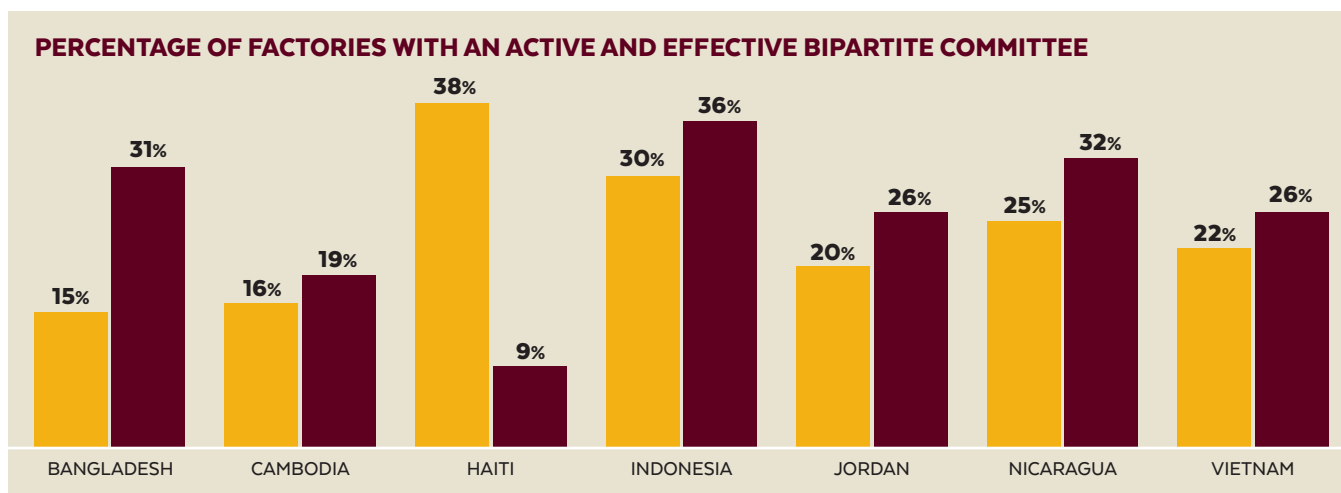
2018 2019



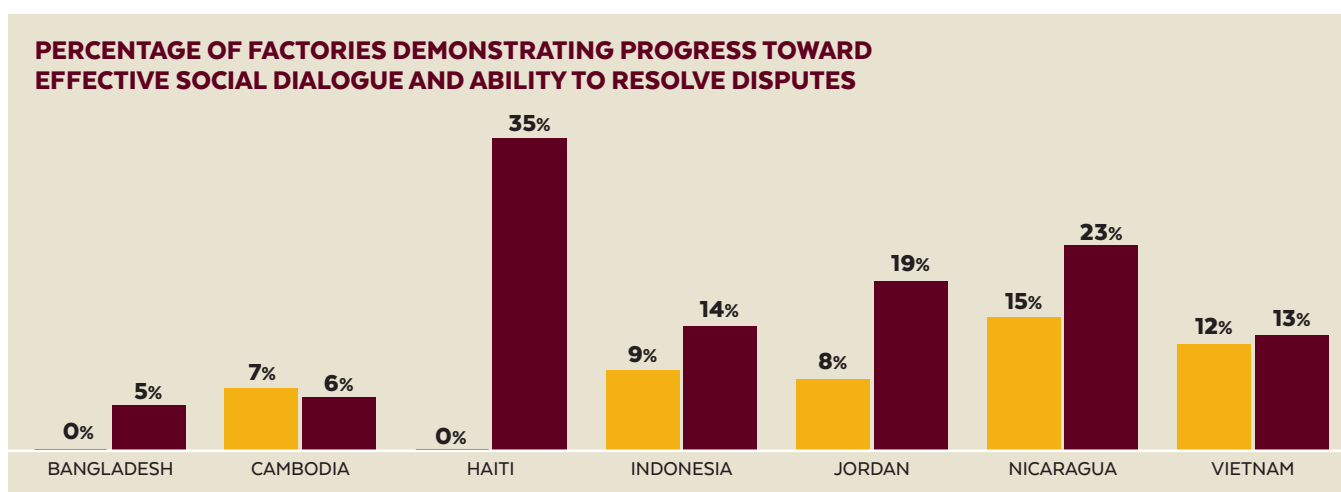


# OUR 2019 HIGHLIGHTS IN NUMBERS

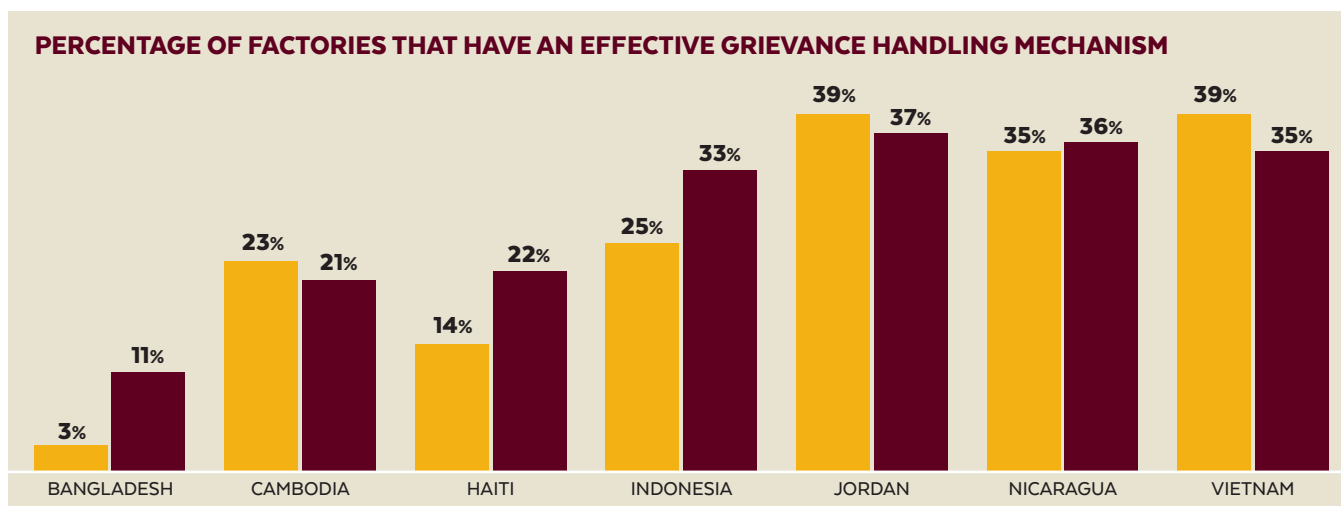
2018 2019



**Note:** Better Work is evolving data collection processes during operations. One of the goals of the evolution is to gather more granular data points related to social dialogue. The goal is to capture and analyze data in four thematic areas that research suggest contribute to effective social dialogue. Better Work is calling these thematic areas the four pillars of social dialogue, and they are: workplace cooperation committee, engagement with representative organizations, workplace policies and systems that enable social dialogue, and compliance with fundamental rights related to social dialogue. Better Work is in the process of deciding how to aggregate and report the more granular data related to social dialogue. Accordingly, Better Work indicators with respect to social dialogue may change in the coming reporting period to reflect an expansion of Better Work's social dialogue information.



**Note:** See above comment.



# Annexes



# ANNEX 1. RISK ASSESSMENT

## LEGEND

The **CHANGE** column is used during implementation and summarizes the change since the last time the risk register was presented.

Three symbols are used: ▲ Increase in the total level of risk; ◆ No change in the total level of risk; ▼ Decrease in the total level of risk.

## Better Work Bangladesh

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
Delays in programme delivery due to political unrest/ security concern/ natural calamities (heavy rainfall, earthquake, floods, major outbreak of diseases.	The political situation is still at risk of instability with possibility of hartals called by the opposition.  Heavy rainfalls, floods and major outbreaks of diseases can potentially block the access to factories.	Better Work Bangladesh is piloting a more agile core services approach through alternative methods to field visits (i.e. virtual and group advisory).  Security concerns are constantly monitored by the ILO country office with due regards to the political situation (upcoming elections) and terrorist threats. Strong protocols are in place at CO level. Staff awareness and capability in respect of security have been strengthened through training. All ILO operations in Dhaka are grouped into a single location taking into account all security efficiencies.	High	Medium	◆
Delays in programme delivery due to the industry unrests.	Large industry unrests over wages and working conditions such as in 2016 and 2018 remain high.  There are also persistent possibilities of isolated unrests in the industry.	Better Work Bangladesh is piloting a more agile core services approach through alternative methods to field visits (i.e. virtual and group advisory).  Better Work Bangladesh is in constant liaison with the Government, social partners and buyers in case of unrest, and has strong industrial relations disputes and crisis protocols in place. Security concerns are constantly monitored by the ILO country office with due regards to the political situation (upcoming elections) and terrorist threats. Strong protocols are in place at CO level. Staff awareness and capability in respect of security have been strengthened through training. All ILO operations in Dhaka are grouped into a single location taking into account all security efficiencies.	High	High	◆
Donor funding not available to carry out Better Work Bangladesh operations.	Technical cooperation assistance is dwindling worldwide. Better Work donors might not be interested in funding core services anymore. Bangladesh, graduating to MIC, will reduce the opportunity of bilateral funding. As a result, Better Work Bangladesh might face funding gaps hampering its operations.	Currently, Better Work Bangladesh receives local funding from DFID, Canada and the Netherlands as a strategic area of the Ready-made garment programme. Better Work Bangladesh also receives funds through a pooled funding agreement established at Global level and the United States Department of Labour, and is constantly increasing its revenue through expanding its factory and buyers base. The third phase of Better Work Bangladesh will start in 2022. It will be developed as part of a One-ILO RMG cluster strategy with clear division of roles and responsibilities across ILO streams of work in the garment sector in support of the constituents' and industry's priorities. Better Work Bangladesh will have an important role to play in terms of its factory and buyer-facing work, data & research, and technical assistance to constituents. Resource mobilization will be conducted accordingly.	High	Medium	▲



# ANNEX 1. RISK ASSESSMENT

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
Lessening constituent commitment or active resistance	Constituents' political commitment remains very low, due to lack of capacity and absorption of multiple, conflicting initiatives from the development community, and frequent changes in the institutional leadership in GoB and social partners.	After a difficult start, Better Work Bangladesh has now established its presence and identity with the Government, national and sectoral employers' organisations, and workers organisations, who now look at Better Work Bangladesh in a positive light. In cooperation with other ILO programmes, Better Work Bangladesh shares its expertise and implements training modules with and for Government agencies and social partners to support their ability to monitor and regulate the sector effectively.	Medium	Medium	◀▶
Lower than expected factory participation and/or purchase levels of Better Work Bangladesh services. The already enrolled factory owners do not implement the measures required for them to be compliant, because they are not convinced of the nexus between improving working conditions and the competitiveness of the business.	<p>The multiplication of audits and remediation initiatives crowd the compliance landscape, lessening Better Work Bangladesh's impact and credibility.</p> <p>Factories quit Better Work Bangladesh after one or 2 cycles when buyers stop sourcing from them.</p> <p>Industry mindset continues seeing compliance as an obligation rather than an opportunity</p>	<p>Better Work offers a unique package of services to garment factories. To convince brands to enroll their suppliers in the programme and encourage factories to sign up independently, Better Work Bangladesh has dispelled the perception that it is mainly an audit provider, and positioned itself clearly as a development partner, presenting a compelling business case for its services.</p> <p>An increasing number of buyers actively encourage factory participation and, while the majority of Better Work Bangladesh factories still enroll through their buyers, a positive word of mouth within the industry is prompting some factories to sign up independently.</p> <p>Target engagement and communications ensure that factories understand the programme as well as the benefits of participation and of availing themselves of services on offer.</p> <p>In 2020, Better Work Bangladesh will conduct its own impact assessment, demonstrating the positive effect of the programme in Bangladesh. Better Work Bangladesh also shares the progress brief from its midline survey (2019), focusing on its impact on working conditions, workers' well-being, firm performance and broader social and economic development indicators.</p>	High	Medium	▼
That a Better Work Bangladesh staff member is paid by factory to suppress a NC that represents a serious breach of the required standards. Brands become aware of the misreported compliance as the result of their usual follow-up or an investigation into a major incident involving the factory.	Despite the fact that Better Work Bangladesh staff receive UN salaries and are subject to high integrity standards, the level of corruption and political influence can pose a risk. This has affected international organizations operating in Bangladesh in the past.	<p>Better Work has a very strict anti-bribery policy, which forbids and prohibits the solicitation, offering or acceptance of any gifts, gratuities or any form of "pay-off" or facilitation fee; as a form of gratitude, or as an attempt to gain favour or accept merchandise or services.</p> <p>Meals are considered a gratuity. When eating at the factory, Better Work staff must pay for their own meals.</p> <p>In addition, the ILO Country Office has put in place a Fraud and Corruption Inventory which is discussed during the Project Risk Management meeting.</p>	High	Low	◀▶

# ANNEX 1. RISK ASSESSMENT

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
Factory revenue collection strategy is not consistent and does not ensure steady amount of revenue.	The prices have not changed since 2017 to attract factories and to take into account the many audit and remediation costs borne by factories, and the current situation of the industry. However, a balance needs to be found; otherwise, this could seriously affect Better Work Bangladesh's capacity to maintain its operations and level of staff while the needs and demand are increasing.	<p>Better Work Bangladesh has passed the important transition point from providing free services to a model that sees participating factories and buyers pay for its services and established standardized pricing for all factories in accordance with the ability of enterprises to pay and level of efforts required to deliver the Better Work services. Discounts are provided only as of the servicing of 5 or more factories from one group.</p> <p>In terms of financial sustainability, Better Work can confidently implement its pricing framework. Fees charged to factories will gradually increase starting 2021 to better reflect the actual costs of the services delivered and the market value of those services.</p> <p>Better Work Bangladesh is also charging additional fees to factories and brands for additional services.</p>	Medium	Medium	↔
A major incident (e.g. a fire or boiler explosion causing a large number of deaths) occurs in a factory that has recently been assessed by Better Work Bangladesh. The cause of the incident is traced to breach of compliance standards that the assessment did not identify or report.	Despite the fact that Better Work Bangladesh's realm of operations is social compliance and does not comprise industrial safety, another industrial accident could seriously affect Better Work Bangladesh's and the ILO's reputation and credibility, leading to withdrawal of factories and brands from the programme, and/or of donor funding.	<p>Better Work Bangladesh has proposed to incorporate a 'disclaimer' note in the assessment reports disclaiming the responsibilities on the areas covered by the safety initiatives like Accord, Nirapon and National Initiative).</p> <p>Better Work Bangladesh depends on systems documentation and third party certifications (for example that equipment has been properly maintained), but does not have the internal capacity (and arguably should not) to independently check their reliability.</p> <p>Better Work Global has developed a crisis communications protocol, to be operated by Better Work Bangladesh in liaison with the Better Work Global Communications Team, to handle the reputational fall-out from events such as these.</p>	High	Medium	↔
That a factory, routinely assessed as compliant by Better Work Bangladesh, is discovered to have pervasive practices for which Better Work Bangladesh has zero tolerance (eg child labour or forced labour) or serious FoA violations.	<p>Enterprise Advisors do not conduct due diligence during assessment and advisory.</p> <p>Better Work Bangladesh does not apply the Zero Tolerance Protocol.</p> <p>Zero tolerance is not uncovered as part of a brands' routine follow up or routed through the Accord and Nirapon hotline.</p> <p>Brands and national and international unions lose trust in Better Work Bangladesh, causing a fallout in the reputation and credibility of the programme.</p>	<p>After assessing the factories, Better Work Bangladesh advisors prioritize to resolve the critical issues in a sustainable manner during every visit.</p> <p>Better Work Bangladesh staff are regularly trained to keep up to date with ILS, national legislation, and international standards and good practices.</p> <p>QA/QC are regularly conducted by Team leaders during advisors' factory visits.</p> <p>Better Work Bangladesh is about to launch its transparency web portal in 2020, which will display the factories experiencing critical issues for more than two continuous cycles.</p>	High	Low	↔

## ANNEX 1. RISK ASSESSMENT

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
That Better Work Bangladesh staff do not apply consistent standards in their core services and etiquette, which may lead to undermining the credibility of Better Work Bangladesh.	Loss of credibility vis-à-vis buyers and the industry.	Better Work Bangladesh has established quality control mechanisms to achieve consistency of core services, and provides regular training on the soft skills and team building approach.	Medium	Low	▼
The Covid-19 pandemic poses huge challenges the global supply chain and all of Better Work's country programmes and their operations.	We are assuming that the Covid-19 pandemic will last until Q3 of 2020 and that its impacts will linger to mid to end 2021.	All Better Work country programmes are committed to supporting workers, employers and government partners in the garment sector during this period of unprecedented disruption. Better Work has established a crisis team to work together with our country programmes. Together they are helping to adapt factory level operations on crucial health and safety issues, coordinating information campaigns and training for national partners, providing policy advice for factories and brands, and working with governments and international buyers to look into opportunities to protect suppliers and their workers through the coming economic slowdown.	High	Low to medium	<b>N/A</b>



# ANNEX 1. RISK ASSESSMENT

## Better Factories Cambodia

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
Political will and support for the Better Work programme and mission by national constituents in Cambodia, including a willingness and stated commitment to deepen ownership over elements of programme delivery and commitment.	Continuous relationship and trust building is needed for the support towards Better Factories Cambodia – if this is perceived as lost, risk might arise for lack of strong support from constituents.	Better Factories Cambodia will make efforts to further intensify improved relationship and consultations, and ensure that PAC meetings are held regularly to increase stakeholders' ownership of the activities and the new program strategy.	Medium	Medium	◆
Support and ownership of participating advisory service factories/manufacturers (i.e. they want to improve).	More and more advisory factories show commitment and willingness to engage in the improvement process as they understand our programme better as well. However, in events with increased national or industry-wide challenges affecting the industry, there is higher risk for disengagement from factories.	Better Factories Cambodia will strengthen its outreach to owners of the factories to increase commitment as well as apply a factory level roadmap approach towards continuing improvement. In addition, it will, where feasible tailor its core services to factory level needs.	Medium	Medium	◆
The institutional environment to create synergies between Better Factories Cambodia and the Royal Government of Cambodia (RGC) remains.	The political environment can vary. The impacts of potential EBA withdrawal are unknown, but could impact Better Factories Cambodia as it can be seen as a programme that is promoted by the Western trading blocks.	Better Factories Cambodia will focus on demonstrating value to its partners and to ensure neutrality on the EBA issue.	Medium	High	◆
Better Factories Cambodia's collaboration with MOLVT is open and effective across MOLVT departments.	The risk for breaks in collaboration might arise when there is lack of trust and strong relationships. Therefore, it remains crucial for Better Factories Cambodia to have regular meetings with MoLVT to maintain the currently positive and respectful relationship and trust.	Based on ongoing collaboration and increased levels of communication, Better Factories Cambodia will continue to nurture informal as well as formal relations, demonstrate the value of processes and procedures, provide relevant data and use its role to facilitate dialogue and support improvements within MoLVT.	Medium	Medium	◆
The Covid-19 pandemic poses huge challenges the global supply chain and all of Better Work's country programmes and their operations.	We are assuming that the Covid-19 pandemic will last until Q3 of 2020 and that its impacts will linger to mid to end 2021.	All Better Work country programmes are committed to supporting workers, employers and government partners in the garment sector during this period of unprecedented disruption. Better Work has established a crisis team to work together with our country programmes. Together they are helping to adapt factory level operations on crucial health and safety issues, coordinating information campaigns and training for national partners, providing policy advice for factories and brands, and working with governments and international buyers to look into opportunities to protect suppliers and their workers through the coming economic slowdown.	High	Low to medium	N/A

# ANNEX 1. RISK ASSESSMENT

## Better Work Ethiopia

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
A change on government priority towards the garment and textile sector.	The current GTP II that prioritizes the textile and garment sector is valid until 2020. In the case of a change of government, these priorities may change and this risk will therefore have to be monitored throughout implementation.	No change in priority so far.	High	Medium	◀▶
International buyers stop to source from Ethiopia.	Consumers in major markets for whom Ethiopia's garment and textile industry produce its garments are highly sensitive to the conditions under which garments are produced. These factors affect international buyers' sourcing and investment decisions.	The programme is collaborating with The Children's Place (TCP), H&M and PVH, which are currently the major Brands in Ethiopia. Out of the 30 registered factories, 19 are working with one or more of these Brands.	High	Medium	◀▶
Limited cooperation and commitment among Garment and Textile sector stakeholders to address decent work deficit and industrial relations challenges of the sector.	Ownership of programme by stakeholders and commitment of stakeholders to the principles of the programme is vital for successful implementation of the project and sustainability of its interventions in the future. In the case of change to maintain their level of commitment.	Government bodies, social partners and stakeholders in the garment and textile sector are committed to bring decent work and enhance productivity in the sector; however the cooperation among responsible actors is very limited. To mitigate this, the programme is facilitating dialogue and coordination through regular PAC and TWG meetings where social partners and relevant Government bodies partake. In addition, the programme is advocating for collaboration between EIC and MOLSA; as a result, a joint meeting was called to brief investors about FOA and Collective bargaining.	High	Medium	◀▶
The trained tripartite partners discontinue their willingness and unable to work and cooperate with enterprises in the sector to transfer the necessary skills and expertise.	As part of the stakeholders' commitment to the project, they will be requested to assign a focal person to the project. Training programmes will be shared in advance and follow up actions required by the trained personnel will be communicated to the respective organization.	Tripartite partners are committed to bringing decent work to the sector. Cooperation among responsible actors is currently very limited.	Medium	High	◀▶

# ANNEX 1. RISK ASSESSMENT

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
MOLSA, MOI, employers' and workers' organizations and sectoral associations commitment is not to the level expected to work together and coordinate their activities.	Integration and cooperation among partners is key for the success of the project implementation and for continued improvement in the sector. The capacity of stakeholders to effectively perform their duties is pivotal to address the challenges of the sector. A series of Social Dialogue platforms and capacity building activities are planned to increase cooperation among the different stakeholders.	Integration and cooperation among partners is key for the success of the project implementation and for continued improvement in the sector. The capacity of stakeholders to effectively perform their duties is pivotal to address the challenges of the sector.  A series of Social Dialogue platforms and capacity building activities are planned to increase cooperation among the different stakeholders.	High	Medium	↔
Limited willingness to cooperate with the project and ready to implement the necessary improvement plans by the management of participating enterprises.	Willingness of enterprises involved in the programme is highly needed to address non-compliant issues identified by the assessment.	Participating enterprises are requested to sign a letter of understanding to comply with the project principles and to apply the necessary changes in their enterprises.  In addition, the programme is organizing different bilateral meetings and Industry seminars to encourage factories to implement improvement plans.	Medium	Low	↔
The Covid-19 pandemic poses huge challenges the global supply chain and all of Better Work's country programmes and their operations.	We are assuming that the Covid-19 pandemic will last until Q3 of 2020 and that its impacts will linger to mid to end 2021.	All Better Work country programmes are committed to supporting workers, employers and government partners in the garment sector during this period of unprecedented disruption. Better Work has established a crisis team to work together with our country programmes. Together they are helping to adapt factory level operations on crucial health and safety issues, coordinating information campaigns and training for national partners, providing policy advice for factories and brands, and working with governments and international buyers to look into opportunities to protect suppliers and their workers through the coming economic slowdown.	High	Low to medium	N/A



# ANNEX 1. RISK ASSESSMENT

## Better Work Indonesia

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
Possibility of the factories not being willing to implement the roadmap approach with potential impact on the sustainable improvement process at the factory level.	Moving from a compliance fixing issues approach to a systems and roadmap approach implies a shifting of mind-sets at the factory level and a risk to them especially if buyers will not accompany them in that journey. It will also imply a higher investment of time of resources from their side with impact seen more on the mid to long term. It will require a leap of faith and believe in the value of systems as a key determinant for sustained compliance and working conditions.	Better Work Indonesia will work with the BWG team to demonstrate the value of the roadmap approach, as well as the benefits of management systems and social dialogue. The team will also seek buyers support and that buyers' ratings and systems will properly take these approaches into account. Top management of factories will be engaged from the beginning (of the cycle) to guarantee buy-in.	High	Low	◆
Trade unions are not engaged or supportive of the LKSB function to achieve sound industrial relations.	Trade unions have traditionally been suspicious of the role of LKSBs as they see bi-partite committees as a way to undermine them. It is important that they do not see LKSBs as a risk but an additional vehicle to ensure proper voice of workers being channelled to management. It is therefore crucial that they agree to be part of LKSBs and play an active role.	Better Work Indonesia will continue, together with factories, ensuring that the role of trade unions is not, in any way, eroded by the LKSBs. The programme will be putting an increased focus on the role of collective bargaining as a response to direct requests from factories for support in this area.	High	Medium	◆
Social partners do not have the capacity and are not willing to engage with each other in a constructive way to achieve sound industrial relations.	This is a traditional issue faced by many ILO projects. The situation in Indonesia is particular but is relatively positive compared with other countries in the region with a plurality of trade unions democratically created and a full assurance of trade union rights in law. Social justice and social dialogue are seen as founding principles of Indonesia. The branch and national level trade unions and business associations are expected to play a key role in supporting their members in engaging, in a constructive and effective way in social dialogue.	Better Work Indonesia will continue building capacity of trade unions, their workers and employers in workplace cooperation and social dialogue through advisory and training, as well as proving and disseminating the benefits of social dialogue. Specific support on negotiations skills and evidence based collective bargaining will be provided.	High	Medium	▲

# ANNEX 1. RISK ASSESSMENT

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
Management does not have the capacity or support the LKSB functions and is not willing to engage with trade unions to achieve sound industrial relations.	Management support to LKSBs is a challenge as very often higher-level management with decision making power is either unwilling or unavailable to join the meeting and reach and act on the conclusions. This jeopardizes the social dialogue process and outcomes.	Better Work Indonesia will continue building capacity of management and their workers in workplace cooperation and social dialogue through advisory and training, as well as proving and disseminating the benefits of social dialogue. Specific support on negotiations skills and evidence based collective bargaining will be provided. The branch and national level APINDO/API are expected to play a key role in supporting their members in engaging, in a constructive and effective way in social dialogue.	High	Medium	▲
Factories do not buy into or adopt gender and inclusiveness approaches in their factory operations.	The incorporation of gender and inclusion considerations in the way that factories are managed has practical components but more importantly implies a personal mind-set shift. This is an area that has a great connection to people's lives outside the factory.	There may be challenges to gain support from factories for these issues, therefore it is important to identify the best strategy to get buy in from factory top management, continue to promote the issues and ensure that buyers assist in influencing and getting factories on board.	High	Medium	◆
Gender is no longer in the TNA of factories, or a key trend/concern in the industry.	Trends and priorities fade in the garment industry as in any other industry and this impacts also how much effort factories and actors on the ground are willing to put in place.	Better Work Indonesia will continue promoting awareness around gender equality issues together with the ILO office in Indonesia. Better Work Indonesia will continue supporting the work of advocacy platforms such as the Gender Network so that the issue stays part of the national agenda. BW at the global level will continue advocating for gender equality.	High	Low	◆
The national law no longer requires a certain percentage of employment allocated for people with disabilities (for promoting awareness of inclusive working environment).	The legal requirement around the employment of people with disabilities is an important departure point to influence employers to take inclusion considerations into account, even if compliance with that rule is low.	Better Work Indonesia will continue promoting awareness around inclusion issues together with the ILO office in Indonesia. BW at the global level will continue advocating for inclusion issues.	Medium	Low	◆

# ANNEX 1. RISK ASSESSMENT

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
Buyers and intermediaries are not open or supportive of more synergy and support for Better Work Indonesia in improving labour practices in the sector, including through the factory roadmap approach.	Without buy-in and support from all partners it is difficult to ensure that the factories will have enough space and motivation to change.	Better Work Indonesia will work with the BWG team to demonstrate the value of the roadmap approach, as well as the benefits of management systems and social dialogue (which are reinforced by the differentiated factory service approach). BWG team is implementing a programme within the Academy to guide brands on how to adjust ratings. The plan is to roll this out more widely once tested/over time. Intermediaries will be actively engaged under a renewed and focused strategy of engagement led by the BWG team.	High	Medium	◀▶
Buyers do not support the mainstreaming of gender and inclusiveness considerations in factories' efforts.	Without buy-in and support from all partners it is difficult to ensure that the factories will have enough space and motivation to change.	BW will work to continue building awareness and momentum around such issues while at the same time tying it up with wider development objectives shared by many of the big international brands supporting the programme. This support needs to be translated at a practical level, with buyers' ratings and systems having to properly take these approaches into account.	High	Medium	◀▶
BW cannot finalize the mechanism for high performance factories, including criteria, benefits, or process in consultation with CPs (e.g. management system questions guidance notes, social dialogue KPIs etc.).	The review of the core services delivery model is crucial to ensure that the services that are delivered to factories are integrated, agile, differentiated, consistent and cost-effective.	Better Work Indonesia will work together with BWG and the other CPs in strengthening our focus on high performing factories including refining the criteria and ensuring clear evaluations of those criteria. BW will also work with CPs to define key benefits to incentivize factories, including greater visibility to the factories, a reduction in factory visits or different types of visits and so forth.	High	Low	▼
The benefit and value of social dialogue is not clear or disseminated widely and effectively.	Social dialogue continues to be a major area of focus in the programme as good worker-management relations are a precondition for sustainable change and improvement at the factory level. Social dialogue and effective grievance mechanisms continue to be a crucial area of work for Better Work Indonesia and the main strategic tool to address issues at the workplace.	Business case and best practice documentation on IR will be crucial to persuade factories to see CBA as a tool to improve working conditions and improve their social dialogue qualities to address workplace issues.	High	High	◀▶



# ANNEX 1. RISK ASSESSMENT

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
ILO Tripartite Constituents priorities and national development plan (RPJM) are not maintained and there is no will, capacity and resources available to fulfil these priorities.	The national priorities or development plan guide the direction of policy and government programmes for the future. It is also based in the RPJM that budget resources are allocated. The success of Better Work Indonesia is dependent also on the policy changes that the programme advocates are included in the plan.	Better Work Indonesia and the ILO have a strong institutional relations with the tripartite constituents and is neutral in terms of political affiliations. Better Work Indonesia has supported MoM in seeking additional funds for the labour inspectorate. The ILO and Better Work Indonesia will work towards making the key labour issues affecting the country and the sector known to all political forces.	High	Medium	▲
Better Work Indonesia are no longer able to convene stakeholders to address the policy and practice issues affecting the sector (particularly after the April 2019 election which might change the composition, priorities and representation of ILO constituents).	A continues leverage and influence with key policy makers is vital for the success of the programme.	Better Work Indonesia's reputation as a reference programme needs to be maintained by: ensuring continuation of relations with a significant number of factories in the sector; support of the buyer community; alignment with ILO efforts; continuous demonstration of results and impact; ability to produce data and policy analysis; ensuring neutrality in the way that stakeholder relations are managed and partners are supported.	High	Low	◆
BW does not have the resources and capacity to process, analyze and issue data (and formulate policy advice in conjunction with the ILO) and present it, in a timely, user-friendly and efficient way.	BW systems are currently not equipped to address the needs of the programme and this has an impact on the programme's capacity to share and analyse data and manage their own business processes.	Better Work Indonesia has a strong reputation as a generator of robust data that can be leveraged for policy advice. The programme has established strong ties with the academic community both at the global level and at the national level, partnering with well renowned universities and using their platforms to disseminate and present data for policy influence.	High	Low	◆

# ANNEX 1. RISK ASSESSMENT

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
Availability of funds. The Foundation Partnership at Work cannot achieve 100% financial sustainability by the end of phase IV.	The financial sustainability of the programme is important to achieve as the overall change process that is envisaged by the programme is long-term.	<p>The Foundation has developed a business plan to achieve 100% financial sustainability by 2022. The business plan aims to increase revenue and reduce expenses. The factory expansion strategy for the next phase is being considered in a more gradual and conservative way and takes into account, to the extent possible, the instability and uncertainties in the sector.</p> <p>Policy, buyer engagement and quality control work is assured by the ILO Better Work Indonesia team, who is reduced to 4 staff members, and that will need to continue to be financially supported. Indonesia's status as a middle income country and BW donors support for new country programme is something to take into considerations when looking into guaranteeing funds to fully fund phase IV.</p>	High	Medium	◀▶
The Covid-19 pandemic poses huge challenges the global supply chain and all of Better Work's country programmes and their operations.	We are assuming that the Covid-19 pandemic will last until Q3 of 2020 and that its impacts will linger to mid to end 2021.	All Better Work country programmes are committed to supporting workers, employers and government partners in the garment sector during this period of unprecedented disruption. Better Work has established a crisis team to work together with our country programmes. Together they are helping to adapt factory level operations on crucial health and safety issues, coordinating information campaigns and training for national partners, providing policy advice for factories and brands, and working with governments and international buyers to look into opportunities to protect suppliers and their workers through the coming economic slowdown.	High	Low to medium	N/A

# ANNEX 1. RISK ASSESSMENT

## Better Work Jordan

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
The Union's capacity to engage with workers, both Jordanian and non-Jordanian, remains a challenge.	With 75% of the sectors' workforce being migrant workers, there has been a communication gap between the migrant workers and the TU leadership. Outreach to Jordanian workers in the satellite factories (small scale factories in rural areas) has also been a challenge due to distance and limited financial resources.	Better Work Jordan/ILO is working with the union to improve their capacity to reach out to workers through a project funded by Canadian Government, as well as by hiring a Bengali speaking consultant to bridge the communication gap between the TU leadership and migrant workers.	High	Medium	▼
Insufficient access to grievance mechanisms or support systems when workers face severe cases of harassment or mental health issues.	When workers face severe cases of harassment or mental health issues, the access to specialised services tends to be limited due to (fear of) stigma, language issues, as well as limited availability of such services in Jordan.	Better Work Jordan continued in awareness raising effort on sexual harassment prevention and piloted training for medical staffs in collaboration with WHO.	Medium	Medium	◀▶
Non-garment factory enrolment to the programme remains slow.	The number of non-garment factories enrolled to Better Work Jordan programme has been lower than expected due to 1) the delay in the publication of MoL inspection instruction for non-garment factories as well as 2) the limited number of non-garment factories listed on the customs list eligible to export to the EU under the relaxed RoO scheme.	Better Work Jordan has been closely working with the EU delegation in Jordan to encourage the government of Jordan to mandate Better Work Jordan to jointly visit non-garment factories. (The instruction was published in July 2019).	Low	High	▼
The Covid-19 pandemic poses huge challenges the global supply chain and all of Better Work's country programmes and their operations.	We are assuming that the Covid-19 pandemic will last until Q3 of 2020 and that its impacts will linger to mid to end 2021.	All Better Work country programmes are committed to supporting workers, employers and government partners in the garment sector during this period of unprecedented disruption. Better Work has established a crisis team to work together with our country programmes. Together they are helping to adapt factory level operations on crucial health and safety issues, coordinating information campaigns and training for national partners, providing policy advice for factories and brands, and working with governments and international buyers to look into opportunities to protect suppliers and their workers through the coming economic slowdown.	High	Low to medium	N/A



# ANNEX 1. RISK ASSESSMENT

## Better Work Nicaragua

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
Some factors outside the control of Better Work Nicaragua and the national stakeholders may affect factories' participation.	Some factories that are still not part of the programme may be reluctant to participate due to business strategies (i.e. factories opting for other certifications, such as Fair Trade USA), or not perceiving the benefit of Better Work Nicaragua.	<p>Keep factories and brands informed of Better Work Nicaragua comparative advantage and benefit with an intense marketing strategy.</p> <p>Follow up on specific factories that refuse to enter Better Work Nicaragua.</p> <p>With support of Better Work Global and the contact established with the brands at global level, mobilize the brands to convince factories to join Better Work Nicaragua and to reduce duplication of audits.</p>	Medium	Medium	◀
Additional funding for Better Work Nicaragua beyond 2019 has not been secured.	Due to political uncertainty, it has become more difficult to ensure funding for Better Work Nicaragua continuity.	Better Work Nicaragua and Better Work Global had several meetings with potential donors including Japan, Canada, Inter-American Foundation (IAF). However, due to the political uncertainty in the country, no funding could be secured so far. With support of Better Work Global continue the conversations with potential donors.	High	High	▲
Brands may not see the national stakeholders with the level of independence and capacity to set up a country-owned scheme to deliver credible, high-quality assessments.	For brands is very important to guarantee the quality and certainty of the factories' assessment.	<p>Better Work Global and Better Work Nicaragua had implemented the Building Bridges programme to strengthen the capacity of national stakeholders, enhance the public/private dialogue and facilitate the joint learning process that contributes towards enhanced ownership of all parties.</p> <p>With support of Better Work Global continue the funding for the building bridges programme to strengthen the stakeholders' capacities and ownership.</p>	High	High	▲
ANITEC may not fully support Better Work Nicaragua.	This may put at risk the engagement of the employment sector and their participation at policy level, as well as the participation of the ANITEC-affiliated factories still not participating in Better Work.	Better Work Nicaragua had worked with ANITEC representatives and agreed on developing a first training session with non-Better Work Nicaragua factories for 2020.	High	Medium	▼
The Covid-19 pandemic poses huge challenges the global supply chain and all of Better Work's country programmes and their operations.	We are assuming that the Covid-19 pandemic will last until Q3 of 2020 and that its impacts will linger to mid to end 2021.	All Better Work country programmes are committed to supporting workers, employers and government partners in the garment sector during this period of unprecedented disruption. Better Work has established a crisis team to work together with our country programmes. Together they are helping to adapt factory level operations on crucial health and safety issues, coordinating information campaigns and training for national partners, providing policy advice for factories and brands, and working with governments and international buyers to look into opportunities to protect suppliers and their workers through the coming economic slowdown.	High	Low to medium	N/A

# ANNEX 1. RISK ASSESSMENT

## Better Work Vietnam

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
Factories are not willing to improve compliance.	<ul style="list-style-type: none"> <li>◆ After 10 years operating in Vietnam, it is observed that BWV participating factories commit and volunteer to improve compliance better than before.</li> <li>◆ BWV Core Service Team are more skilful and client-oriented. They provide CS with higher quality and consistency.</li> </ul>	BWV has a strong record of accomplishment of working with disparate factories to improve compliance. Globally, the BW programme has created an incentive system (high-performing factories) to reward and target special services to factories that meet standards on a set of priority issues. BW is also developing a strategy to deal with persistent non-compliant factories (which currently make up less than 5 percent of the membership), including working more directly with the labour inspectorate to enforce compliance. Furthermore, Better Work reinforces buyer-backed standards and expectations.	High	Medium	▼
Buyers are not prepared to engage in discussions with BW to reform sourcing and business practices.	<p>Buyers become more commit to BWV program through closer partnership with brands.</p> <p>Buyers see more clearly role and position of BWV in partnering with constituents to support global supply chain.</p>	BWV will work with the BW Global team to identify “reform minded” and cooperative brands that are willing to collaborate on new sourcing/ compliance approaches. The programme will also leverage IFC’s knowledge and ability to engage big business in these discussions.	High	Medium	▼
The Government is not willing and able to implement policy and legislative changes that support and align with BW/ ILO objectives for the garment industry.	<p>The government sees more clearly role of BWV in connecting with global supply chain to support industries.</p> <p>The government see clearly the impacts of BWV in improving compliance and business performance.</p> <p>BWV receives higher support from ILO CO and BWG.</p> <p>BWV maintains regular consultation and updates with constituents on its operations and progress.</p>	<p>The ILO Decent Work Country Programme, to which this BWV Strategy is aligned, sets out the broad outlines of a national policy reform agenda which can be acceptable to the government and its social partners. In this regard, BW is best placed for influence by working through ILO to articulate national and industry-specific policy objectives.</p> <p>ILO also enjoys authoritative legitimacy as a UN agency and the only international body of its kind to have a tripartite governance structure. This puts BW in a strong position for influencing the shape and direction of national labour laws and policies in Vietnam.</p>	High	Low	▼
MOLISA, and especially the Labour inspectorate is not willing to engage with BWV and assume greater enforcement responsibilities in line with the BWV approach.	<p>The MoLISA/LI see more clearly the role of BWV in promoting compliance and sustainable improvement for enterprises and workers.</p> <p>The mandate of MoLISA/ LI still makes it challenging for LI to fully engage and aligned with BWV modality.</p>	BWV has a longstanding and strong relationship with MOLISA and the Labour Inspectorate. It should be possible to leverage this relationship to deepen collaboration and enhance the Ministry’s role in enforcing compliance and promoting the BWV approach across the industry.	Low	High	◆

# ANNEX 1. RISK ASSESSMENT

RISK STATEMENT	COMMENT	MEASURES CURRENTLY IN PLACE	IMPACT	LIKELIHOOD	CHANGE
Buyers do not believe there is a business case for participating in BW and working to improve their practices.	<p>Through various business case sharing and see the real impact of BWV in promoting compliance and improving working conditions through M&amp;E data, buyers commit more to BWV program through closer partnership with brands.</p> <p>Buyers see more clearly role and position of BWV in partnering with constituents to support global supply chain.</p>	BW Global has identified some champion buyer partners who will “tip the scale” towards more socially responsible sourcing and compliance models. Because most of these buyers source in Vietnam, BWV can inform the debate and advocacy process, using real evidence and cases from its factories to demonstrate why new buyer practices are needed.	Medium	High	▼
Insufficient numbers of global brands continue to source from Vietnam.	<p>Vietnam engage in FTAs such as CPTPP and EVFTA more deeply, creating many opportunities for its deeper engagement with global supply chain.</p> <p>Movements in the global supply chain (shift production from China to other developing countries) create bigger potentiality for Vietnam’s garment industry to compete and expand to the world market.</p> <p>BWG is working very hard to engage with international brands.</p>	<p>Domestic politics and global geopolitical changes may drive realignment of global sourcing patterns through their impact on trade agreements and trade terms. This may affect brands’ sourcing decisions in countries like Vietnam.</p> <p>As a programme of the ILO, BW has the global authority and connections to formulate strategies with brands and policymakers to mitigate the negative consequences of these decisions, and adapt programme priorities and operations to remain relevant and influential in the industry.</p>	Medium	Medium	▼
BWV cannot fully fund the programme or is unable to meet revenue and cost recovery targets.	<p>During this time and coming period, BWV aims more to sustain its impact (sustainability) through working with partners and constituents.</p> <p>BWV tried hard in increase its cost recovery rate; and improve the efficiency and impacts of CS delivery.</p> <p>BWG is working very hard to engage with governments (donors) to engage them in BW country programmes.</p>	BW has developed this phase and its targets understanding that the programme may not receive the full funding it is receiving. Contingency plans are in place.	High	High	▼
The Covid-19 pandemic poses huge challenges the global supply chain and all of Better Work’s country programmes and their operations.	We are assuming that the Covid-19 pandemic will last until Q3 of 2020 and that its impacts will linger to mid to end 2021.	All Better Work country programmes are committed to supporting workers, employers and government partners in the garment sector during this period of unprecedented disruption. Better Work has established a crisis team to work together with our country programmes. Together they are helping to adapt factory level operations on crucial health and safety issues, coordinating information campaigns and training for national partners, providing policy advice for factories and brands, and working with governments and international buyers to look into opportunities to protect suppliers and their workers through the coming economic slowdown.	High	Low to medium	N/A



# ANNEX 2. 2019 BETTER WORK MEDIA COVERAGE

## Better Work Global

**Piece rate pay a mixed bag for garment workers**

[https://www.just-style.com/news/piece-rate-pay-a-mixed-bag-for-garment-workers\\_id135311.aspx](https://www.just-style.com/news/piece-rate-pay-a-mixed-bag-for-garment-workers_id135311.aspx)

**H&M Group and ILO expand partnership**

<https://www.webwire.com/ViewPressRel.asp?ald=234768>

**H&M, ILO Expand Partnership to Improve Garment Factory Conditions**

<https://sourcingjournal.com/topics/labor/ilo-and-hm-group-garment-factory-workers-rights-136806/>

**H&M & ILO expand partnership to improve working conditions in garment industry**

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**ILO and H&M Group expand partnership**

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**H&M, ILO expand partnership improve garment factory conditions**

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**Australia advances its commitment to aid for trade**

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**Annual General meeting of The Women's Chamber of Industry and Commerce**

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**Gap Inc making progress on supply chain sustainability**

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**"Sustainability is fast fashion's Achilles heel"**

[https://www.just-style.com/the-just-style-blog/sustainability-is-fast-fashions-achilles-heel\\_id2602.aspx](https://www.just-style.com/the-just-style-blog/sustainability-is-fast-fashions-achilles-heel_id2602.aspx)

**International Conference on Women Entrepreneurship 2019**

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### **Australia boosts efforts to improve working conditions in Bangladesh**

<http://unb.com.bd/category/Bangladesh/australia-boosts-efforts-to-improve-working-conditions-in-bangladesh/17742>

### **Transparency key to future success of Bangladesh RMG sector**

[https://www.just-style.com/news/transparency-key-to-future-success-of-bangladesh-rmg-sector\\_id136170.aspx](https://www.just-style.com/news/transparency-key-to-future-success-of-bangladesh-rmg-sector_id136170.aspx)

### **Australia, ILO work to raise Bangla working conditions**

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### **New Gap project to boost social dialogue in Bangladesh**

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### **ILO, Gap launch project to improve Bangla RMG sector ties**

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### **Driving sustainable change key for Bangladesh RMG sector**

[https://www.just-style.com/news/driving-sustainable-change-key-for-bangladesh-rmg-sector\\_id137235.aspx](https://www.just-style.com/news/driving-sustainable-change-key-for-bangladesh-rmg-sector_id137235.aspx)

### **SAF for making Bangladesh apparel industry sustainable**

<https://www.sportswear-international.com/news/stories/Sustainability-SAF-for-making-Bangladesh-apparel-industry-sustainable-14927>

### **Sustainability centre stage at upcoming Bangladesh apparel events**

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### **Sustainability to be in spotlight at Bangladesh Denim Expo**

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### **Sustainable Apparel Forum to take place in Dhaka on Nov 5**

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### **Transparency, sharing responsibility stressed for sustainable RMG sector**

<http://www.newagebd.net/article/89858/transparency-sharing-responsibility-stressed-for-sustainable-rmg-sector>

### **77pc Bangladeshi firms don't offer childcare options: Study**

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### **Rising apparel imports from Bangladesh to hurt industry**

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### **Sustainability is essential for the apparel sector in Bangladesh**

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### **SAF Bangladesh concludes on sustainability note**

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### **Better Work to expand operations in Bangladesh**

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### **Digital wage system for 90% Bangla garment workers by 2021**

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### **Ministry alerts factories on hot season risks**

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### **EU trade threat could make Cambodian factories worse for workers: unions**

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### **Exclusive: Boost for Cambodian workers as top fashion brands back contract ruling**

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### **Canadian apparel retailer Reitman's to expand order of garments from Kingdom**

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### **The Garment Manufacturers Association in Cambodia (GMAC) urges the EU to maintain the EBA program**

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### **Cambodia's garment industry resilience put to the test**

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### **Sexual harassment at work costs garment industry \$89 million a year**

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### **Women face gender-based violence at work**

<https://www.phnompenhpost.com/national/women-face-gender-based-violence-work>

### **Garment, travel goods exports will stay strong, says minister**

<https://www.phnompenhpost.com/business/garment-travel-goods-exports-will-stay-strong-says-minister>

### **Patrick Murphy praises ministry for expanding BFC programme**

<https://www.khmertimeskh.com/50667606/patrick-murphy-praises-ministry-for-expanding-bfc-programme/>

## Better Work Ethiopia

### **ILO launches programme in Ethiopia; focus on textile and clothing industry**

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### **ILO launches decent work program in Ethiopia**

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### **Chinese investors assess new Ethiopia industrial park**

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### **Unions enlighten Ethiopia on collective bargaining**

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## Better Work Indonesia

### **Breastfeeding room essential for Ungaran Sari garment factory's women workers**

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### **Supporting mothers at workplace**

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### **Woke' consumers push fashion industry to care about workers**

<https://www.phnompenhpost.com/lifestyle/woke-consumers-push-fashion-industry-care-about-workers>

### **Empowerment of female workers in Ungaran through Better Work Indonesia**

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## **Ririh and the Pink Room (Better Work article)**

<https://betterwork.org/2019/07/23/ririh-and-the-pink-room-how-investing-in-breastfeeding-facilities-benefits-workers-their-babies-and-business/#prettyPhoto>

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## **ILO Provides Assistance to Indonesia's Garment Industry, ILO Berikan Pendampingan Bagi Industri Garmen Indonesia**

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## ANNEX 2. 2019 BETTER WORK MEDIA COVERAGE

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## ANNEX 2. 2019 BETTER WORK MEDIA COVERAGE

### Better Work Vietnam

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**Tiếng nói của công nhân được lắng nghe hơn**

<https://laodong.vn/cong-doan/tieng-noi-cua-cong-nhan-duoc-lang-nghe-hon-756135.laod>

**Thúc đẩy việc làm tốt hơn, cuộc sống tốt hơn cho lao động ngành may Việt Nam**

<http://laodongthudo.vn/thuc-day-viec-lam-tot-hon-cuoc-song-tot-hon-cho-lao-dong-nganh-may-viet-nam-96749.html>



[betterwork.org](http://betterwork.org)



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