



**O'BRIEN &  
ASSOCIATES**  
INTERNATIONAL

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**INDEPENDENT FINAL EVALUATION OF  
THE ILO/IFC BETTER WORK LESOTHO PROJECT**

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This report describes in detail the final evaluation of the Better Work Lesotho project that was conducted between February 9 and April 13, 2015. Dan O'Brien, independent evaluator, conducted the evaluation in collaboration with the project team and stakeholders and prepared the evaluation report according to the terms in the contract with the United States Department of Labor. Mr. O'Brien would like to express sincere thanks to all parties involved in this evaluation for their support and valuable contributions.



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## LIST OF ACRONYMS

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ACTRAV	ILO Bureau for Workers' Activities
ACTEMP	ILO Bureau for Employers' Activities
ALAFA	Alliance of Lesotho Apparel Producers to Fight AIDS
ALEB	Association of Lesotho Employers and Businesses
BW	Better Work
BWL	Better Work Lesotho
CAT	Compliance Assessment Tool
CTA	Chief Technical Advisor
DDPR	Department of Dispute Prevention and Resolution (Ministry of Labor and Employment)
EA	Enterprise Advisor
FAWU	Factory Workers' Union
IFC	International Finance Corporation
ILO	International Labor Organization
ILS	International Labor Standards
IO	Intermediate Objective
LECAWU	Lesotho Clothing Allied Workers' Union
LFA	Logical Framework Approach
LNDC	Lesotho National Development Corporation
LTEA	Lesotho Textile Exporters' Association
M&E	Monitoring and Evaluation
MPG	Management Program Guidelines
MOLE	Ministry of Labor and Employment
MTICM	Ministry of Trade, Industry, Cooperatives and Marketing
NORMES	ILO Bureau for International Labor Standards
NUTEX	National Union of Textile Workers
OSH	Occupational Safety and Health
PAC	Project Advisory Committee
PICC	Performance Implementation Compliance Committee
PMP	Performance Monitoring Plan
PPE	Personal Protective Equipment
RBM	Results Based Management
STAR	Supply Chain Tracking and Remediation
TO	Training Officer
TOR	Terms of Reference
UNITE	United Textile Workers Union
US	United States
USG	United States Government
USDOL	United States Department of Labor

## EXECUTIVE SUMMARY

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In September 2009, the United States Department of Labor (USDOL) and the International Labor Organization (ILO) signed a 5-year Cooperative Agreement in which USDOL provided USD 1.96 million to ILO to support implementation of the ILO's Better Work Program in Lesotho (BWL). The agreement has been extended twice. The first extension provided an additional allocation of USD 1.5 million that extended the umbrella agreement to December 2015 and extended BWL to September 2014. The second extension provided USD 1 million to extend the umbrella agreement to December 2016, which extended BWL to September 2015. At the time of the evaluation, USDOL was contemplating a final allocation to BWL that would extend the program to June 2016.

Currently, there are 40 garment factories operating in Lesotho that employ approximately 41,014 workers, representing about 80% of all formal jobs in the manufacturing sector. Of the 40 garment factories that operate in Lesotho, 16 are currently subscribed to the BWL program. Thirteen are owned by Taiwanese companies that export primarily to buyers in the United States (US) under the African Growth and Opportunity Act (AGOA).

Ultimately, the BWL goal is to improve the lives of workers, their families, and communities. BWL also aims to improve the competitiveness of the industry by improving compliance with Lesotho labor law and the principles of the ILO Declaration on Fundamental Principles and Rights at Work. The heart of the BWL strategy, on the other hand, is the independent enterprise assessments and enterprise advisory and training services. The assessments are intended to identify areas where enterprises are not complying with international labor standards or national labor laws while the advisory services and training are designed to help the enterprises become compliant.

BWL works closely with national program stakeholders through different committees. At the national level, the Project Advisory Committee (PAC) provides guidance and advice on program implementation and key issues relating to labor compliance, industrial relations, and industry competitiveness. At the factory level, the Performance Improvement Consultative Committees (PICCs) are responsible for developing, implementing, and monitoring plans to address areas of non-compliance identified during the enterprise assessments.

The evaluation was conducted between February 9 and April 13, 2015. The evaluator reviewed project documents, developed data collection instruments, and prepared for the fieldwork during the weeks of February 9 and 16. Fieldwork was conducted in Lesotho from March 5-19. The fieldwork culminated with a presentation and discussion of the preliminary findings with key project stakeholders on March 18. The bulk of the data analysis and report writing occurred from March 22 to April 12.

The evaluator interviewed 71 persons including seven BWL managers, seven trade union representatives, six government officials, 15 worker representatives, 22 factory managers, and four buyer compliance officers. These interviews account for 80% of the total interviews. The remaining interviews were conducted with USDOL managers, ILO managers, US Embassy staff, and buyers.

### **Findings and Conclusions**

#### *Validity of Project Design and its Relevance*

The three intermediate level objectives meet the criteria of Results Based Management (RBM) but the linkage to the project's development objective is weak. There is insufficient evidence that achieving the three intermediate objectives will improve the lives of workers. While the project's outputs are logically linked to the intermediate objectives, many are stated more like lower level intermediate objectives or results than outputs as defined by the RBM.

The project reports on 65 indicators. Collecting data and reporting on 65 indicators requires a significant amount of management time and, in addition, runs the risk of overburdening the project's information system. Furthermore, some output indicators do not have targets or are not accurate measures of output achievement in some cases. The key project stakeholders believe BWL is highly relevant and meets the needs of the country.

### *Project Progress and Effectiveness*

BWL recruited and enrolled the first group of 12 factories in 2011. The number of factories increased to 18 in 2012 and to 23 in 2013, which represents the largest number of factories participating in BWL. By the end of 2013, the number decreased to 21 and to 20 in 2014. At the time of the evaluation, there were only 16 factories participating in BWL. Some factories stopped participating because they stopped exporting to the US under AGOA while others were not satisfied with the BW compliance assessment and reports.

The project's logical framework consists of three intermediate objectives, 15 outputs, and 49 indicators. There are five intermediate objective level indicators and 44 output level indicators. The project achieved 47% of its total indicator targets in 2014. BWL achieved two of its five intermediate objective level indicator targets and 48% of its output targets. The achievement of 47% of the indicator targets might suggest that the project is underperforming and that project strategies are less effective than expected. However, some of the indicators are not the most accurate measures for objective and output achievements.

Stakeholder engagement has been largely effective. The key stakeholders believe BWL has made an important contribution to the sector and that progress has been made on compliance issues. They expressed satisfaction with the frequency and quality of communication and collaboration with the BWL staff.

### *Better Work Lesotho Core Services*

The Taiwanese owned factories that export to the US under AGOA participate in BWL because their buyers require it. On the other hand, most South Africa owned factories do not participate in BWL because they are not under pressure from buyers and do see benefits. The three South African owned factories that participate in BWL do so, primarily, because they value the subsidized training services. The Ministry of Labor and Employment (MOLE) and the trade unions believe participation in BWL should be compulsory while the employers association and factories believe participation should be voluntary. It is highly unlikely that the government will make participation in BWL mandatory before the project is scheduled to end in 2016.

The BW compliance assessments and reports are controversial. Some Taiwanese owned factories believe that the assessments are rigid and conducted inconsistently from year to year. The South African owned factories that take part in BWL have chosen not to participate in the BW compliance assessments. The MOLE and trade unions believe the compliance assessments are useful and accurately

reflect non-compliance issues. Factory managers are generally satisfied with the capacity of the Enterprise Advisors (EAs) but feel they would benefit from training in technical areas such as occupational safety and health (OSH). It is possible that EAs do not conduct assessments consistently and triangulate data points to confirm assessment findings. PICCs are satisfied with the EA advisory services but some would like to have visits that are more frequent.

PICCs are considered by factory managers and workers to be an effective mechanism for social dialogue between management and workers. PICCs have been able to address some non-compliance issues where factory management has been supportive. PICCs have been less successful where management does not support or approve recommended changes. Training is the most valued service provided by BWL. In general, factory managers, PICCs, and workers have appreciated and benefited from training courses and learning seminars. Factory managers and PICCs cite OSH and supervisor skills as the most useful training. BWL, however, is not measuring the short or medium term effectiveness of its training courses as recommended in the BWL mid-term evaluation.

Some factories have improved factory non-compliance scores while other have not. Of the 16 factories currently participating in BWL, 14 participated in the 2014 compliance assessment. The average non-compliance score for these 14 factories actually increased from 19 in 2013 to 21 in 2014. Furthermore, nine of the 14 factories experienced increases in their non-compliance scores. Verbal harassment of workers by supervisors continues to be a persistent problem. International buyers value the BW core services and continuous improvement process. They trust the compliance assessment reports and believe the reports accurately reflect that state of compliance in factories.

#### *Efficiency of Resource Use*

Lesotho and other small BW countries are less efficient than the larger BW countries. This is due largely to the fact that the countries with large numbers of factories and buyers create economies of scale and increased opportunities to generate revenue. Compared to small BW countries, Lesotho seems to be more efficient in terms of number of days it takes to produce an assessment report and the per worker cost while it is less efficient in the number of assessments it conducts per EA. The number of factories per EA is similar among the small BW countries.

BWL has spent 46% of its total budget over a 14-month period. Since there are 22 months or approximately 61% remaining in the life of the project, it appears that BWL is overspent by 7% or approximately \$80,000. Factoring in the nearly \$9,000 remaining from the \$1,500,000 grant, the project is overspent by about \$71,000. At the current expenditure rate of \$33,129 per month, BWL would spend the remaining budget by July 15, 2016.

#### *Effectiveness of Management Arrangements*

The BWL staffing structure is adequate to provide effective services to the current factories participating in the program. Communication and collaboration between BWL staff has been strained at times while the level of communication and collaboration between BWL and the ILO regional office in Pretoria has been acceptable. The relationship between BWL and BWG and the support that BWL has received from BWG has been highly effective. Communication, collaboration, and exchange of information with other key stakeholders have been effective. While the level of communication between BWG and USDOL has been acceptable, the relationship between BWL and USDOL has been highly effective.

#### *Impact Orientation*

It was not possible to empirically measure the impact of the BWL program because the evaluation was not an impact evaluation and the project did not set and track indicator targets for the goal's indicators. The perception of workers and factory managers based on the perception study is that improvements have taken place in the areas of OSH and communications and relations, especially as related to the PICCs and contracts and human resources. However, problems persist in the relationship between workers and supervisors.

Factory managers value BWL training and believe that the PICCs have contributed to improved relations between workers and factory management. Some factories have credited BWL to decreasing the number of audits, which has an important cost savings to the factories. However, the factories do not believe that BWL has had a business impact such as increasing the number of new orders, productivity, and quality.

### *Sustainability*

The project has made little progress towards achieving the sustainability indicator targets for political viability, financial viability and managerial viability. BWL has not attained strong commitment from the PAC members and it has only been able to recover about 4% of its operational costs. The lack of political support from key stakeholders and very low cost recovery would suggest that establishing a local entity (managerial viability) to provide BW services once the project ends is not feasible.

The evaluation identified several sustainability options. These include developing a PAC led transition plan; creating a local entity to provide BW services once the project ends; establishing a government compliance unit within the MOLE or MTICM; embedding compliance services and training within one of the employer associations (most likely LTEA); building a public private partnership between MTICM and a consulting firm; and diffusing BWL tools and capacities to interested stakeholders.

## **Recommendations**

### **1. PAC-Led Sustainability Strategy**

BWL should request the PAC to take the lead on developing and implementing a sustainability strategy. BWL should provide the necessary administrative and financial support to hire an organizational development consultant. The PAC should develop the terms of reference for the transition plan, interview potential candidates, and select the consultant. The PAC should also take responsibility for supervising the consultant and reviewing and approving the sustainability strategy.

### **2. Transition Plan and Decision Point**

BWL should work with the PAC to ensure that the transition plan is organized into two phases. The first phase would include key milestones to measure progress in implementing the sustainability strategy. The first phase should begin immediately and end in January 2016. If the milestones were met, the PAC would begin the implementation of the second phase that would run until the project ends in June or July 2016. If the milestones were not met, BWL should abandon the PAC-Led Sustainability Strategy option and focus on diffusing BWL tools and capabilities to key stakeholders.

### **3. Diffusion of BWL Tools and Capacities**

BWL should develop and implement a plan to transfer BW tools and capabilities to stakeholders. The diffusion of BWL tools and capacities should begin immediately and be implemented parallel to the PAC-Led Transition Plan. This way, if the PAC has not been able to make progress in implementing the sustainability strategy, BWL would have nearly one year to develop and implement the diffusion option.

#### **4. Better Work Brand and Compliance Assessments**

ILO and BWG should determine the extent to which it is willing to remain engaged in Lesotho and communicate this decision to the PAC so it has this information when it is considering sustainability options. International buyers are more likely to remain engaged if the ILO and BW are associated with post-BWL compliance efforts. The BW compliance assessment and report is most likely the minimal requirement. If Lesotho loses this, it is highly unlikely that advisory and training services provided by local organizations can be sustained.

#### **5. Factory Subscription Fees**

BWL should increase the factory subscription fees. This evaluation discovered that factories would be willing to pay more for BW training services. BWL should calculate the costs to deliver the various BW training courses based on real Lesotho labor market prices. Based on this costing, BWL should increase its prices accordingly. Increasing subscription fees would test factories' willingness and ability to pay for these services, which in turn, would inform the sustainability strategy and any cost recovery mechanisms.

#### **6. Compliance Assessment Reliability and Accuracy**

BWL should evaluate the compliance assessment process to test for reliability and accuracy. There is a concern that the assessments are not administered consistently and that the EAs do not always triangulate data points before registering an observation or a finding in the CAT. BWL should review the compliance assessment process and results of selected assessments to check reliability and accuracy.

#### **7. Performance Improvement Compliance Committees**

BWL should ensure that the EAs are visiting the PICCs on a regular basis and providing the necessary support and arranging training as required. BWL should focus on sustaining the PICCs where the PICCs and factories show the most interest and capacity to continue once the project ends. BWL should also ensure that EAs use the BW Supply Chain Tracking and Remediation (STAR) system to schedule and monitor factory/PICC visits.

#### **8. OSH, Supervisor Skills, and HIV-AIDS Training**

BWL should continue to provide OSH and supervisor skills training. These are the most popular training courses and the ones most frequently cited by managers and workers as having an impact on labor non-compliance. BWL should also continue providing HIV-AIDS prevention training given the fact that Lesotho has the second highest HIV-AIDS prevalence rate in the world, that it directly affects the garment sector workforce, and that HIV-AIDS prevention training is important to BWL's stakeholders.

#### **9. Review and Revision of Indicators**

BWL should review and revise its current set of indicators. The objective of the indicator review should be to ensure that the indicators are the most accurate measures for the corresponding intermediate objectives and outputs and, at the same time, reduce the number of indicators.

#### **10. Measuring Productivity**

BWG should develop a framework and metrics to measure increases in productivity that can be associated with improved compliance and BW interventions for all BW countries. Measuring and demonstrating increases in productivity would motivate factories to remain engaged with BW and help convince other factories to participate in BW.



## I PROJECT DESCRIPTION AND BACKGROUND

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In September 2009, the United States Department of Labor (USDOL) and the International Labor Organization (ILO) signed a 5-year Cooperative Agreement in which USDOL provided USD 1.96 million to ILO to support implementation of the ILO's Better Work Program in Lesotho. The effective date of the agreement was September 30, 2009 to March 30, 2014. The agreement has been extended twice. The first extension provided an additional allocation of USD 1.5 million that extended the umbrella agreement to December 2015 and extended Better Work Lesotho (BWL) to September 2014. The second extension provided USD 1 million to extend the umbrella agreement to December 2016, which extended BWL to September 2015. At the time of the evaluation, USDOL was contemplating a final allocation to BWL that would extend the program to June 2016.

Better Work (BW) is a global collaborative arrangement between ILO and the International Finance Corporation (IFC) that is intended to assist garment sector enterprises to comply with international labor standards (ILS) and national labor law. BW believes that enterprises that comply with ILS and national labor laws are more effectively positioned to compete in international markets where compliance is important to buyers. Currently, the ILO is implementing BW in Cambodia, Vietnam, Haiti, Indonesia, Jordan, Lesotho, Nicaragua, and Bangladesh. All BW country programs are funded by USDOL except Indonesia.

The ILO and IFC established the BWL program at the request of national stakeholders who were looking for ways to strengthen the country's export position in global apparel markets. The national stakeholders agreed, during its preparation phase, to establish Lesotho as an ethical sourcing destination. Stakeholders also agreed to implement BWL as an industry-wide initiative to enhance its effectiveness and build a credible reputation for socially responsible manufacturing throughout the garment industry. Given the slow pace of supplier subscriptions under a voluntary approach, which delayed the industry-wide roll out of the program, the government contemplated mandatory participation in BWL. To date, the government has not required garment factories to participate in BWL, which has affected its impact and sustainability. This is discussed in detail in the findings section of this report.

Currently, there are 40 garment factories operating in Lesotho that employ approximately 41,014 workers<sup>1</sup>, representing about 80% of all formal jobs in the manufacturing sector. Women hold approximately 80-85% of jobs in the garment sector. The garment factories are owned and managed predominantly by Taiwanese or South African companies. A high percentage of factory mid-level management and supervisors are foreign nationals, including Taiwanese, Chinese and South Africans, whereas floor-level workers are all Basotho nationals. Garment factories are located in the country's two major industrial areas: around the capital Maseru and around Maputsoe, a district town situated in the Northern part of the country.

Of the 40 garment factories that operate in Lesotho, 16 are currently subscribed to the BWL program. Thirteen are owned by Taiwanese companies that export primarily to buyers in the United States (US) under the African Growth and Opportunity Act (AGOA). AGOA provides trade preferences for quota and duty free entry into the US of certain goods including textile and apparel products. AGOA is scheduled to

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<sup>1</sup> Lesotho National Development Corporation Textile Sector Report, September 2014

expire in 2015 but industry experts and US Embassy officials expect it to be renewed for another five to 10 years.

The international buyers have strongly encouraged their suppliers to participate in BWL to ensure that they conform to national labor laws and international labor standards. Three South African owned factories are participating in BWL even though they do not export to the US. The remaining 24 garment factories, which are owned by South African companies, export primarily to South Africa. They have decided not to participate in BWL for two primary reasons. First, they are not under the same pressure from their buyers to participate and second, they do not see tangible benefits.

Ultimately, the BWL goal is to improve the lives of workers, their families, and communities. BWL also aims to improve the competitiveness of the industry by improving compliance with Lesotho labor law and the principles of the ILO Declaration on Fundamental Principles and Rights at Work. The BW logic model hypothesizes that compliance with international and national labor norms and laws will increase global competitiveness. In this way, BW is intended to benefit both workers and employers in the garment sector. The heart of the BWL strategy, on the other hand, is the independent enterprise assessments and enterprise advisory and training services. The assessments are intended to identify areas where enterprises are not complying with ILS or national labor laws while the advisory services and training are designed to help the enterprises become compliant.

BWL works closely with national program stakeholders through different committees. At the national level, the Project Advisory Committee (PAC) provides guidance and advice on program implementation and key issues relating to labor compliance, industrial relations, and industry competitiveness. The PAC members include representatives from the labor and trade ministries, textile exporters and employers' associations, and trade unions. At the factory level, the Performance Improvement Consultative Committees (PICCs) are responsible for developing, implementing, and monitoring plans to address areas of non-compliance identified during the enterprise assessments. The PICCs, which consist of an equal number of management and worker representatives, also aim to improve social dialogue in the workplace and promote workplace cooperation.

## II EVALUATION PURPOSE AND METHODOLOGY

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### 2.1. EVALUATION PURPOSE

The overall purpose of the BWL evaluation is to provide USDOL and ILO with an independent assessment of the project's performance and sustainability options. The evaluation results are intended to allow the key stakeholders to determine whether the project is on track to achieve its stated objectives and outputs, identify strengths and weaknesses in the project approach and implementation, and provide recommendations to improve its effectiveness and efficiency. This evaluation especially focused on assessing and exploring sustainability options.

This evaluation is a hybrid that combines characteristics of a midterm (process) and final (summative) evaluation. Since this evaluation represents the mid-way point between the beginning of Phase II in 2014 and the end date of September 2015, it examines the project's Phase II redesign and its relevance to the situation in Lesotho as well as the progress that has been made in achieving the revised objectives and outputs. In particular, this evaluation assesses sustainability options and makes recommendations for approaches that represent the best prospects for sustaining BWL's strategies and achievements that BWL and its stakeholders might implement over the remaining life of the project. On the other hand, this evaluation assesses the overall achievements, effectiveness of the BW core services, and the impact of BWL as perceived by key stakeholders since the beginning of the project in 2010.

USDOL and ILO developed a set of questions to guide the evaluation. The questions address key issues in the following categories:

1. Validity of the project design and its relevance to the situation in Lesotho
2. Progress and effectiveness in achieving the project's objectives and outputs
3. Effectiveness of BW core services
4. Efficiency and use of resources
5. Effectiveness of BW management arrangements
6. Impact orientation
7. Sustainability of BWL interventions and results

The evaluation questions appear in the Terms of Reference (TOR) in Annex A.

### 2.2. METHODOLOGY

The evaluation used primarily qualitative data collection methods. Quantitative data were also obtained from project documents and reports, to the extent that they were available, and incorporated into the analysis. Data collection methods and stakeholder perspectives were triangulated, where possible, to increase the credibility and validity of the results. The interview process incorporated flexibility to allow for additional questions, ensuring that key information was obtained. A consistent protocol was followed during each interview.

**Evaluation Schedule.** The evaluation was conducted between February 9 and April 13, 2015. The evaluator reviewed project documents, developed data collection instruments, and prepared for the fieldwork during the weeks of February 9 and 16. Fieldwork was conducted in Lesotho from March 5-19.

The fieldwork culminated with a presentation and discussion of the preliminary findings with key project stakeholders on March 18. The bulk of the data analysis and report writing occurred from March 22 to April 12. The complete schedule of evaluation activities appears in the TOR Annex A.

**Data Collection and Analysis.** As noted previously, USDOL and ILO developed a list of evaluation questions that served as the basis for the evaluation. The questions were used to develop guides and protocols for the key informant interviews and document reviews. The master key informant interview guide is listed in Annex B. The following methods were employed to gather primary and secondary data.

- *Document Reviews.* The evaluator read a variety of project documents and other reference publications. These documents included the cooperative agreement, project document, technical progress reports, BWL synthesis reports, the compliance assessment tool, sustainability plan, perception of impact study, and financial reports. Annex C shows the complete list of documents that were reviewed.
- *Key Informant Interviews.* The evaluator conducted 35 individual and group interviews with USDOL, ILO, BWL, government ministries, trade unions, employer associations, factories, workers, and buyers.

The document reviews and key informant interviews generated a substantial volume of raw qualitative data. The evaluator used qualitative data analysis methods, including matrix analysis, to categorize, triangulate, synthesize, and summarize the raw data captured from the interview notes. The results of the data analysis provided tangible blocks of information, which the evaluator used to write the evaluation report. The data analysis was driven by the evaluation questions in the TOR.

**Sampling Methodology.** The evaluator used a purposeful, non-random sampling methodology to select the interviewees. Table 1 summarizes the populations interviewed, the interviewing methodology, the sample size, and characteristics of the sample.

**Table 1: Population, Methodology, Sample Size, and Sample Characteristics**

Population	Method	Sample Size	Sample Characteristics
USDOL	Individual interview	2	Project managers
ILO officials	Individual interviews	2	BW Global and ILO regional representatives
BWL staff	Individual interviews	7	BWL management and technical teams
Government officials	Individual Interviews	6	MOLE, MTICP, DDP, LNDC
Trade union officials	Group interviews	8	NUTEX, LECAWU, FAWU, UNITE, The Voice, NACTWU
Employer associations	Individual interviews	3	AEL, LTEA, LIEA
Factories	Individual interviews	22	Factory managers from sample of 11 participating factories; top managers are all male while two middle level managers were female (human resources and compliance officers)
Buyers	Individual interviews	4	Walmart, GAP, Children’s Place, and PVH
Workers and supervisors	Group interviews	15	Sample of PICCs; 80% women that reflects the composition of the workforce
US Embassy officials	Individual Interviews	1	Economic officer
Other stakeholders	Individual Interviews	1	Impact study researcher
<b>Total Interviews</b>		<b>71</b>	

The evaluator interviewed 71 persons including seven BWL managers, seven trade union representatives, six government officials, 15 worker representatives, 22 factory managers, and four buyer compliance officers. These interviews account for 80% of the total interviews. The remaining interviews were conducted with USDOL managers, ILO managers, US Embassy staff, and buyers. A complete list of interviews appears in Annex D.

**Limitations.** The scope of the evaluation specifies two weeks of fieldwork, which was not enough time to visit the 16 factories that are participating in the project. The evaluator selected a purposive sample of 11 factories based on criteria that included those who have embraced the project and those who have not. While the evaluator believes the sample of factories accurately represents the 16 factories participating in BWL, the views and experiences of the 5 factories not included in the sample are not represented in the evaluation.

This was not a formal impact assessment. The findings for the evaluation were based on information collected from background documents and the key informant in interviews. The accuracy of the evaluation findings are predicated on the integrity of information provided to the evaluator from these sources and the ability of the evaluator to triangulate this information.

## III FINDINGS

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The following findings are based on the review of key project documents and interviews conducted during the fieldwork phase of the evaluation. The findings address the key questions listed in the TOR and are presented according to the major evaluation categories: project design and relevance, progress and effectiveness, BWL core services, efficiency, management arrangements, impact orientation, and sustainability.

### 3.1. VALIDITY OF PROJECT DESIGN AND ITS RELEVANCE

This section addresses issues related to the project design. It begins with an assessment of the project design's internal logical consistency (i.e. cause and effect logic) between the outputs, intermediate objectives, and overall project objective or goal. The project's monitoring and evaluation (M&E) system including the appropriateness and effectiveness of the indicators is reviewed. This section also discusses the project's relevance and strategic fit based on the impressions of the project's key stakeholders.

#### 3.1.1. Project Design's Internal Logical Consistency

ILO uses Results-Based Management (RBM) that is based largely on the Logical Framework Approach (LFA). The LFA requires programmers to develop a logical sequence of cause-and-effect events that include the goal, purpose, outputs, activities, and inputs. The ILO's RBM approach uses the same cause and effect logic. ILO refers to the goal as the development objective, which is the higher aspiration that the project's intermediate objectives contribute to but are not expected to attain. The intermediate objectives or outcomes are the results (policies, knowledge, skills, behaviors or practices) that managers are expected to accomplish. The intermediate objectives should make a significant contribution to the project's development objective. The outputs, on the other hand, are the specific products, services, or systems that achieve the outcomes or intermediate objectives and are achieved by implementing activities.

The evaluator conducted a thorough analysis of the project's design using the RBM framework. The project's development objective and intermediate objectives meet the RBM criteria. The development objective describes a fundamental condition that the project aspires to but will likely not achieve during the course of the project. However, measuring an improvement in the life of families and communities and attributing it to the project is difficult. The intermediate objectives, if achieved, would contribute to the development objective and they are stated in terms of behavior changes and policy change.

The outputs, however, do not meet RBM criteria. Outputs should be written as products or services such as factory assessment reports, technical assistance reports or recommendations, and trainings. The current set of outputs is stated more like outcomes than outputs. The potential problem is that the traditional BW products and services (assessments and trainings) and their targets are not captured as outputs. The project has adjusted for this by including the BW products and services in the indicators, which has caused misalignment, in some cases, between outputs and their indicators. The additional level of objective has also generated significantly more indicators (65 indicators). The outputs have, on average, four indicators each rather than one target per output. This is discussed in more detail in the following section. The complete analysis of the project design appears in Annex E.

#### 3.1.2. The Project's M&E System

The project collects data for 65 indicators and reports into two M&E systems. The first is the BWG M&E system consisting of 35 standardized indicators. The second is the BWL performance monitoring plan (PMP), which is built on the project’s logframe, specifically its intermediate objectives and outputs. The BWL PMP reports on 49 indicators that include 19 of the BWG standardized indicators and 30 additional indicators, which are specific to the BWL project design. In the opinion of the evaluator, 65 indicators are too many indicators. Collecting and analyzing data for 65 indicators places a heavy burden on the project’s M&E system.

The evaluator conducted an analysis of the indicators. The analysis discovered that several indicators were not the most accurate measures for the corresponding outputs. These “misalignments” were more common when the BWG standardized indicators were used for certain outputs (i.e. Outputs 1.1, 1.2, 1.3, 1.4, and 3.2). The analysis also discovered that some of the indicators were written more like activities rather than indicators (i.e. Outputs 2.2, 3.1) or written in a way that would be difficult to actually measure (i.e. Intermediate Objective 3). The complete indicator analysis appears as Annex F.

### 3.1.3. Relevance and Strategic Fit

The project is committed to collaborating with a range of key stakeholders including the government, trade unions, the apparel and textile factories, and buyers. Table 2 provides an overview of the key stakeholders and their roles and responsibilities within the BWL project framework.

**Table 2: Roles and Responsibilities of Key Project Stakeholders**

Stakeholders	Roles and Responsibilities
Ministry of Labor and Employment (MOLE)	The MOLE is represented on the PAC by the principal secretary and the labor commissioner. BWL has signed an agreement with the labor ministry that commits the project to train labor inspectors working in the apparel and textile sector on BW assessment and advisory techniques. In addition, the labor ministry is responsible for chairing the PAC.
Ministry of Trade and Industry, Cooperatives, and Marketing (MTICM) and Lesotho National Development Corporation (LNDC)	MTICM and LNDC are responsible for fomenting investment in Lesotho. As members of the PAC, they are responsible for providing advice to the project regarding the apparel and textile sectors. In addition, MTICM and LNDC are supposed to play an important role in convincing factories to join the BWL program.
Lesotho Textile Exporters Association (LTEA) Association of Lesotho Employers and Business (ALEB)	LTEA has a membership of approximately 27 factories of which 13 are participating in BWL. Nearly all of its members export to the US under AGOA. ALEB, on the other hand, is the largest business association in Lesotho with 140 members from all sectors. However, only three of its members are apparel or textile companies. LTEA and ALEB representatives sit on the PAC and are responsible for providing information about the sector, especially the factories that are its members. They are also supposed to promote BW to its membership and recruit additional BWL participants.
National Union of Textile Congress (NUTEX) Lesotho Clothing Allied Workers Union (LECAWU) Factory Alliance Workers Union (FAWU) UNITE (United Textile Workers Union) The Voice of Workers (The Voice)	These six trade unions are members of the PAC. They are responsible for providing information and advice about workers and labor rights issues as they relate to the apparel and textile sectors. They are also supposed to serve as a communication conduit for their members that are participating in the BWL program. NUTEX, LECAWU, and FAWU are members of IndustriALL. They are currently in negotiations to unite and form a single trade union that would give it more than 50% of unionized workers in textile and garment factories. UNITE, the Voice, and NACTWU are smaller unions with fewer affiliates. During the evaluation, the evaluator observed that the relationship between these three smaller unions and the three IndustriALL members is currently strained and collaboration and coordination is minimal.

National Alliance of Clothing and Textile Workers Union (NACTWU)	
Factories	There are currently 16 factories participating in the BWL program. These factories are represented on the PAC by LTEA and ALEB. After joining BWL, the factories are responsible for providing access to workers, supervisors, managers, files, and documents so the BW enterprise advisors can conduct the assessments. The factories are also responsible for helping the enterprise advisors establish the PICC and implementing the improvement plans. The factories subscribe to BW and agree to conditions laid out in an agreement between the factory and BWL.
Buyers	The buyers do not have a country presence and are not members of the PAC. However, they are one of the most important stakeholders because they drive the BW assessment and improvement process. The buyers are responsible for encouraging their suppliers to participate in the BWL program. They also purchase reports and should be encouraging suppliers to address areas where, according to the BW assessments, they do not comply with international labor norms or national labor law. The range of responsibilities is spelled out in the BW Buyers' Principles. Currently there are seven buyers participating in BWL that include Levi Straus & Co., The Gap Inc., PVH, The Children's Place, Walmart, The Jones Group, and Sears Roebuck and Company. These seven buyers are US companies.

The evaluator met with the stakeholders individually to discuss whether BWL was meeting their needs and fulfilling their expectations (relevance and strategic fit). The results of these interviews are organized by stakeholder and summarized below.

*Government Agencies.* The principle participating government agencies include the MOLE, MTICN, and LNDC. These government agencies value BWL and believe the program is making an important contribution to labor compliance within the textile sector and should continue. The labor commissioner said that the MOLE is shorthanded and that BWL has helped fill compliance gaps and made important contributions to occupational health and safety (OSH) and social dialogue. The evaluator specifically asked representatives from these agencies why BWL has not been able to achieve the participation of the entire sector as originally envisioned. Both MOLE and MTICN noted that the intention to make participation in BWL compulsory failed because it did not have the political support including a high ranking official that might champion the initiative. These representatives acknowledged that it is highly unlikely that mandatory participation in BWL will occur in the remaining life of the project.

*Employer Associations.* The evaluator interviewed representatives from ALEB and LTEA. Both representatives told the evaluator that their associations believe that BWL is highly relevant to the context of the textile sector in Lesotho and is making valuable contributions to labor compliance. They emphasized the importance of the BW continuous improvement process, the importance of the PICCs and their contribution to social dialogue, and the effectiveness of BWL training. The evaluator also asked the business association whether they supported making participation in BWL mandatory. The ALEB representative said that her association has and will continue to lobby against any effort to mandate factory participation in BW. She explained that Lesotho ranks 107 out of 144 countries on the global competitiveness ranking<sup>2</sup>, which she attributes to an excess of government regulations. She said making BW mandatory would represent another government regulation her association would oppose. The

<sup>2</sup> The Global Competitiveness Report 2014–2015, World Economic Forum.

LTEA representative also noted that his association strongly opposed compulsory participation in BWL and thought it should remain voluntary.

*Trade Unions.* In general, the six trade unions participating in BWL believe that the program is relevant and has responded effectively to the needs of workers. They believe BW should remain engaged in Lesotho. The three trade unions that belong to IndustriALL (NUTEX, LECAWU, and FAWU) had mostly positive things to say about BWL. Officials from these trade unions explained that the PICCs, with training and facilitation, have been effective in bringing about change for workers in factories. They also appreciated the training in supervisory skills, life skills, and HIV-AIDS prevention. The three smaller unions (UNITE, the Voice, and NACTWU) were more critical of BWL and its interventions. These union officials expressed disappointment that BWL has not been able to make participation mandatory. They were also less optimistic about the effectiveness of the PICCs and progress the factories have made in resolving non-compliance issues. One of the representatives told the evaluator that the BW chief technical advisor (CTA) and enterprise advisors (EAs) have not been able to convince the top management of many factories to implement the PICC recommendations to address non-compliance points.

*Factories.* The BW program in Lesotho is considered voluntary because there is not a mechanism mandating factories to participate. Factory managers agree with this approach and believe that participation should remain voluntary. However, some buyers require their suppliers to participate in BWL while others strongly encourage it. The Taiwanese owned factories that export to the US under AGOA told the evaluator that they would probably not participate in BW if the buyers did not require it. On the other hand, the South African-owned factories that participate in BW are not under pressure from buyers. Instead, they participate to take advantage of the BWL training, which they consider a good value proposition. With that said, the factory managers that were interviewed appreciate the BW continual improvement process, especially the PICCs and training services that have helped improve relations between workers, supervisors, and management. Interestingly, none of the managers mentioned the BW compliance assessments and reports as a service that they valued.

*Buyers.* The buyers that were interviewed expressed satisfaction with their participation in BWL. In general, the buyers believe the assessment reports are high quality and accurate. They also expressed their appreciation for the BW approach to the continuous improvement process, which they believe makes BW a more effective methodology than traditional compliance audits. Several buyers opined that the level and frequency of communication and information sharing could improve. This is discussed in more detail under the BW core services section.

### **3.2. PROJECT PROGRESS AND EFFECTIVENESS**

This section examines the progress the project is making to achieve its objectives and outputs (indicator targets). It also examines the effectiveness of stakeholder engagement and specifically addresses the project's relationship with the PAC.

#### **3.2.1. An Overview of Project Progress**

Table 3 provides a snapshot of BWL's achievement through March 2015. According to LNDC, there are 40 garment and textile factories operating in Lesotho that employ 41,014 workers. BWL is currently reaching 16 factories that employ 25,907 workers and seven international buyers, which represents 40%

of the factories and 63% of the sector’s workforce. This would suggest that BWL is working with those factories with the some of the largest workforces.

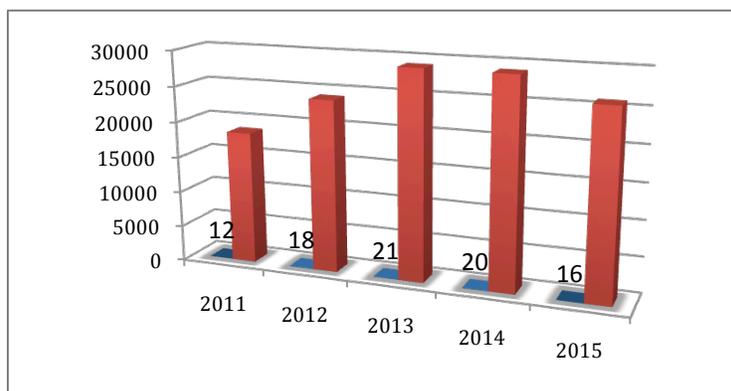
LNDC also estimates that there are 22 companies buying from the 40 factories. Of these, nine are South African buyers and 13 are buyers that export to the US under AGOA. There are currently seven US buyers participating in BWL, which represent 32% of all buyers and nearly 55% of US buyers.

**Table 3: Snapshot of BWL Achievements**

Target Groups	Total	BWL	Percent
Factories	40	16	40%
Textile workers	41,014	25,907	63%
Buyers	22	7	32%

Figure 1 shows the number of factories participating in BWL by year since the inception of the project. BWL recruited and enrolled the first group of 12 factories in 2011. By the end of 2012, the project increased the number of factories participating in the program to 18. During 2013, factory participation increased to 23, which represents the largest number of factories participating in BWL. By the end of 2013, the number decreased to 21. The number of participating factories continued to decrease to 20 in 2014. At the time of the evaluation, there were only 16 factories participating in BWL.

**Figure 1: Number of Factories and Employees Participating in BWL by Year**



The number of factories participating in BWL has been declining since mid-2013. According to the CTA, there are various reasons why factories dropped out of the BW program. Five factories stopped supplying to international buyers that exported to the US under AGOA. Without the pressure from international buyers to participate in BW, BWL lost its leverage with the factories. Two factories, on the other hand, decided to end their participation in BWL because they were dissatisfied with the BW compliance assessment and the findings. The dissatisfaction was not based on the quality of the assessment. Rather, they did not think it was fair how non-compliance points were recorded for verbal harassment, discrimination, and unfair dismissal.

### 3.2.2. Achievement of Indicator Targets

As discussed previously, the project was redesigned in 2013. The redesign, which is referred to as Phase II, resulted in a new set of intermediate objectives (outcomes), outputs and indicators. This section provides an analysis of the achievement of the indicator targets for 2014, which is organized by each intermediate objective (IO) and the corresponding outputs.

Table 4 shows the IO 1 and its outputs, the corresponding indicators, and a short analysis of the progress in achieving the indicator targets. The project did not set indicator targets for the IO 1, so it is not clear whether the IO was achieved or not. The indicator targets for Output 1.1 were partially achieved. The compliance and thematic synthesis reports were completed but the rollout of the factory self-assessment tool was postponed until 2015. The indicator targets for Output 1.2 were also partially achieved. BWL only achieved 79% of its planned advisory visits to factories but reported that it met its targets for the PICCs and factories that are implementing recommended changes. This means that all of the factories participating in BWL implemented at least one recommendation.

**Table 4: Intermediate Objective 1 Indicator Target Analysis**

IO/Outputs	Indicators	Analysis
IO 1. BWL 's assessment, advisory and training services have been a driver of change towards higher compliance with national labor law and international labor standards	Average factory non-compliance rate Average compliance improvement effort	The project reported an average non-compliance rate of 26 points and an average compliance improvement effort of 1 in 2014. However, since the project did not set targets for these indicators, it is not possible to determine whether they were achieved.
Output 1.1. BWL assessment services are maintained and adjusted to effectively influence compliance with national and international labor standards	Annual compliance synthesis report available Annual thematic synthesis report available Number of PICC members trained in applying the self-assessment tool Number of factories applying the self-assessment tool	The project has completed compliance synthesis reports for 2012, 2013, and 2014. According to the CTA, the project intended to have one thematic synthesis report per year. The first one was developed in 2014. However, BWG has decided to combine the annual synthesis report and the thematic synthesis report. The combined report for BWL is scheduled for August 2015. The project planned to train 30 PICC members to implement the compliance self-assessment tool and have at least 3 factories using the tool. However, BWG only trained the EAs how to use the tool in March 2015. The CTA plans to roll out the self-assessment training in May 2015.
Output 1.2. Advisory services are adjusted to achieve greater impact	Number of advisory visits Number of factories with a functioning PICC Percentage of women among PICC workers Percentage of factories implementing recommended changes	The project planned to conduct 150 advisory visits and actually conducted 118 or 79% of the planned number. Regarding PICCs, the project intended to have 20 functioning PICCs but reported that only 15 are functioning. In part, the low number of functioning PICCs is due to a decline of factories participating in BWL. 65% of the PICCs are comprised of women, which is about what was planned. Interestingly, BWL reported that 100% of the factories are implementing at least one recommended change. However, as discussed previously, PICCs believe that many of their recommendations to address factory non-compliance are not being implemented.
Output 1.3. Training services are diversified and strengthened to achieve greater impact	Number of factories participating in BW training courses Number of participants in BW training Percentage of women participants in training	BWL intended to have 20 factories enrolled in the program at the end of 2014. The number of factories actually decreased to 16. On the other hand, the project exceeded the number of people trained by 146. It planned to train 500 and actually trained 646 persons. 65% were women, which exceeded the target of 60%.
Output 1.4. The quality of BWL core services meets BW quality standards and best practice	Number of internal trainings for staff Percentage of advisory visits/PICC meetings subjected to quality assurance Percentage of assessment visits subjected to quality assurance	BWL intended to conduct four trainings for its staff in PICC facilitation techniques, raising compliance decisions, writing assessment reports, and conducting assessments. BWG staff conducted three of the four training events. The lead EA is supposed to observe the other EAs two times per year when conducting a PICC meeting. BWG staff, in turn, should observe the lead EA two times per year. In 2014, only four of these eight planned observations were conducted. The quality assurance assessment visit is when the lead EA observes other EAs during an assessment and provides feedback. The lead EA is also observed once a year by BWG staff. The project planned 25 quality assurance visits and conducted 13.

The indicator targets for Output 1.3 were partially achieved. The project intended to have 20 factories participating in training events but only achieved 16 because four factories unenrolled in the program. On the other hand, the project exceeded the training indicators for number of people trained and the percent of women training participants. The project fell mostly short of achieving the indicator targets for Output 1.4. Three of the planned four trainings for BWL staff were conducted while only about 50% of the advisory and assessment visits subject to quality assurance were achieved.

Table 5 shows IO 2 and its outputs along with the corresponding indicators and an analysis. BWL was unable to achieve a policy change in 2014 as planned. It reported two mentions in reports by other policy actors but the evaluator considers this a relatively weak indicator for the IO. The indicator targets for Output 2.1 were partially achieved. The evaluator believes the achievement of the indicator on consistency between BWL and labor inspectors is inconclusive while the zero tolerance protocol was achieved. BWL fell short on achieving the three indicator targets for Output 2.2.

**Table 5: Intermediate Objective 2 Indicator Analysis**

IO/Outputs	Indicators	Analysis
IO 2. BWL has influenced national policies, strategies and practices to improve labor-related issues and industrial relations	Number of country policies changed Number of mentions of BW included in reports by other policy actors	The project planned to increase the period of paid maternity leave for garment workers, introduce code of good practice on maternity protection, and influence OSH labor law revision. It was unable to change these policies in 2014. However, the code of good practice on maternity protection and OSH labor law revision is under consideration. Regarding mentions of BW by other policy actors, the project planned four mentions and achieved two.
Output 2.1. MOLE is collaborating with BWL to introduce labor law related changes	Assessments of BWL and MOLE inspection findings show greater consistency in interpretation of the labor law The zero tolerance protocol reflects knowledge of labor department on crucial OSH issues	According to the CTA, the EAs and labor Inspectors met regularly in 2014 to clarify labor law interpretation issues. Since BWL did not receive complaints from employers in relation to the interpretation of labor law in the compliance assessments, the CTA assumes this indicator was achieved. However, it would have been more useful in measuring this indicator to have compared the findings of the labor inspectors to the BWL compliance assessment reports. BWL developed the zero tolerance protocol as planned and it reflects the knowledge of the labor department on OSH issues.
Output 2.2. Awareness on the need to improve maternity protection in the garment sector is raised	Awareness raising posters developed and disseminated Worker focus group discussions held and results analyzed Number of trainings on maternity protection material	The project planned to develop three posters and disseminate them to all BWL member factories. According to the CTA, two posters have been endorsed by the PAC and are ready for printing and dissemination. However, factory management has not accepted a poster on 'light work for pregnant workers' that needs to be revised. The project planned to conduct 40 trainings on maternity protection but was only able to conduct 15 (38%) because there was a delay in developing training materials.
Output 2.3. Union capacity is promoted, in cooperation with IndustriALL and other collaborators	Number of awareness raising campaigns implemented by unions Percentage of factories with at least one trade union Percentage of assessed factories with a current valid collective bargaining agreement Percentage of factories with functional grievance mechanisms	The project planned to support two awareness-raising campaigns implemented by the trade unions. This target was not achieved in 2014 because the trade unions did not have sufficient time to participate. The project and unions decided to move these activities to 2015. On the other hand, 100% of the factories have at least one trade union and 30% have administrative (recognition) agreements with trade unions. Some of these agreements are similar to collective bargaining agreements. The project is also reporting that 100% of the factories have grievance mechanisms in place.

Output 2.4. BWL has influenced national policy and strategy discussions where opportunities did arise	Number of compliance issues raised that the program aimed to influence	The project identified and influenced four non-compliance issues as planned. These included underpayment of maternity leave, maternity protection, OSH officer registration, and fire and building safety.
Output 2.5. Data and lessons learned collected from BWL core services, M&E and research activities are analyzed and effectively communicated to different target groups	Number of targeted communication materials developed Number of workers reached with new communication methods Number of advocacy activities implemented by BWL	The project planned and achieved the development of two communication materials. The CTA explained that these included publishing worker stories on the BWG and BWL websites. The worker stories focused on the need for supervisory skills improvement and better maternity protection in the workplace. The new communication methods in the indicator refer to the use of mobile phone technologies to communicate with workers. The use of mobile phones has not yet been introduced. BWL planned to implement one advocacy activity, which was the safe management of chemicals in the workplace. This was achieved as one of the activities conducted during the BWL supported OSH Day (April 2014).

Three of the four indicator targets for Output 2.3 were achieved. The project met its targets for factories with trade unions, collective bargaining agreements, and grievance mechanisms. However, it did not implement the trade union awareness raising campaigns as planned. Output 2.4 has only one indicator that was achieved in 2014. The project reported that it raised and influenced four non-compliance issues as planned. The indicator targets for Output 2.5 were also partially achieved. BWL achieved its targets for the number of communication materials developed and advocacy activities implemented but did not achieve the implementation of mobile phones to communicate with workers, which has been postponed until 2015.

The indicators for IO 3 and its outputs are shown in Table 6 along with the analysis of the achievement of the indicator targets. The project did not set indicator targets for IO 3 but the achievement of the indicator is unlikely based on findings gleaned from interviews with the BWL staff and stakeholders. For the most part, the indicator targets for Output 3.1 were achieved. On the other hand, the indicator targets for Output 3.2 were largely unachieved. The number of PAC meetings fell short of what was planned and the PAC members have not taken the initiative to schedule and conduct the PAC meetings. Furthermore, the PAC members were only actively involved in one of three social compliance initiatives. The indicator target for Output 3.3 was not achieved because BWL is awaiting the results of a feasibility study.

**Table 6: Indicator Analysis: Intermediate Objective 3**

IO/Outputs	Indicators	Analysis
IO 3. BWL has strengthened its governance and long-term viability	Increase in ownership, commitment and responsibility toward the program by national staff and stakeholders	The project did not set an indicator target and did not report an achievement for this indicator. However, based on other indicators and information gleaned by the evaluator from interviews and observations, national staff and especially stakeholders lack ownership and commitment of the BWL program.
Output 3.1. The capacity of staff to provide specialized advisory services and take on greater management responsibility for the program is strengthened	Number of trainings held for EAs and the training officer Number of management tasks taken on by national staff	The project planned six trainings for national staff and achieved five. Training included: facilitation of grievance handling seminars, finding of compliance decisions and writing of assessment reports, industrial relations online training, PCCC facilitation refresher training, discrimination, and various topics covered at the EA Summit in 2014. During interviews with EAs, however, they told the evaluator that the project is not providing enough training for them in technical areas related to OSH. According to the CTA, the EAs and TO have been assigned tasks that they have to implement as task managers and focal points. As a group, they achieved nine of the ten assigned tasks.

<p>Output 3.2. National stakeholders' support to BWL is maintained and the program's governance structure and capacity strengthened</p>	<p>Number of PAC meetings in the reporting period  Number of meetings with tripartite constituents  Number of tasks that PAC members have taken over to facilitate effective PAC meetings  Number of social compliance improvement initiatives PAC members have been actively involved in</p>	<p>In 2014, BWL planned to have four PAC meetings but only conducted two. In addition, the project planned six meetings with key stakeholders such as the government ministries, employer associations, and unions. The project exceeded this indicator target by one meeting but it is not clear from the indicator what was achieved. The project aimed to have the PAC take responsibility for three major tasks as steps towards having the PAC members take over ownership of the committee. PAC has not yet demonstrated leadership and initiative in taking over the meetings and key BWL activities. Three social compliance initiatives were planned. They included an advocacy measure on chemical safety, an initiative to improve the physical working environment in factories, and maternity protection in the workplace. The chemical safety advocacy measure was successful while the initiative to improve physical working conditions failed. The issue of maternity protection is still under consideration.</p>
<p>Output 3.3. BWL has explored and tested opportunities to expand its scale of operations (to other countries including Ethiopia)</p>	<p>Conditional on outcomes of feasibility study: number of capacity building measures implemented</p>	<p>The project is not reporting targets and actuals for this indicator. According to the CTA, this indicator would depend on the outcome of a feasibility study conducted in Ethiopia to determine whether BWG outreach services might be supported by BWL. This study has not been conducted yet.</p>
<p>Output 3.4. International buyers' commitment to and engagement with the program is increased and services provided are consistent with buyers' needs and priorities</p>	<p>Number of buyer participants in the program  Number of buyer partners in the program  Increase in revenues through buyer subscriptions  Percentage of international buyers registered with BW not duplicating BW assessments  Percentage of buyers reporting satisfaction with BWL services</p>	<p>BWL planned to add two new buyer participants in 2014 and achieved this target. In addition, the project planned to have six buyer partners and achieved five. BWL also aimed to achieve a 12% increase in new buyer subscriptions in 2014. However, no new buyer subscriptions were attained. The project reported that 100% of the registered factories are not duplicating BW assessments. According to factory managers, however, some of the registered buyers are duplicating BW assessment areas. When buyers were asked, they said that if they have auditors in the factory assessing other issues, they often ask them to review areas that are important to the company (i.e. management of chemicals, fire safety). This could explain why some factory managers believe that BW assessments are duplicated. To assess buyer satisfaction, BWL queried buyers to determine whether they wanted to discuss service quality issues. Of the seven buyers, three accepted the offer, which BWL interpreted as 43% not being satisfied. However, according to the CTA, none of the buyers expressed concern about the quality of services. This is consistent with the interviews conducted with four of the buyers by the evaluator. Hence, the percent of buyers satisfied with BWL services is significantly higher than 43%.</p>
<p>Output 3.5. The commitment, engagement and revenue to the program from participating factories is increased</p>	<p>Number of new factories registered  Total program revenue  Percentage of surveyed factories that assess BWL services as useful and beneficial</p>	<p>BWL aimed to register two new factories in 2014 but was unable to register any new factory. In fact, four factories unenrolled, which decreased the number from 20 to 16. The project also expected to reach 75% of all workers in the sector but only achieved 61%. Regarding revenue, BWL planned to generate \$60,000 but was only able to generate about \$25,000 or 42% of its target. The project intended to conduct a survey to assess factory options of BWL services. It set a 70% satisfaction target. The survey has been put on hold until after the evaluation to determine whether it will be rescheduled.</p>
<p>Output 3.6. A strong partnership with ALAFA is built, with the aim to develop synergies and strengthen the effectiveness of program operations where they relate to HIV/AIDS</p>	<p>Number of PAC meetings with ALAFA presence  Number of activities organized and conducted jointly with ALAFA</p>	<p>One PAC-ALAFA meeting was planned and conducted. In addition, three of the four joint activities with ALAFA were conducted as planned. However, it should be noted that ALAFA had to cease its operations and depart the country due to lack of funding. BWL has taken over ALAFA HIV/AIDS prevention activities in factories.</p>

The achievements for Output 3.4 indicator targets are mixed. BWL managed to meet its targets for buyer participants and partners but fell short on the revenue target. The number of buyers not duplicating audits is controversial. BWL is reporting that none of the buyers are duplicating audits (100%) but the factory managers do not agree. It is also not clear what percent of the buyers are actually satisfied with BWL services. The indicator targets for Output 3.5 were not achieved. The project fell well short in achieving targets for new factories registered and program revenue. The factory satisfaction survey has not been conducted but based on interviews conducted by the evaluator, there appears to be a certain level of dissatisfaction with elements of BWL. The HIV-AIDS prevention indicator targets in Output 3.6 were achieved.

The following table summarizes the achievement of the project's indicator targets. The first column shows the indicator category (intermediate objectives, outputs), the number of indicators for the category, number of indicator targets achieved, percent achievement, and the number of indicator targets not achieved. The table also shows the number of indicator targets that could not be counted as achieved or not achieved (inconclusive) and those indicators that do not have targets.

**Table 7: Summary of Indicator Target Achievement**

Category	Number Indicators	Targets Achieved	Percent Achievement	Targets Not Achieved	Inconclusive	No Targets Set
Total	49	23	47%	17	5	4
Total IOs	5	2	40%	0	0	3
IO 1: Improved compliance	2	0	0%	0	0	2
IO 2: Improved national policies and practices	2	2	100%	0	0	0
IO 3: Improved BWL viability	1	0	0%	0	0	1
Total Outputs	44	21	48%	17	5	1
IO 1 Outputs	14	6	43%	7	1	0
IO 2 Outputs	13	8	62%	4	1	0
IO 3 Outputs	17	7	41%	6	3	1

The project's logical framework consists of three intermediate objectives, 15 outputs, and 49 indicators. There are five intermediate objective level indicators and 44 output level indicators. The summary table shows that the project achieved 47% of its total indicator targets in 2014. BWL achieved two of its five intermediate objective level indicator targets. However, it did not set targets for three of the indicators, which made it impossible to assess the achievement of IO 1 and IO 3 indicators. The project reported that it achieved both of its IO 2 indicators (100%). However, as noted above in Table 5, the project did not fully achieve these indicators in 2014. They are under consideration.

Of the 44 output indicators, the project achieved 21 indicator targets or 48%. Only one of the indicators did not have a target. However, five indicators could not be assessed due to conflicting information. The output indicators for IO 2 had the highest achievement rate of 62% while IO 1 and IO 3 achieved slightly over 40%.

The achievement of 47% of the indicator targets might suggest that the project is underperforming and that project strategies are less effective than expected. However, as discussed in the project design

section, some of the indicators are not the most accurate measures for objective and output achievements. The evaluator also realizes that due to factors outside the control of the project, several initiatives had to be postponed until 2015. Nevertheless, BW management should examine more closely the overall performance of the project based on indicator achievement to determine whether strategies should be adjusted.

### **3.2.3. Effectiveness of Stakeholder Engagement**

The effectiveness of the project's engagement with its key stakeholders was briefly discussed in Section 3.1.3. As noted previously, stakeholder engagement has been largely effective. The PAC members believe BWL has made an important contribution to the sector and that progress has been made on compliance issues. They expressed satisfaction with the frequency and quality of communication and collaboration with the BWL staff.

While some of the factory managers participating in BWL expressed concerns about different elements of the program, none complained about the level of engagement. They said they were satisfied with the level of communication and interaction with the CTA, EAs, and the training officer (TO). The same is true for the PICC members and trade union representatives that were interviewed. PICC members expressed appreciation for technical support and training they received. They believe the level of engagement with the EAs and TO to be highly effective. The trade union representatives expressed similar views. While some of the smaller trade unions were more critical of BW as discussed earlier in the report, all rate the level of engagement of BWL and its staff as highly effective.

Overall, the buyers that were interviewed expressed satisfaction with their level of engagement with BWL. Several commented that they would like to have frequent updates from BWL on the progress factories are making to address non-compliance points. One compliance manager explained that he would like to have real time information from BWL on labor issues that are trending in their factories. Overall, the buyers would like BWL to be more proactive in communicating with them about the progress and challenges that factories are making to address non-compliance points.

### **3.3. BETTER WORK CORE SERVICES**

This section provides an overview of the BW core services, discusses the BW compliance reports, and examines the effectiveness of the EAs, PICCs, and BW training services. This section also provides an overview of the progress factories have made in addressing non-compliance issues and a discussion regarding the opinions of the buyers.

#### **3.3.1. Better Work Framework**

The BW framework consists of three major pillars. These include the compliance assessment, advisory services, and training services. Each pillar is explained below within the BW continuous improvement cycle.

1. *Compliance Assessments.* The first compliance assessment identifies non-compliance issues and establishes a baseline for the factory. A compliance report is generated based on the results of the assessment and discussed with the factory. The factory is given seven days to respond to the report. The report is finalized and sent to the corresponding buyers once the factory authorizes the release of the report by signing a *Third Party Access* agreement. The cycle ends in the twelfth month with a second compliance assessment. Like the first assessment, the second identifies

non-compliance issues that are discussed with the factory and used to generate the second compliance assessment report that is sent to the corresponding buyers. The compliance assessment tool is described below in Section 3.3.2.

2. *Advisory Services.* Once the compliance assessment report is completed, the PICCs are established. BWL provides guidance on how to form the committees, which consist of an equal number of worker management representatives (the total number of PICC members should not exceed 10). Where trade unions exist, factory shop stewards represent the trade union on the committee. The EAs help the workers conduct elections to select non-union worker representatives. The EAs and their roles are discussed in detail in Section 3.3.3.

One of the principal tasks of the PICCs is to develop an improvement plan to address the non-compliance points identified during the compliance assessment. The committee is tasked with monitoring the implementation of the plan as well as the progress that the factory is making to address the non-compliance issues. The advisory services cycle consists of two progress reports and a self-evaluation conducted by the factory. The BWL progress reports are produced during the fifth and eleventh months while the factory self-evaluation is conducted during the tenth month. The progress reports provide snapshots of the progress the factories are making to address non-compliance issues. Currently, BWL provides the progress reports to factory management and buyers that have a subscription to receive reports. Few PICCs receive the reports because, according to the CTA, they are in English. However, she explained that the improvement plan that accompanies the report is translated into Sesotho and shared with PICCs, which takes about a week. The role of the PICCs is described in Section 3.3.4.

3. *Training.* Based on the improvement plan, BWL provides a range of trainings to the PICCs, factory managers, supervisors, and workers. The training consists of supervisory skills, occupational safety and health, human resource management, worker life skills, union capacity building, and HIV/AIDS prevention. Training is discussed in more detail below in Section 3.3.5.

### **3.3.2. Compliance Assessments and Reports**

The compliance assessment uses a data collection instrument referred to as the Compliance Assessment Tool (CAT). The CAT consists of two primary categories: international labor standards (ILS) and national labor codes and laws. The ILS includes child labor, discrimination, forced labor, and freedom of association and collective bargaining. The national labor law category includes compensation, contracts and human resources, OSH, and working time. These eight areas are further divided into 39 specific compliance points. There are 250 questions on the CAT that require collecting and triangulating data from documents (i.e. contracts, payroll, timesheets), observation (i.e. toilets, alarms, lighting, seating, use of personal protective gear), and interviews with workers, supervisors, and management. A team of two BWL EAs administers the CAT over a two-day period. The compliance assessments are unannounced.

The EAs, with assistance from BWG, use the results from the compliance assessments to produce the compliance assessment reports. In addition to the factory level reports, BWG produces and publishes annual synthesis reports for all participating countries. The report calculates average non-compliance rates for those factories participating in the program. BWG has produced three annual synthesis reports for Lesotho in 2012, 2013, and 2014. BW also produced a thematic synthesis report on contracts in 2014. However, in the future, BWG intends to combine the annual synthesis and thematic reports.

The compliance assessments and reports are the most controversial element of the BWL program. The majority of the Taiwanese owned factories told the evaluator that they participate in the assessments because buyers request them to do so. One manager told the evaluator that the two large buyers that are requiring its participation in BWL plan to decrease their orders because they can purchase more economically in Asia. Once that happens, the factory owners in Taiwan intend to withdraw from the BWL program. The South African owned factories reported that they are not interested in the assessments. Rather, they find the advisory services and especially the training the most attractive element of BWL. Nevertheless, the factories that participate in the compliance assessments, for the most part, believe they have some merit.

During interviews, factory managers lodged a variety of complaints about the compliance assessment. Several managers told the evaluator that the assessments should be more flexible. For example, one manager said that during the assessment, one of the mechanics left tools near a sewing machine while he left to look for a spare part. The EA happened to pass the tools and marked it as non-compliance. Another manager told the evaluator that the EAs interviewed a disgruntled worker who complained about verbal harassment by a supervisor. Instead of trying to clarify the issue with management, the EAs marked the factory as non-compliant. The manager further explained that the worker was fired and filed a complaint against the factory in labor court. Eventually the labor court exonerated the factory. According to the CTA, the EAs actually met with factory management to discuss the verbal harassment complaint.

When asked about BWL willingness to be more flexible, the CTA explained that she believes that factory managers mean that in certain situations, BWL should be less rigid. For example, in situations where factories are working to address non-compliance, they should not receive a non-compliance point for housekeeping. However, the CTA also noted that while EAs should listen to the views of factory managers and consider circumstances and the working environment, a non-compliance point is not negotiable.

Another complaint that factory management expressed during interviews was the inconsistency in how the assessments were conducted. One manager of a large factory that participated in four assessments said that he noticed that the results of the assessments varied from one year to the next. He thought the EAs were conducting the assessments inconsistently. A manager from another factory echoed this concern. He said the assessments in his factory were conducted by different EAs that interpret conditions differently. Another common complaint from most of the factories interviewed was the requirement to have 10% of the workforce trained in fire fighting and first aid. Factory managers consider the 10% requirement to be too high and inconsistent with what buyers were requiring. The 10% requirement has been established by BWG but it is not a national law or an international standard recognized by international buyers.

The evaluator asked PICC members and the trade union representatives what they thought about the compliance assessments. In general, they believe the assessments identify important issues that put workers at risk. They specifically mention OSH related issues such as exposure to chemicals, hygiene, broken water taps, and the lack of personal protective equipment (PPE). They also noted some of the work time and contract issues that the assessments have identified. However, the PICC members commented more frequently on the importance of the training that BWL provided to the PICCs to help them identify non-compliance issues and make recommendations to management. The trade unions noted that the work of the PICCs is important but focused their comments more on the training and support that BWL provided to the unions.

### **3.3.3. Better Work Enterprise Advisors**

BWL employs four EAs that are responsible for conducting the compliance assessments and providing advisory services. The EAs conduct the assessments in teams of two persons. Once the assessment report is completed, a different EA is assigned to the factory to provide and coordinate advisory services. The advisory services include helping the factory establish the PICC and, once established, assist in developing and implementing the plan to address non-compliance issues. The EAs also conduct periodic learning seminars.

The evaluator asked the factories and PICC members what they thought about the capacity of the EAs and the quality of their services. In general, the factories reported that they were satisfied. Several factory managers noted that the capacity and skill level of the EAs have improved since the beginning of the project. However, other managers opined that the EAs would benefit from more training on technical issues especially in the area of OSH. This is actually a point of view that the EAs share. In interviews with EAs, they mentioned that they required technical training to increase their effectiveness. OSH and machine operation were two of the areas they highlighted.

As explained in the previous section, some factory managers believe that the compliance assessment should be more flexible in how non-compliance points are identified. The evaluator is of the opinion that factory managers are, in reality, asking that the EAs triangulate data points before making a decision whether the factory is non-compliant. In other words, if one worker complains about a contract issue, the EA should verify the complaint by checking contract records and interviewing management. When asked about triangulation, factory managers said they did not think the EAs triangulate data points as required by the BW assessment methodology.

During focus group discussion with PICCs, the evaluator asked the members if they were satisfied with the quality and timeliness of the advisory services. The comments were positive and complimentary of the EAs and the support they provide to the PICCs. The only complaint registered was that several PICCs noted that the EAs were not visiting the factory as frequently as in the past. Two PICCs explained that the EAs had not visited in more than two months. These PICC members commented that they would like to have visits that are more frequent along with more training.

### **3.3.4. Performance Improvement Compliance Committees**

The PICCs are comprised of approximately five worker representatives and five enterprise management representatives (this varies somewhat from factory to factory). The PICCs are primarily tasked with developing and monitoring a compliance improvement plan based on the results of the compliance assessment. BWL provides training and technical assistance to help the committees develop the plans. The PICCs are also designed to serve as a mechanism to facilitate social dialogue between workers and management.

According to the EAs, there are currently 13 functioning PICCs. The EAs believe that the PICCs are moderately effective. The primary problem is the lack of capacity. The EAs have rated the PICCs according to their ability to address non-compliance and engage with factory management in social dialogue. Based on the EA rating, 75% of the PICCs somewhat effective (good to fair) while 25% are ineffective. The EA team leader explained that, in addition to low capacity of the members, many factories do not support the PICCs. Another EA commented that only about three or four factories

support the PICCs and would try to sustain them when the project ends. The EA defined support as providing meeting space, time off during the workday to meet, and management's participation in the PICC meetings.

A slightly different picture emerged from interviews with factory managers. Most managers thought the PICCs were an important BWL contribution and have helped to promote dialogue between workers and managers. When asked whether they seriously consider implementing the recommendations that the PICCs make to management to address non-compliance, the responses were mixed. Some managers said that they take the recommendations seriously and try to implement them. Other managers explained that often the recommendations require a substantial cost that they are not authorized by the owners to make.

The evaluator interviewed managers and worker representatives of six PICCs. The PICC members expressed their satisfaction with the training and support they received from BWL to establish the PICC and develop the improvement plan. In general, they said the PICC was effective in helping monitor factory compliance. When asked how effective the PICCs have been in helping address non-compliance issues, the PICCs tended to agree that they have been able to affect some changes. They frequently mentioned the use of PPE (primarily masks), ensuring that bathrooms are stocked with toilet paper and soap, and the faucets have running water. According to the PICCs, other problems persist such as exposure to chemicals, blocked fire escapes, and unpadded floor mats for pregnant women who have to stand for long periods.

One of the major compliance issues that persist is the poor relationship between workers and supervisors, especially Chinese supervisors. The PICC members believe that the BWL supervisor skill training for Chinese supervisors has helped in certain cases. However, many of the PICCs told the evaluator that the Chinese supervisors continue to verbally harass and discriminate against workers. They complained that the Chinese supervisors are not familiar with Lesotho labor law and frequently violate worker rights. As noted in the previous section, several PICCs told the evaluator that the EAs had not visited their factories for a couple of months. They believe that the relationship between workers and supervisors has deteriorated due to the absence of the EAs.

A major weakness of the PICCs that surfaced during interviews was their ineffectiveness in communicating progress in the implementation of the improvement plans. The evaluator found that most PICCs do not have strategies for communicating the results of the assessment and the status of the improvement plans to workers. The EAs agreed saying that most PICCs have not demonstrated the initiative to disseminate information to the workers in an effective manner. The evaluator was unable to identify a factory where the PICC posts information about the improvement plan and progress reports on bulletin boards located throughout the factory.

### **3.3.5. Better Work Lesotho Training**

BWL provides a range of trainings to PICC members, workers, supervisors, managers and MOLE inspectors that are designed to help the factories address non-compliance points. Brief descriptions of the training clusters are provided below.

- *Supervisor Skills.* The BWL supervisory training is designed to increase the effectiveness of supervisors and, thus, the productivity of workers. Many of the Taiwanese owned factories hire foreigners, particularly Chinese, as supervisors who do not speak Sesotho and are not familiar with

local culture, customs, and labor law. Factories also tend to promote Basotho workers to supervisory positions without proper training. The supervisor skills training aims to address these gaps by improving supervisory skills, especially communication. BWL offers supervisory training in Mandarin for Chinese supervisors.

- *Occupational Safety and Health.* OSH training emphasizes a preventive approach to improve conditions of health and safety inside factories. The training covers workplace conditions (temperature, ventilation, noise, lighting, chemicals, fire and electrical safety), OSH policy, role of OSH committees, housekeeping, and risk mapping. BWL offers the OSH foundation or basics training as well as OSH training of trainers course.
- *Human Resource Management.* Based on national labor law requirements, this human resource management course is designed to integrate HR issues into a system to improve working conditions. The course covers hiring, workforce flexibility, recruitment, organizational culture, and rewards and compensation. The course gives special emphasis to issues such as harassment, discrimination, labor relations, discipline, and maternity protection in the workplace.
- *PICC.* The project trains the PICCs at two primary points. The first training is designed to help the workers and managers establish the PICCs and understand their roles and responsibilities as PICC members. Once the PICCs are formed, the project provides a second training designed to help the committees develop the compliance improvement plans. PICC training also includes grievance handling and chemical safety.
- *Life Skills.* The BWL life skills training package is designed to help workers manage their personal lives better. It consists of personal finance, leadership, communication, nutrition, and other relevant life skills. The life skills training is designed for workers to use newly acquired skills in and outside the workplace so they improve relations with factory co-workers and management, family, and community members.
- *Union Capacity.* BWL organizes and funds a variety of workshops for trade union affiliates. The topics range from social dialogue and tripartite agreements to labor rights and ILO conventions and norms. The union capacity training also address key issues such as freedom of association and collective bargaining. It is conducted in cooperation with ILO Bureau for Workers' Affairs (ACTRAV) and IndustriALL.
- *HIV/AIDS.* While the Alliance of Lesotho Apparel Producers to Fight AIDS (ALAFA) was still in the country, the organization provided HIV-AIDS prevention training at almost all garment factories, including the BWL factories. Since ALAFA departed last year, BWL has assumed the responsibility for providing HIV-AIDS prevention training to its member factories. The course discusses the disease, how it is transmitted, how to prevent infection. It also addresses living with HIV-AIDS and discrimination. BWL currently offers HIV-AIDS training for factory health coordinators and refresher training for peer educators.

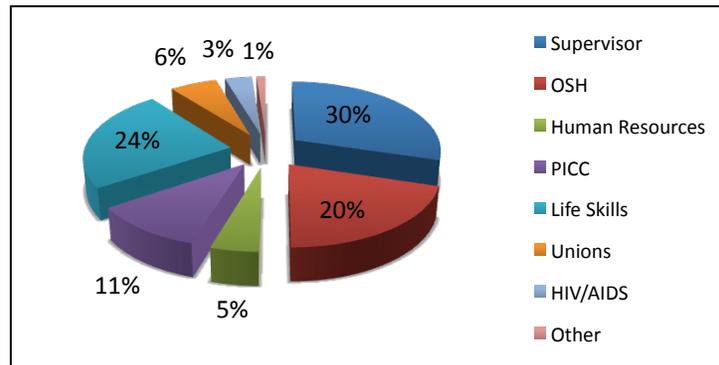
Table 8 shows training cluster, number of trainings conducted for each cluster, and the number of people trained for the cluster. The training participants are disaggregated by gender. Through December 2014, BWL has provided 102 training courses in which 1,967 inspectors, union officials, workers, supervisors, and managers have participated. Approximately 37% of the participants were men and 63% were women.

**Table 8: Training Cluster, Number of Trainings, Target Audience, and Number of Participants**

Training Cluster	Number	Target Audience	Total	Male	Female
Supervisor Skills	26	Supervisors	585	196	389
OSH	24	OSH Officers	401	214	187
HR Management	7	Human Resource Managers	89	36	53
PICC	11	PICC Members	214	81	133
Worker Life Skills	22	Workers	470	110	360
Union Capacity	7	Union Officials	118	57	61
HIV/AIDS Prevention	3	Factory H&S Coordinators	68	13	55
Other	2	Factory Managers	22	15	7
<b>Total</b>	<b>102</b>		<b>1,967</b>	<b>722</b>	<b>1,245</b>

Figure 2 shows the percentage of people trained for each of the trainings provided by the project. The supervisor skills, worker life skills, and OSH trainings account for the highest concentration of trainings. Combined, these courses represent 74% of training participants. This, in part, can be explained because the largest number of non-compliance points is in the OSH and supervisory (relations and communication) areas. Approximately 11% were trained in PICC issues. The remaining 15% were training in human resource systems, union capacities, HIV-AIDS, and other topics.

**Figure 2: Percentage of People Trained by Training Cluster**



The numbers reported in Table 8 and Figure 2 refer to the number of people that participated in the corresponding training cluster. According to the BWL TO, some people were trained in more than one topic. The CTA explained that the training courses where double counting occurred includes OSH because some of the factory OSH officers attended several different OSH trainings, PICC refresher training, the training of trainers courses, and learning seminars attended by the same PICC members. However, the evaluator was unable to determine the exact number of participants who participated in more than one training event and, thus, double counted.

The evaluator included specific questions about training quality and impact in the interview guides. In general, stakeholders that participated in BWL sponsored training events believe the training has been appropriate and useful. The factories commented that the supervisor skills and OSH training were the most valuable training courses offered by BWL. Furthermore, the factory managers believe that BWL training is the most important service. Several managers told the evaluator they would be willing to pay more for the BWL training courses.

As noted previously, the PICC members and trade union representatives also highly value the training that BWL has provided. The training clusters most frequently mentioned by PICC members include supervisor skills, OSH, and life skills. The trade union officials also expressed appreciation for the training and most frequently mentioned the union capacity and worker life skills as the most valuable. When asked what BWL could do to improve training, the common response from PICC members and trade unions was to provide more training to reach more workers. The PICCs are satisfied with the current set of BWL training topics but want more training courses to reach more workers.

The evaluator also discussed training effects and impacts with the BWL TO. Currently, BWL evaluates its training courses using a satisfaction rating system that includes a space that participants can use to recommend improvements. The TO uses this information to improve future training courses. However, BWL does not use pre- and post-tests to measure short-term increases in knowledge and skills, which was a recommendation in the BWL mid-term evaluation.<sup>3</sup> The CTA told the evaluator that the effectiveness of the training should be reflected in the BWG indicators such as the compliance improvement effort. To a certain extent, this is true for training that is targeted at non-compliance such as supervisor skills and OSH and where top management is committed to addressing non-compliance issues. The other training clusters, however, would not be captured in the BWG indicators such as worker life skills, union capacity, and HIV-AIDS.

### **3.3.6. Factory Level Compliance**

The purpose of the BW core services is to improve factory compliance. The most tangible indicator of improved factory compliance is the non-compliance scores. An improvement in non-compliance scores should indicate that the BW advisory and training services are effective strategies and are having an impact on factory compliance. This assumes that the compliance assessments are conducted consistently and the results are accurate.

Since its inception in 2010, 23 factories have participated in at least one compliance assessment. Of these, five factories participated in four assessments, another five factories participated in three assessments, and 10 factories participated in two assessments. Three factories only participated in one assessment. The average non-compliance score for the 23 factories is 21. Interestingly, 82% of all non-compliance points fall within the OSH area. Contracts, compensation, and work time account for about 15% or about 5% each.

Since 2012, the non-compliance scores for each compliance area have been decreasing except contracts, which has increased. One explanation could be that the number of verbal harassment incidents has been increasing (supervisors verbally harassing workers). In 2013, four factories received a non-compliance point for verbal harassment. In 2014, nine factories received a non-compliance point for verbal harassment, which represents a 60% increase. In fact, of the 15 factories that participated in the compliance assessment in 2014, only one factory improved its verbal harassment score.

To determine to what extent factory non-compliance improved since the beginning of the project, the evaluator organized the 23 factories into four distinct cohorts based on the number of assessments in which they have participated. Following is a short description of each cohort.

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<sup>3</sup> Final Report: Mid-term Evaluation Better Work Lesotho, Monika Zabel, November 2012

- **Cohort 1** consists of five factories that have participating in compliance assessments in 2011, 2012, 2013, and 2014.
- **Cohort 2** consists of five factories that participated in three compliance assessments. However, two factories participated in the assessments in 2011, 2012, and 2013 while three participated in assessments in 2012, 2013, and 2014.
- **Cohort 3** consists of ten factories that participated in two compliance assessments. Two factories participated in assessments in 2011 and 2012 while two other factories participated in assessments in 2012 and 2013. The other six factories participated in assessments in 2013 and 2014.
- **Cohort 4** consists of the three factories that participated in one compliance assessment. Two factories participated in the 2012 assessment while one participated in the 2013 assessment.

Table 9 shows the average non-compliance score for each cohort for each assessment. Cohort 1 consists of the five factories that participated in the four compliance assessments. The average score in the 2011 assessment was 21. Interestingly, the average score increased to 24 in the 2012 assessment. It decreased in the 2013 assessment to 15 but increased again in the 2014 assessment to 16. One would expect the trend line to show consistent decreasing scores over the four assessments if the BWL interventions were effective. Nevertheless, the cohort’s average non-compliance score decreased from 21 in 2011 to 16 in 2014, which is about a 30% improvement.

**Table 9: Average Non-Compliance Score for Each Cohort<sup>4</sup>**

Cohorts	Compliance Assessments			
	1st	2nd	3rd	4th
Cohort 1 (n=5)	21	24	15	16
Cohort 2 (n=5)	27	21	14	-
Cohort 3 (n=10)	21	18	-	-
Cohort 4 (n=3)	24	-	-	-

The CTA provided four plausible explanations for why non-compliance scores increased in Cohort 1. First, the EAs typically improve their ability to identify non-compliance issues from the first to the second assessment, which might explain why they identified more non-compliance issues in the second assessment. Second, once factories reach a certain compliance level, it becomes difficult to further improve because the “easier” non-compliance issues were resolved but the more difficult non-compliance issues remain. Third, after receiving feedback from BWG that BWL had been too forgiving in marking non-compliance points, the EAs identified and marked non-compliance issues that they did not previously record. Finally, improving non-compliance requires commitment to compliance improvement and the level of engagement with BWL, which has been lacking in the case of some factories.

Another explanation for the fluctuating scores might be that the compliance assessment tools were administered inconsistently. For example, a manager of a large factory told the evaluator that his factory participated in three assessments and has not noticed an improvement in the non-compliance score because of the way that BWL conducts the assessments. He said the assessment is inconsistent in areas

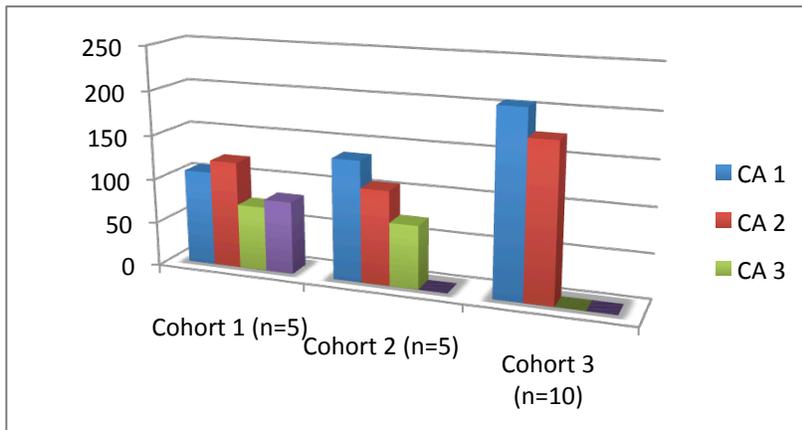
<sup>4</sup> The non-compliance counts were calculated using data in an Excel spreadsheet prepared by the CTA.

such as marking for evacuation routes. Another explanation might be that the factory management has not addressed persistent non-compliance issues as some of the PICCs and trade union representatives complained about during the interviews. One manager told the evaluator that BWL wants his factory to install lighting on evacuation routes that the factory believes would increase the risk of electrocution so the factory has not implemented the recommendation. A compliance manager at another factory said that she does not take BWL assessments as seriously as audits performed by buyers that are not participating in BWL because future orders depend on resolving issues identified by the audit.

Cohorts 2 and 3 demonstrate the decreasing trend line that one would expect. The average non-compliance score for the five factories comprising Cohort 2 decreased from 27 to 21 and from 21 to 14 over the three assessments, which represents about a 90% improvement. Cohort 3, consisting of 10 factories, also showed an improvement from the first to the second assessment. Although less dramatic, the cohort's average score decreased from 21 to 18 or by about a 20% improvement. The fourth cohort's average non-compliance score on the first and only assessment was 24, which is consistent with the other cohorts.

Figure 3 shows the total non-compliance counts for the three cohorts that participated in at least two compliance assessments. Cohort 1's total non-compliance count for the five factories increased from 107 in 2011 to 121 in 2012. It decreased to 73 in 2013 and increased again in 2014 to 82. The total non-compliance count for the five factories in Cohort 2 decreased from 136 to 106 between the first and second assessment and from 106 to 71 between the second and third assessments. The third cohort's total non-compliance also decreased between the first and second assessment from 99 to 58. The fact that Cohort 3 consists of 10 factories explains the high total non-compliance count compared to the other two cohorts. As one might expect, the primary increases and decreases in non-compliance counts for all three cohorts are concentrated in OSH and to a lesser degree in contracts.

**Figure 3: Total Non-Compliance Counts for Each Cohort**



To determine whether the current 16 BWL factories have improved compliance, the evaluator calculated the average non-compliance score on the 2013 compliance assessments and compared it to the average non-compliance score on the 2014 assessments. It should be noted that of the 16 participating factories, one opted not to participate in the assessments and another did not participate in the 2013 assessment. The average non-compliance score for the remaining 14 factories in 2013 was 19. The average non-compliance score actually increased to 21 in the 2014 assessment. Furthermore, nine of the 14 factories saw an increase in non-compliance scores. Again, it is not clear whether the

increase in non-compliance is due to how the assessment tool is administered or whether non-compliance has actually increased in some factories.

### **3.3.7. Opinions of International Buyers**

The evaluator interviewed four compliance managers representing four of the seven buyers participating in the BWL program. Overall, the buyers are satisfied with the BWL program. They believe the assessment reports are accurate and consistent with their own audits. They especially appreciate the BW continuous process of forming performance improvement committees, developing improvement plans to address non-compliance issues, and the technical assistance and training to help improve compliance. Several buyers noted that the BW engagement process is much more intense and thorough than the buyers would be able to provide with their limited staffing. Two compliance managers mentioned that the most important improvements have been made in the area of OSH and HIV-AIDS prevention. However, one buyer is conducting a detailed analysis of the impact of the BWG program on compliance that, according to the compliance manager, will determine whether the company remains engaged globally with BW.

### **3.4. EFFICIENCY OF RESOURCE USE**

Evaluators typically use cost-benefit analysis to assess efficiency. Cost-benefit analysis determines the cost to achieve an impact that can be compared to standards or similar projects. Since the project's information system is not designed to measure impact level data and the evaluator did not have access to impact data from other BW programs to make comparisons, a cost-benefit analysis was not possible.

Instead of conducting a cost-benefit analysis, the evaluator selected several of the BWG efficiency indicators and compared those for Lesotho to the other BW countries to assess efficiency. In addition to the efficiency analysis, the evaluator also assessed the project's expenditure rate for major line items in the budget to determine whether the project is underspending or overspending. These analyses are presented and discussed below.

#### **3.4.1. Efficiency Indicators**

The evaluator selected ten BWG indicators that reflect some aspect of efficiency. Of these 10, the evaluator focused the comparative efficiency analysis on five indicators that include the number of factories per EA, number of assessments per EA between July and December 2014, average number of days between the assessment and the assessment report, per worker cost, and the annual percent of cost recovery. These five indicators are presented and highlighted in the Table 10 along with the other five indicators that were used to assist in calculating their values.

The *number of factories per EA* for Lesotho is four while the number of factories per EA for the other BW countries ranges from three in Haiti to 24 in Cambodia. The factory per EA ratio is higher in smaller BW countries than the larger countries. Lesotho, Haiti, and Nicaragua have three to four factories per EA while the larger BW countries seven to 24 factories per EA.

BWG provided data to the evaluator on the number of assessments that the EAs conducted between July and December 2014. The evaluator used these data to calculate the *number of assessments per EA* for this period, which vary from 1.25 in Lesotho to 9.32 in Cambodia. Lesotho was less efficient than Nicaragua and Haiti, which reported 1.71 and 2.89 assessments per EA, respectively. Again, the smaller

BW countries are less efficient than the larger countries when it comes to conducting compliance assessments. This is not surprising since the number of assessments per EA is a function of the number of EAs and the number of factories they cover.

**Table 10: Comparison of Efficiency Indicators Among BW Country Programs**

BWG Efficiency Indicators	Lesotho	Cambodia	Haiti	Indonesia	Jordan	Nicaragua	Vietnam
Number of participating factories	16	522	27	106	60	26	300
Number of EAs	4	22	9	8	9	7	28
<b>Number of factories per factory</b>	<b>4</b>	<b>24</b>	<b>3</b>	<b>13</b>	<b>7</b>	<b>4</b>	<b>11</b>
Number of assessments between July-Dec 2014	5	205	26	58	29	12	93
<b>Number of assessments per EA July-Dec 2014</b>	<b>1.25</b>	<b>9.32</b>	<b>2.89</b>	<b>7.25</b>	<b>3.22</b>	<b>1.71</b>	<b>3.32</b>
<b>Average days between assessment and report</b>	<b>20</b>	<b>29</b>	<b>40</b>	<b>25</b>	<b>29</b>	<b>30</b>	<b>24</b>
Total workers in registered factories	25,000	495,176	34,000	210,163	47,299	41,599	384,228
<b>Per worker cost in US Dollars</b>	<b>\$12.03</b>	<b>\$1.70</b>	<b>\$39.00</b>	<b>\$6.61</b>	<b>\$13.00</b>	<b>\$25.00</b>	<b>\$2.58</b>
Total program revenue	\$43,946	\$986,656	\$27,530	\$265,800	\$212,095	\$58,263	\$814,553
<b>Percentage of cost recovery (annual)</b>	<b>4%</b>	<b>81%</b>	<b>2%</b>	<b>18%</b>	<b>15%</b>	<b>6%</b>	<b>31%</b>

The average number of days between the assessment and the report is a measure of how efficient countries are at producing reports. Lesotho appears to be the most efficient BW country when it comes to producing assessment reports. BWL takes an average of 20 days to produce the report after conducting the assessment. With the exception of Haiti, the other BW countries reported that it took an average of 24 to 30 days to complete an assessment report. Haiti reported that it took 40 days to complete a report, which is twice as long as Lesotho.

The *per worker cost* measure is a function of the number of workers in the BW country programs and the program's operating costs. As one might expect, the larger BW countries tend to have lower per worker costs than the smaller BW countries. For example, Cambodia, Vietnam, and Indonesia have the lowest per worker costs at \$1.70, \$2.58, and \$6.61, respectively. Jordan's per worker costs is \$13.00. On the other hand, the per worker costs for Lesotho, Nicaragua, and Haiti are \$12.03, \$25.00, and \$39.00, respectively. The per worker cost for Lesotho is very close to that of Jordan, nearly two times less than Nicaragua, and three times less than Haiti.

The percent of annual cost recovery is one of the primary indicators that BWG uses to assess financial sustainability. This measure calculates the percent of a country program's operating costs that are recovered through the subscription fees paid by factories and the purchase of the assessment reports by buyers. Again, there appears to be a relatively strong correlation between the size of the BW program and the percent of cost recovery. The BW program in Cambodia, which is recovering 80% of its operating costs, is the only country close to recovering 100% of its operating costs. However, it should be noted that BW Cambodia has been operational for more than a decade. Vietnam is recovering 31% while Indonesia and Jordan is recovering 18% and 15%, respectively. The smaller BW countries are recovering the least. Nicaragua is recovering 6% while Lesotho is recovering 4%. Haiti is only able to recover about 2% of its operating costs.

In general, the smaller BW countries appear to be less efficient than the larger BW countries. This is due largely to the fact that the countries with large numbers of factories and buyers create economies of

scale and increased opportunities to generate revenue. Of the three small BW countries, Lesotho seems to be more efficient in terms of number of days it takes to produce an assessment report and the per worker cost while it is less efficient in the number of assessments it conducts per EA. The number of factories per EA and cost recovery is relatively consistent with Haiti and Nicaragua. This analysis of efficiency is meant to provide a general idea of how Lesotho compares to the other BW countries based on several common BWG indicators. The evaluator, however, understands that there may be factors that explain variations in the indicators between countries that were not taken into consideration as part of this analysis.

### 3.4.2. Expenditure Rate

The total USDOL grant amounts for BWL Phase II are \$2,500,000. These include the first USDOL grant of \$1,500,000 (LES/11/50/USA) that runs from May 1, 2012 to December 31, 2015 and the second USDOL grant of \$1,000,000 (LES/14/52/USA) that runs January 1, 2014 to December 31, 2016. The project has virtually expended the \$1,500,000 grant. As of February 15, 2015, there was a balance of \$9,323. On the other hand, it has spent \$463,804 or about 47% of the \$1,000,000 grant. Table 11 shows the amounts budgeted for each line item, percent of the total budget, amount expensed and the expenditure rate for the \$1,000,000 grant.

**Table 11: BWL Phase II Budget and Expenditures for USDOL Grant LES/14/52/USA**

Item	Budgeted	Percent	Expensed	Exp. Rate
Outcome 1	70,827	7%	17,395	25%
Outcome 2	42,300	4%	13,044	31%
Outcome 3	52,800	5%	405	1%
BWL team	441,000	44%	276,337	63%
Operations	191,898	19%	77,833	41%
BWG overhead	67,900	7%	33,251	49%
ILO overhead	112,675	11%	45,539	40%
Provisional	20,600	2%	-	0%
<b>Total</b>	<b>1,000,000</b>	<b>100%</b>	<b>463,804</b>	<b>46%</b>

The project budgeted \$70,827 for the assessment, advisory, and training services intermediate objective. It budgeted another \$42,300 for the intermediate objective focused on influencing national labor policies, strategies and practices. Another \$52,800 is budgeted for the objective dealing with strengthening governance and long-term viability. The line items for these three intermediate objectives represents 16% of the total budget. In addition, nearly 90% of these budgeted activities consist of capacity building (training and seminars) and education or promotional materials.

The line item for BWL staff is \$441,000. Included in this line item are salaries and benefits for the CTA, EAs, TO, and administrative and support staff. The salaries and benefits line item represents 44% of the total budget, which makes it the single largest budget category. Operations is the second largest line item in the budget. It comes to \$191,898 or about 19% of the total budget. The operations category consists of travel, office supplies, office equipment and furniture, office rent and utilities, and vehicle rental and maintenance. The final budget category is overhead and contingencies. The project has budgeted \$201,175 for BWG and ILO Geneva overhead and contingencies. Combined, the overhead BWG and ILO overheads and contingencies line items represent approximately 20% of the total budget.

At this point in the project's life, the line items should be about 39% expended. The line items pertaining to Outcomes 1 and 2 are underspent at 25% and 31%, respectively while Outcome 3 is significantly underspent at only 1%. One of the reasons that these output line items are underspent is because the project only started to charge expenses against them in the \$1,000,000 grant in August 2014 while it charged BWL salaries and other line item expenses to this grant since January 2014. The rest of the line items, however, are overspent. The line item for BWL team salaries and benefits is overspent by about 24% while the BWG overhead line item is overspent by 10%. The ILO overhead line item is about where it should be at 40% while the project still has the \$20,600 it budgeted in provisional allocations.

As of February 15, 2015, BWL had spent 46% of its total budget over a 14-month period. Since there are 22 months or approximately 61% remaining in the life of the project, it appears that BWL is overspent by 7% or approximately \$80,000. Factoring in the nearly \$9,000 remaining from the \$1,500,000 grant, the project is overspent by about \$71,000. At the current expenditure rate of \$33,129 per month, BWL would spend the remaining budget by July 15, 2016 or about five months before the grant is scheduled to end.

### **3.5. EFFECTIVENESS OF MANAGEMENT ARRANGEMENTS**

This section provides an overview of the BWL management structure including staff and reporting arrangements, adequacy of staffing, and the effectiveness of internal and external communications and collaboration.

#### **3.5.1. Overview of Project Management and Adequacy of Staffing**

The BWL project team consists of the chief technical advisor (CTA), four enterprise advisors (EAs), training officer (TO), two administration and finance assistants, and a driver. The CTA is an international development professional while the rest of the staff are national professionals. The EA team consists of a team leader and three EAs. The EAs are responsible for conducting the compliance assessments, helping to establish and facilitate the PICCs, and providing advisory services including learning seminars and OSH training. The four EAs are covering approximately 16 factories. While the TO is responsible for coordinating the range of BWL trainings, he conducts many of the trainings on supervisory skills, human resource management, life skills, and HIV/AIDS prevention. The CTA believes that the staffing arrangement is sufficient for its current scope of activities.

#### **3.5.2. Internal and External Relations**

The evaluator discussed the overall effectiveness of management and communications with project staff. In general, staff believe the project is effectively managed. Apparently, there have been communication and teamwork problems among staff. The CTA arranged for a management consultant to work with staff on communication skills and teamwork in early 2015. While, according to several staff members, the training improved communications, strained relations between some of the staff persist. During interviews, EAs thought more should be done to share information and communicate decisions about budgeting. They also told the evaluator that the ILO in Geneva was not doing enough to empower national staff. They thought that the next CTA should be a national staff.

When asked about the empowerment of local staff, the CTA provided a different perspective. She said the lead EA has been participating in the BWG leadership program since 2013 and that she has immensely benefited from coaching and training. The CTA also explained that the lead EA co-signs

checks, fund transfers, leave forms, and supervises the rest of the EA team. According to the CTA, the EAs may perceive that the ILO is not doing enough to empower national staff but in fact, the ILO is doing quite a lot.

The evaluator also discussed collaboration and support that the project is receiving, especially from BWG in Geneva and the ILO regional office in Pretoria. The CTA explained that she benefits significantly from the BWG team in Geneva for technical support on the interpretation of ILS and national labor laws as well as for M&E reporting. The EAs and TO noted that the technical support from the BWG team was generally timely and valuable. The EAs, however, would appreciate more training in OSH topics and machine operations in factories.

The CTA also enjoys a productive relationship with the ILO regional director. The regional director told the evaluator that BWL has been highly responsive to the ILO regional office. He also opined that the regional office provided effective administrative and financial support as well as technical support from the Bureau for Workers' Affairs (ACTRAV), Bureau for Employers' Affairs (ACTEMP), and Bureau for Labor Standards (NORMES). The CTA confirmed that the ACTRAV representative helped conduct some of the training for trade unions. The regional ACTEMP and NORMES representatives have not been involved in a significant way in the project.

The relationship with BWL key stakeholders is discussed in detail under stakeholder engagement (Section 3.2.1). In summary, the project enjoys good relationships with its key government, employer, trade union, factory, and buyer partners. The level of collaboration and communication between BWL, BWG, and USDOL also appears to be functioning effectively. USDOL is satisfied with the level of reporting it receives from BWG and has direct access to BWL if it requires information that is more detailed. The USDOL project manager told the evaluator that her relationship with BWL has been excellent and that the CTA has been highly responsive when information is needed. Likewise, the CTA said USDOL is supportive and responsive to BWL requests.

### **3.6. IMPACT ORIENTATION**

The evaluator was not able to empirically measure the impact of the BWL program for a couple of reasons. First, this is an implementation evaluation and not an impact evaluation. An impact evaluation would have required a rigorous random sample survey and control groups that is beyond the scope of this evaluation. Another less rigorous way to measure impact would have been to analyze data for the project's development goal. However, as discussed under the project design section, the project did not set and track targets for the goal's indicators.

Another way to assess impact would have been to refer to the findings of the independent impact study of BW country programs being conducted by Tufts University's International Relations Program. However, BWL is not included in the impact study. According to the BWG monitoring and evaluation officer, BWL was excluded for several reasons. She explained that the small number of factories participating in BWL would equate to a very small sample size. In addition, BWG was not able to identify a local research partner with the necessary credentials. The most important reason, however, is that BW managers determined that more could be learned from a qualitative study that examined the perceived impact of the BWL program.

Perceived impact of the BWL program based on the perception study referred to above and the evaluator's interviews with stakeholders are the most feasible manner to assess impact orientation for

this evaluation. The following section discusses the perception study's methodology and key findings and compares those to the evaluator's findings.

### **3.6.1. Perceived Impact**

#### *Perception of Impact Study*

The perception study is entitled "Two Sides to Better Work: A Comparative Analysis of Worker and Management Perceptions of the Impact of Better Work Lesotho" and was conducted by Kelly Pike and Shane Godfrey. The baseline study was conducted in 2011-2012 and consisted of 17 focus group discussions with 149 workers as well as a questionnaire completed by 129 workers.<sup>5</sup> In addition, the researchers interviewed approximately 12 factory managers from a sample of 10 factories. The impact study was conducted in 2013-2014, which included 20 focus group discussions with 141 workers and a questionnaire survey of 230 workers. While the second study included a smaller sample of seven factories where managers were interviewed, the number of managers that were interviewed increased to more than 55 and included top and middle level managers as well as supervisors.

The focus group discussions centered on six BW compliance areas that included OSH, communication and relations, compensation, discrimination, and freedom of association and collective bargaining. In general, workers opined that they thought the most improvements had taken place in the area of OSH but that more improvements were necessary. While workers noted improvements in the area of communications and relations, especially related to the PICCs and contracts and human resources, they mentioned that problems persisted in the relationship between workers and supervisors. The remaining compliance areas were mentioned less often. Within these areas, workers more frequently mentioned continuing problems in the areas of compensation, discrimination, and freedom of association and collective bargaining.

In addition to the perceived impact that BWL has had on compliance issues in the workplace, the study found that the perceived impact of BWL extended to the homes of workers. The perception study report notes that:

"Workers have, through BWL training, acquired communication skills that they have transferred to their households. Many workers reported that there had been an increase in shared responsibilities at home, better communication about budgeting, as well as the use of techniques for resolving conflicts. Many workers felt that they were working more as a team with their partners and that this was helping them to save money. Management do not appear to be aware of this additional benefit of BWL for workers."<sup>6</sup>

The interviews with factory managers and supervisors had a different focus. In addition to the areas of communication and relations and compliance with minimal standards, the researchers explored business related areas that included increases in orders, productivity, and quality as well as training. The researchers discovered that factory managers tended to agree with workers in that the largest improvement gains were in the areas of OSH and communication and relations, especially with the PICCs

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<sup>5</sup> See K. Pike and S. Godfrey 2014 'Workers' Perceptions of Compliance with Labour Standards: Assessing Opportunities and Challenges for Better Work in Lesotho's Apparel Sector' in *Towards Better Work* (Eds.) A Rossi, A Luinstra and J Pickles Palgrave Macmillan: Houndmills/International Labour Office: Geneva

<sup>6</sup> "Two Sides to Better Work: A Comparative Analysis of Worker and Management Perceptions", K. Pike and S. Godfrey 2014, Page 59

and contracts and human resources. They also agreed with workers that while supervisor relations had improved, significant problems persisted between some supervisors and workers. On the other hand, management did not report increases in new orders, productivity, or quality that could be attributed to BWL. However, according to the study, managers did not necessarily expect these gains and were not disappointed.

#### *Perceived Impact by PICCs, Trade Unions, and Factory Managers*

*PICCs.* The evaluator's findings regarding the perceived impact of the BWL program is similar to the perception study discussed above. During focus group discussions with PICCs (both worker and management representatives), the members told the evaluator that the largest contribution that BWL has made is in the area of OSH. They credit BWL OSH training to improvements in the provision and use of PPE (masks, boots, gloves), management of dangerous chemicals, and hygiene (soap and toilet paper in toilet areas).

While PICC representatives believe OSH non-compliance has improved, they also note that OSH non-compliance issues persist. Many of the PICCs interviewed told the evaluator that factory management tend to approve PICC recommendations that are not costly while ignoring recommendations that have significant cost implications such as purchasing quality masks and padded floor mats, installing ventilation systems, repairing dangerous sewing machines, and limiting a worker's prolonged exposure to chemicals.

The PICCs also noted improvements in the relationship between supervisors and workers. The PICC worker representatives explained that they appreciated the supervisor skills training provided by BWL. They told the evaluator that while they have noticed an improvement in the way that the Chinese supervisors treat workers, they acknowledged that some supervisors still mistreat and verbally harass workers. They went on to emphasize that one training is not enough; that BWL should provide follow-up training to the supervisors. One PICC told the evaluator that it repeatedly recommended training for new Chinese supervisors but top management has ignored the request.

*Trade Unions.* Six trade unions currently represent the vast majority of organized workers in the 16 factories participating in BWL. The three largest belong to IndustriALL while the other three are smaller unions. The trade unions that belong to IndustriALL spoke positively about BWL. They opined that BWL's most important contribution has been the formation and support of the PICCs. They credit the PICCs for achieving important gains for workers in the areas of OSH. Their concern, however, is whether the PICCs will be able to survive once the project ends and the EAs are no longer supporting them.

The three smaller unions were more critical of BWL. They expressed disappointment that BWL has not been able to convince the government to make factory participation in the BW program mandatory. Trade union officials told the evaluator that while their affiliates working in the 16 participating factories have benefited from BWL interventions, affiliates working in the other 24 factories that operate in the country have not benefited. They agreed with the other three trade unions that the most valuable contribution of BWL has been the PICCs. However, they expressed concern that top management in most factories do not take the PICC recommendations seriously and that once BWL ends operations in 2016 and the EAs are not available for support, factory managers will disband the PICCs.

*Factory Managers.* During interviews, the evaluator asked factory managers what they thought were the most important contributions of BWL. Factory managers told the evaluator that the BWL training is a

good value proposition. The training is highly relevant, effective, and inexpensive. Two factory managers told the evaluator that compliance-focused training is not available in Lesotho. Without BWL, factories would have to contract trainers from South Africa, which is very expensive. The BWL training most often noted as highly relevant by factory managers included supervisory skills, human resource management, and OSH.

The factory managers also frequently mentioned that the PICCs are an important contribution. Factory managers believe that the PICCs are effective and have contributed to an increase in social dialogue between management and workers. Several managers mentioned that the PICCs are an important mechanism for workers to raise compliance-related issues with management. While managers credit the PICCs for identifying and increasing management's awareness of non-compliance issues, especially in the OSH area, they did not mention that improving non-compliance has been an important contribution of BWL. This could be explained by the fact that some managers do not think the BW assessment is consistent and reliable.

The evaluator specifically asked managers whether they have noticed business-related impacts such as an increase in orders that could be attributed to their participation in BW. None of the managers that were interviewed said that they have noticed an increase in orders because of BW. One manager explained that contracts from international buyers are based on a supplier's ability to meet price, quality, and scheduling standards. He further noted that buyers do not award contracts to suppliers based on compliance scores. Another manager commented that there are many global factors, outside the control of factories or BW, which affect increases and decreases in orders. He said expecting that participation in BW would increase orders is unrealistic.

The evaluator also queried factory managers on whether they have noticed improvements in productivity or quality because of BW. Again, none of the managers believe that participation in BWL has contributed to increases in productivity or quality. In fact, a group of managers belonging to the same mother company commented that BWL has contributed to decreases in productivity because they must allow workers to take time away from production to participate in BWL training events. A top manager from another factory complained about the compliance assessment reports. He told the evaluator that one of his buyers that is not participating in BWL requested the BWL compliance report and, because it identified a range of non-compliance issues, the buyer cancelled an order. The CTA, however, explained that the BWL factories are not supposed to share the assessment reports with buyers that are not participating in BWL. She further noted that BWL does not have influence over buyers that do not participate in the BW program and factories should not fault BWL for losing orders to non-BWL buyers.

The most important business-related impact appears to be the cost savings resulting from a decrease in audits performed by the buyers. The factories participating in BWL that have all or most of their contracts with BWG buyer partners such as Levi Strauss & Co. and The Gap have realized the greatest cost savings from decreases in audits. This is because BWG partner buyers have agreed to accept the BW compliance report in place of other audits. Other factories participating in BWL that have contracts with a significant number of buyers that are not BWG buyer partners, have not noticed a decrease in audits. Apparently, these buyers require audits that cover many of the same areas covered by the BW compliance assessments. BW has not been able to convince these buyers to accept the BW compliance reports in place of their own audits.

### 3.7. SUSTAINABILITY

The TOR places emphasis on assessing the potential to sustain BW interventions and outcomes once USDOL funding ends in June 2016 based on the expenditure analysis in Section 3.4.2. The evaluator reviewed the BWL sustainability plan, assessed the progress in achieving sustainability indicator targets, and included sustainability-related questions in all interview guides. The following section discusses the status of the BWL sustainability plan and presents and discusses a range of potential sustainability options.

#### 3.7.1. BWL Sustainability Indicator Targets and Progress

In 2011, BWG developed a sustainability plan matrix that included a variety of indicators to assess political, financial, and institutional viability of the BW country programs. The sustainability plan also includes indicator targets for high and low case scenarios. High case scenarios would suggest strong possibilities to sustain BW interventions while low case scenarios would suggest weak sustainability potential. BW country programs with weak potential, based on the indicator targets, would be candidates to develop an exit strategy to close the BW program.

Each BW country program was required to develop its own version of the sustainability plan matrix based on the local context. BWL developed its sustainability plan in June 2012. The plan is organized into three major areas of viability that include political, financial, and managerial. Each of these major areas consists of key elements. For example, political viability elements include key stakeholder engagement such as government, PAC, factories, trade unions, and buyers. The elements of financial viability include cost recovery, cost per worker, and supplemental funding. Managerial viability is based on the idea of establishing and building the capacity of a local legal entity to continue providing BW core services once project funding ends in 2016. The BWL plan lists indicators for each as well as targets.

The project has made little progress towards achieving the sustainability indicator targets. *Political viability* depends largely on the commitment of the tripartite stakeholders to support BWL. The MOLE and MTICM agreed to work towards legislation that would require factories to participate in BW as a strategy to establish Lesotho as a preferred country for ethical sourcing and, thus, increase its competitiveness. This has not and will probably not happen given the opposition from the factories and business associations. The PAC members, on the other hand, have yet to demonstrate willingness and initiative to assume a leadership role to sustain BW interventions. BWL continues to take the lead to organize the PAC meetings and other initiatives such as the *Day of Safety and Health at Work*.

While the project is generating revenue from factory subscription fees and from the sales of compliance reports to the buyers, it is not enough to cover its operational costs and achieve *financial viability*. The project intended to recover 50% of its operational costs by 2014 and identify other donors to fund the other 50%. The project has only managed to recover approximately 4% of its operational costs and has not identified other donors of funding sources to replace the USDOL funds.

Regarding *managerial viability*, the inability to achieve political and financial viability makes the prospects for establishing a viable local entity extremely remote. A local entity would be required to generate enough revenue from factory subscription fees and selling compliance reports to buyers to cover the operational costs that would include staff salaries and benefits, office rent and utilities, transportation, and other costs associated with advisory services and training. The financial requirements to establish and sustain a local entity are discussed in more detail below under the BWL sustainability options section.

### 3.7.2. BWL Sustainability Options

The evaluator placed special emphasis on sustainability. He facilitated a special session on sustainability during the PAC meeting. He also discussed options for sustainability during interviews with BWL staff and representatives from government agencies, employer associations, trade unions, factories, and workers. He used the ideas and suggestions from these key stakeholders to develop six sustainability options that were presented and fine-tuned at the stakeholder workshop held on March 18, 2015. These include:

- A. PAC led transition plan (to be determined)
- B. Local entity (i.e. foundation)
- C. Government compliance unit established within the MOLE or MTICM
- D. Employer association embedded compliance capacity (most likely LTEA)
- E. Public private partnership (MTICM and a consulting firm)
- F. BWL diffusion of BW tools and capacities to interested stakeholders

Each of the sustainability options is discussed below. The discussion includes a description of the option along with the perceived advantages and disadvantages from the perspective of the stakeholders.

*A. PAC Led Transition Plan* – The premise of the PAC led transition plan is that sustainability depends primarily on the level of commitment and support from the key stakeholders. To date, BWL has largely taken the lead in conducting PAC meetings and other key initiatives while the PAC members have largely followed BWL’s lead. This option would require PAC to demonstrate initiative and leadership in developing and implementing a transition plan.

The first step would be for PAC to establish a task force or working group to oversee and report on the transition plan. The task force would develop a TOR for an organizational development consultant. The primary role of the consultant would be to assist PAC evaluate different sustainability options and select and develop the most promising option. The sustainability options might include those listed and discussed in this section. While BWL should pay for the consultant, PAC should be responsible for identifying and interviewing candidates and selecting the consultant.

The TOR should be developed by the end of April 2015 and the potential candidates should be identified and interviewed in May 2015. The consultant should be contracted by the end of May so the work on the transition plan can start in June and be completed by the end of June 2015. PAC, with the assistance of the consultant, would be responsible for implementing the first phase of the transition plan from July to December 2015. The transition plan should have a clear set of milestones to facilitate measurement.

PAC and BWL should evaluate the progress made on implementing the transition plan in December 2015 to determine whether enough progress was made to warrant entering the second phase of the transition plan from January to July 2016. If the implementation of the transition plan is not largely on track by the end of December 2015, BWL should consider abandoning the plan and begin preparations to transfer BWL tools and capacities to interested stakeholders, which is the BWL diffusion option discussed below.

*B. Local Entity* – This option entails establishing a local entity to provide BW core services that is built on a local cost structure (local labor market rates) instead of an ILO cost structure (ILO salary and benefit

packages). The most feasible legal structure would be a foundation similar to what BW is considering in Jordan and Indonesia. The foundation would be required to generate enough revenue from factory subscription fees and selling compliance reports to buyers to cover its operational costs.

On the surface, it is doubtful that a local entity can sustain itself from factory subscriptions and the sale of the assessment reports. If the local entity could increase the number of participating factories to 25 while increasing the subscription fee to \$3,000, it could generate \$75,000 per year. It could generate another \$10,000 from the sale of assessment reports to buyers. The question is whether \$85,000 is sufficient to sustain a core staff and pay office rent, utilities, transportation and other operational costs. The current BWL annual operational costs are approximately \$500,000. To achieve financial sustainability, the entity would have to decrease its operating costs by more than \$400,000 per year, which seems unlikely. Nevertheless, if BWL and the PAC decide to pursue this option, they should contract a consultant to conduct a proper feasibility study that examines the financial viability of the new entity.

*C. Government Unit* – One of the most popular ideas discussed with stakeholders was establishing a unit inside the MOLE or MTICM to assume many of the core services that BWL is providing to factories. The MOLE has expressed interest and believes such a unit would help it fulfill its mandate of ensuring compliance with local labor laws. On the other hand, most of the stakeholders believe the unit would be more effective if it were housed in the MTICM. It should be noted that while the unit could provide technical and training services, it would not be feasible for it to provide the compliance assessment reports to buyers. Buyers told the evaluator that they would only accept compliance reports from the ILO or another independent and credible auditor.

The major challenge noted by the stakeholders is gaining political support and commitment to establish the unit and assigning a budget. Neither the MOLE nor MTICM have been able to garner sufficient political support within their respective agencies to require factories to participate in the BW program as originally envisioned. It does not appear that the MOLE or MTICM have a high-ranking and influential executive at the minister, vice minister, or permanent secretary level that would be willing to champion this initiative.

*D. Employer Association Embedded Compliance Unit* – This option would aim to create compliance capacity within one of the employers associations to serve its membership. An association might establish a compliance unit staffed with at least one person who would be responsible for assisting members to conduct self-assessments, provide advisory services, and link members to outside training services. The LTEA would be the most likely candidate given the fact that nearly all of its 27 members export to the US under AGOA.

Under the BW model, the compliance assessments are the driver of the BW continuous improvement process. During the interviews, most stakeholders commented that the localization of compliance services would still require independent and verifiable factory assessments or audits. The buyers also told the evaluator that they believe the BW compliance assessments should continue and that they would be willing to buy the reports.

With this in mind, LTEA might sign an agreement with BWG to conduct compliance assessments as requested by buyers. BWG might also provide some technical oversight to the quality of the compliance unit and its services. The LTEA could sustain the compliance unit by charging a participation fee to those factories that decide to participate. The most likely candidates would be those factories whose buyers

require their participation in the BW compliance assessments. If the PAC decides to pursue this option, one of the first steps would be to contract a consultant to conduct a feasibility study and develop a preliminary business plan that assesses members' willingness and ability to pay and the financial viability of the compliance unit.

*E. Public Private Partnership* – The most popular option among stakeholders is the Public Private Partnership (PPP) option. It would involve the MTICM and an outside consulting firm partner. Since MTICM is responsible for developing incentive packages to attract new investment to Lesotho, it might include additional incentives if factories participated in a BWL type of compliance program. An incentive approach (carrot) versus government mandated participation (stick) is much preferred by the factories and employer associations. Once investors sign on to the compliance program, MTICM would provide compliance advisory services and training through the private consulting firm partner.

A combination of government funds and a membership fee charged to factories could finance the program. MTICM would use its budget and membership fees to contract the consulting firm to provide compliance services to member factories. MTICM should require the consulting firm to demonstrate that participating factories are improving compliance based on established benchmarks as a condition to maintain the contract. The participating factories, on the other hand, would also be required to meet benchmarks to be eligible for subsidized services.

Since buyers value and are willing to pay for BW compliance assessments, MTICM might consider signing an agreement with BWG to provide the BW compliance assessments and reports. The report fees paid by buyers could finance the assessments while MTICM and the consulting firm could use the results to determine the sorts of advisory and training services to provide to factories as well as their effectiveness. The buyers, on the other hand, could use the compliance reports to track factory compliance improvements. It is not clear whether there exists the political will within the MTICM to incorporate a BW style compliance program in its incentive packages and allocate the necessary funds to help subsidize the compliance services.

*F. Diffusion of BWL Tools and Capacities* – This option represents an exit strategy for BWL should the PAC transition plan fail and other sustainability options prove to be unfeasible. It is the least desirable sustainability option because it offers a relatively anemic attempt to sustain BWL interventions and outcomes. The diffusion option involves transferring BWL tools and capacities to interested stakeholders such as:

- Train MOLE labor inspectors in the BW compliance assessment framework and incorporate selected CAT questions into the labor inspection protocols.
- Train DDPR in grievance handling seminars.
- Train employer associations in supporting factory self-assessments and link them to outside training resources.
- Train factories in conducting self-assessments and build their capacity to conduct training, especially OSH training.
- Train trade union trainers in worker specific training such as life skills, leadership, OSH, and HIV/AIDS.

If BWL decides to pursue the diffusion option, it should begin as soon as possible. This would allow BWL at least one year to develop and implement a plan to transfer BWL tools and capacities to interested stakeholders before the project ends.

## IV CONCLUSIONS

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The following conclusions represent what the evaluator has “concluded” from the analysis of the findings and are organized according to the seven evaluation sections: project design, relevance, and strategic fit; progress and effectiveness; BWN core services; efficiency; project management; impact orientation; and sustainability.

### 4.1. VALIDITY OF PROJECT DESIGN AND ITS RELEVANCE

- The three intermediate level objectives meet the criteria of RBM. However, the linkage to the project’s development objective is weak. There is insufficient evidence that achieving the three intermediate objectives will improve the lives of workers. While the project’s outputs are logically linked to the intermediate objectives, many are stated more like lower level intermediate objectives or results than outputs as defined by the RBM.
- The project reports on 65 indicators. Collecting data and reporting on 65 indicators requires a significant amount of management time and, in addition, runs the risk of overburdening the project’s information system. Furthermore, some output indicators do not have targets or are not accurate measures of output achievement in some cases.
- The key project stakeholders believe BWL is highly relevant and meets the needs of the country. In general, the stakeholders believe BWL has made a positive contribution to labor compliance and should continue.

### 4.2. PROJECT PROGRESS AND EFFECTIVENESS

- Since 2013, BWL has experienced a decrease in the number of factories and workers participating in the program while the number of buyers has remained the same. The number of participating factories has declined by 40% while the number of workers has decreased by 20%. Currently BWL is reaching 40% of factories, 63% of workers, and 32% of the international buyers in the sector in Lesotho.
- The project’s PMP consists of three intermediate objectives, 15 outputs, and 49 total indicators. The project achieved 47% of its total indicator targets in 2014. However, it only achieved 40% of the intermediate objectives. Indicator targets for two intermediate objectives were not achieved. On the other hand, it achieved 48% of the indicator targets for the 44 outputs.
- BWL has effectively engaged its key stakeholders. The level of communication and collaboration between BWL and its stakeholders is high.

### 4.3. BWL CORE SERVICES

- The Taiwanese owned factories that export to the US under AGOA participate in BWL because their buyers require it. Most South Africa owned factories do not participate in BWL because they are not under pressure from buyers and do see benefits. The three South African owned factories that participate in BWL do so, primarily, because they value the subsidized training services.
- The MOLE and the trade unions believe participation in BWL should be compulsory while the employers association and factories believe participation should be voluntary. It is highly unlikely that the government will make participation in BWL mandatory before the project is scheduled to end in 2016.

- The BW compliance assessments and reports are controversial. Some Taiwanese owned factories believe that the assessments are conducted inconsistently from year to year. The South African owned factories have chosen not to participate in the BW compliance assessments. The MOLE and trade unions believe the compliance assessments are useful and accurately reflect non-compliance issues.
- The capacity of EAs has improved over the life of the project. Factory managers are generally satisfied with the capacity of EAs but feel they would benefit from training in technical areas such as OSH. It is possible that EAs do not conduct assessments consistently and triangulate data points to confirm assessment findings. PICCs are satisfied with the EA advisory services but some would like to have visits that are more frequent.
- PICCs are considered by factory managers and workers to be an effective mechanism for social dialogue between management and workers. PICCs have been able to address some non-compliance issues where factory management has been supportive. PICCs have been less successful where management does not support or approve recommended changes.
- Training is the most valued service provided by BWL. In general, factory managers, PICCs, and workers have appreciated and benefited from training courses and learning seminars. Factory managers and PICCs cite OSH and supervisor skills as the most useful training. BWL, however, is not measuring the short or medium term effectiveness of its training courses.
- Some factories have improved factory non-compliance scores while other have not. Of the 16 factories currently participating in BWL, 14 participated in the 2014 compliance assessment. The average non-compliance score for these 14 factories actually increased from 19 in 2013 to 21 in 2014. Furthermore, nine of the 14 factories experienced increases in their non-compliance scores. Verbal harassment of workers by supervisors continues to be a persistent problem.
- International buyers value the BW core services and continuous improvement process. They trust the compliance assessment reports and believe the reports accurately reflect that state of compliance in factories.

#### **4.4. EFFICIENCY AND USE OF RESOURCES**

- BWL, like the other small BW countries, is less efficient than the larger BW countries that can create economies of scale and increased opportunities to generate revenue. In comparison to the small BW countries, Lesotho is efficient in producing an assessment report and the per worker cost. It is less efficient in the number of assessments it conducts per EA.
- BWL is overspent by about 7% or \$80,000. At its current expenditure rate of \$33,129 per month, the project will spend its remaining USDOL grant resources in July 2016 or about five months before the grant expires.

#### **4.5. EFFECTIVENESS OF MANAGEMENT ARRANGEMENTS**

- BWL staffing consists of the CTA, four EAs, TO, two administrative assistants, and a driver. The CTA and her staff believe the level is adequate to provide the BW core services. The project is effectively managed.
- The level of communication and collaboration between BWL and its key stakeholders is effective. Likewise, the level of communication with the BWG managers and support provide by the BWG team is effective.

- The degree of communication, collaboration, and information exchange between BWG and USDOL is satisfactory. BWG provides the technical progress reports and other formal reporting requirements to USDOL. The relationship between USDOL and BWL is highly effective. The USDOL project manager and BWL CTA are able to communicate directly, which is appreciated by both.

#### **4.6. IMPACT ORIENTATION**

- The project is not measuring its development objective (impact) indicators and is not participating in the BW global impact study being conducted by Tufts University. Therefore, empirical evidence of impact is not available.
- Based on the perception of impact study, factory managers and workers agree that BWL has contributed to improving non-compliance in factories in the areas of OSH and communication and relations, especially with the PICCs and contracts and human resources. Nevertheless, managers and workers agree that non-compliance issues persist especially in the area of supervisor and worker relations.
- The perception of impact study documented the perception that workers who participated in BW training courses were able to apply the new knowledge and skills at home, which has improved relations with family members.
- Factories have not realized a tangible business benefit or impact by participating in BWL such as an increase in orders or contracts from buyers or increases in productivity and quality. The most tangible financial benefit that some factories have noticed is a decrease in costs resulting from fewer audits.

#### **4.7. SUSTAINABILITY**

- The project has achieved very few of its sustainability plan indicators. The PAC members have not demonstrated leadership to organize and conduct PAC meetings and other initiatives. BWL has only been able to recover about 4% of its operational costs and it appears that establishing a local entity to continue to provide BW core services is not financially viable.
- BWL has slightly more than a year to sustain the results and strategies before USDOL funding ends. The key to sustainability is the PAC and whether it can successfully develop and implement a transition plan. The PAC will require the services of an outside organizational development consultant to help develop and implement the transition plan.
- The PAC has several sustainability options available. The most feasible appears to be creating a compliance unit in the LTEA, building its capacity to assist members with self-assessments and advisory services, and linking it to outside training resources. Another option is the formation of a public private partnership between MTICM and an independent consulting firm that would provide BW advisory and training services. In both cases, BWG would provide BW compliance assessments to satisfy the international buyers.

## V RECOMMENDATIONS

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The following recommendations are based on the findings and flow from the conclusions. They are intended to help the BWL make adjustments that can increase effectiveness and sustainability over the remaining life of the project.

### 5.1. PAC-LED SUSTAINABILITY STRATEGY

BWL should request the PAC to take the lead on developing and implementing a sustainability strategy that might be based on one or more of the sustainability options presented in Section 3.7. If PAC agrees, BWL should provide the necessary administrative and financial support to hire an organizational development consultant. The consultant would assist the PAC to identify a sustainability strategy and develop a transition plan to roll out the sustainability strategy. The PAC, however, should develop the terms of reference for the transition plan, interview potential candidates, and select the consultant. The PAC should also take responsibility for supervising the consultant and reviewing and approving the sustainability strategy. USDOL should provide the final grant allocation to BWL with the understanding that a portion of the funds will be used to develop and implement the sustainability strategy. Refer to Section 3.7.2 for a more detailed discussion of the PAC-Led Transition Plan.

### 5.2. TRANSITION PLAN AND DECISION POINT

BWL should work with the PAC to ensure that the transition plan is organized into two phases. The first phase would include key milestones to measure progress in implementing the sustainability strategy. One of the first and most important milestones would be a completed transition plan that can be presented to and discussed with a broad group of stakeholders. The first phase should begin immediately and end in January 2016. If the milestones were met, the PAC would begin the implementation of the second phase that would run until the project ends in June 2016. If the milestones were not met, BWL should abandon the PAC-Led Sustainability Strategy option and focus on diffusing BWL tools and capabilities to key stakeholders as described below under Recommendation 5.3.

### 5.3. DIFFUSION OF BWL TOOLS AND CAPACITIES

BWL should develop and implement a plan to transfer BWL tools and capabilities to stakeholders as described under the *Diffusion of BWL Tools and Capacities* sustainability option in Section 3.7.2. The diffusion of BWL tools and capacities should begin immediately and be implemented parallel to the PAC-Led Transition Plan described in Recommendation 5.1. This way, if the transition plan milestone described in Recommendation 5.2 is not met and it appears that the PAC has not been able to make progress in implementing the sustainability strategy, BWL would have nearly one year to develop and implement the diffusion option. This would include defining the different diffusion elements and identifying and training the corresponding target audiences.

### 5.4. BETTER WORK BRAND AND COMPLIANCE ASSESSMENTS

ILO and BWG should determine the extent to which it is willing to remain engaged in Lesotho and communicate this decision to the PAC so it has this information when it is considering sustainability options. Continued engagement might include quality certification of advisory and training services and compliance assessments. This is important because the complete loss of BWL engagement and brand would deliver a significant blow to any sustainability efforts. The degree to which factories remain engaged once BWL ends depend on the engagement of the international buyers. International buyers are more likely to remain engaged if the ILO and BWL are associated with post-BWL compliance efforts. The ILO and BWL are brands that the buyers know and trust. The BWL compliance assessment and report

is most likely the minimal requirement. If Lesotho loses this, it is highly unlikely that advisory and training services provided by local organizations can be sustained.

#### **5.5. FACTORY SUBSCRIPTION FEES**

BWL should increase the factory subscription fees. Factories with fewer than 300 workers are paying \$1,500 per year while factories with more than 300 workers are paying \$2,000. This evaluation discovered that factories would be willing to pay more for BW training services. The evaluator estimates the price point for BW services is approximately \$3,000 to \$3,500. BWL should calculate the costs to deliver the various BW training courses based on real Lesotho labor market prices (i.e. local training consultant fees or rates charged by organizations that provide training services). Based on this costing, BWL should increase its prices accordingly. Increasing subscription fees would test factories' willingness and ability to pay for these services, which in turn, would inform the sustainability strategy and any cost recovery mechanisms.

#### **5.6. COMPLIANCE ASSESSMENT RELIABILITY AND ACCURACY**

BWL should evaluate the compliance assessment process to test for reliability and accuracy. Factory managers complained to the evaluator that the assessments are not administered consistently and, thus, do not reflect the labor compliance situation in the factory. The evaluator also discovered that the EAs do not always triangulate data points before registering an observation or finding in the CAT, which could affect accuracy. BWL should review the compliance assessment process and results of selected assessments to check reliability and accuracy. Based on the evaluation, BWL should provide more training or refresher training to EAs, especially in OSH topics.

#### **5.7. PERFORMANCE IMPROVEMENT COMPLIANCE COMMITTEES**

BWL should ensure that the EAs are visiting the PICCs on a regular basis and providing the necessary support and arranging training as required. During the last year of the project, BWL should focus on sustaining the PICCs. BWL should strategically target those PICCs and factories that show the most interest and capacity to continue once the project ends. The training should focus on the skill sets, procedures, and tools that the PICCs require to help ensure their sustainability. BWL should also ensure that EAs use the BW Supply Chain Tracking and Remediation (STAR) system to schedule and monitor factory/PICC visits. The focus would be on sustainability.

#### **5.8. OSH, SUPERVISOR SKILLS, AND HIV-AIDS TRAINING**

BWL should continue to provide OSH and supervisor skills training. These are the most popular training courses and the ones most frequently cited by managers and workers as having an impact on labor non-compliance. The supervisor skills training conducted in Mandarin should be targeted at new supervisors or those factories that have recently received a non-compliance point in the area of verbal harassment. BWL should also continue providing HIV-AIDS prevention training. The factory managers, trade union officials, and PICC members complimented BWL for deciding to continue to provide HIV-AIDS prevention training when ALAFA closed its operations in Lesotho. The evaluator realizes HIV-AIDS typically constitutes a company's wellness program and that BWG does not include wellness programs as part of the BW interventions. Nevertheless, given the fact that Lesotho has the second highest HIV-AIDS prevalence rate in the world, that it directly affects the garment sector workforce, and that HIV-AIDS prevention training is important to BWL's stakeholders, it would be prudent to continue.

#### **5.9. REVIEW AND REVISION OF INDICATORS**

BWL should review and revise its current set of indicators. The objective of the indicator review should be to ensure that the indicators are the most accurate measures for the corresponding intermediate

objectives and outputs and, at the same time, reduce the number of indicators. To the extent feasible and appropriate, the BWG standardized indicators should be kept since BWL is required to report on them. The number of non-standardized indicators should be significantly reduced. BWL might use the indicator analysis (Annex F) as a resource in the review and revision process. BWL should also set targets for all indicators so progress and eventually achievement can be measured.

#### **5.10. MEASURING PRODUCTIVITY**

BWG should develop a framework and metrics to measure increases in productivity that can be associated with improved compliance and BW interventions. This should be done for all BW country programs, large and small. Measuring and demonstrating increases in productivity would motivate factories to remain engaged with BW and help convince other factories to participate in BW. The evaluator realizes that BWG is in the process of addressing productivity including the recent study conducted in Vietnam, which demonstrated that better working conditions result in increased productivity among workers that, in turn, leads to the improvement in profitability.<sup>7</sup> BWG should build on this study to develop the productivity metrics and assist BW country programs apply them and report on productivity.

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<sup>7</sup> Brown, Drusilla; Domat George; Veeraragoo, Selven; Dehejia, Rajeev; Robertson, Raymond (2014) "Are Sweatshops Profit-Maximizing? Answer: No. Evidence from Better Work Vietnam," Better Work Discussion Paper no.17

## ANNEXES

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## **ANNEX A: TERMS OF REFERENCE**

### **Independent Final Evaluation of ILO/IFC Better Work Lesotho Project**

The U.S. Department of Labor (USDOL) has contracted O'Brien & Associates International, Inc. to undertake an evaluation of the Better Work Lesotho Program (BWL). BWL is a five-year, \$4.46 million project that was funded by USDOL in 2009 and is implemented by the International Labor Organization (ILO). The evaluation is intended as a summative, outcome-focused evaluation, which will determine the extent to which anticipated outcomes have been produced. The evaluation is also intended to identify effective practices, mechanisms and partnerships and assess the prospects for sustaining them beyond the life of the project.

The following Terms of Reference (TOR) serves as the framework and guidelines for the evaluation. It is organized according to the following sections.

- Background of the Project
- Purpose, Scope, and Audience
- Evaluation Questions
- Evaluation Management and Support
- Roles and Responsibilities
- Evaluation Methodology
- Evaluation Milestones and Timeline
- Deliverables and Deliverable Schedule
- Evaluation Report

#### **Background of the Project**

In operation since May 2010, BWL's ultimate goal is to reduce poverty by creating decent work opportunities in Lesotho's garment industry, which is the most important formal provider of jobs and income in the country, particularly for women. By conducting independent factory assessments against national and international labor standards as well as advisory and training services, the project assists factories in the remediation of non-compliance. It is doing so with the aim to enhance working conditions in the garment sector, promote its overall competitiveness in global supply chains and make a contribution to generating and sustaining employment.

Better Work is an industry-based scheme designed to work at the enterprise level; however, due to the small size of the apparel sector in Lesotho (approximately 40 factories), this project's design envisioned a program that would ultimately attain sector-wide coverage. In particular, the program strategy hinged on an assumption that the Government would design and implement a mechanism to make it mandatory for all export factories to participate in the Better Work Program. This has not yet occurred, and participation in the program has fallen off considerably, covering less than half the country's garment factories.

The project has been extended twice, with an additional allocation of USD 1 million in 2013, extending the project to April 2014, and a second allocation of USD 1.5 million, extending the project to December 2016.

The BWL project has the following three outcomes:

- Better Work Lesotho's assessment, advisory and training services have been a driver of change towards higher compliance with national labor law and international labor standards.
- Better Work Lesotho has influenced national policies, strategies and practices to improve labor related issues and industrial relations.
- Better Work Lesotho has strengthened its governance and long-term viability by, among other things, increasing technical skills and management capacity of national staff and stakeholders, scaling of service delivery and fostering engagement and cooperation.

The project intends to achieve a range of outcomes for workers, enterprises, trade unions, the government, the apparel sector and its buyers. These outcomes are summarized below.

*For the workers and their families:* i) increased respect for and protection of their rights; ii) better working conditions; and iii) improved productivity leading to better pay and greater job security. Since a large majority of workers in Lesotho's garment industry are women, improved incomes and employment opportunities in this sector means improved incomes for women, along with their families.

*For the enterprises:* i) sound labor relations and effective social dialogue at the enterprise level; ii) improved access to markets and credit through demonstration of compliance with labor standards; iii) reduced worker turnover, more effective management and supervisory skills; which in turn lead to iv) improved productivity and quality, which directly benefits enterprises. On a more immediate level, the project helps factories to reduce duplicative social audits and supports them in demonstrating to buyers and government continuous progress in meeting labor standards.

*For the government:* The Ministry of Labor and Employment (MoLE) and the Ministry of Trade, Industry, Cooperatives and Marketing (MTICM) benefit from BWL through i) improved compliance with the national labor law; ii) skills development; iii) fewer strikes; iv) increased workplace cooperation; and v) the ability to market the national industry as an ethical sourcing destination.

*For the trade unions:* The Factory Workers' Union (FAWU), the Lesotho Clothing Allied Workers' Union (LECAWU), the National Union of Textile Workers (NUTEX), Lentsoe La Sechaba (The Voice of Workers) and the United Textile Workers Union (UNITE) will achieve improved working conditions through strengthened social dialogue.

*For employers' organizations:* i) better positioning and development of the sector; ii) increased exports; iii) increased employment; iv) positive social and human development impacts (in particular, the Lesotho Textile Exporters' Association, or LTEA).

*For international buyers and brands:* i) reduced audit burden; ii) enhanced reputation among consumers; iii) demonstrable contribution to better working conditions. In addition, BWL offers a buyer the opportunity to engage with country level stakeholders to help ensure that progress is supported by their actions and increasingly owned at the national level.

## **Purpose, Focus, and Audience of Evaluation**

USDOL-funded projects are subject to independent mid-term and final evaluations. This evaluation of the BWL project is occurring toward the project's foreseen end-point.

The overall **purpose** of this evaluation is to ascertain what the project has or has not achieved; how it has been implemented; how it is perceived and valued by target groups and stakeholders; whether expected results are occurring (or have occurred) based on performance data; the appropriateness of the project design; and the effectiveness of the project's management structure. The evaluation will investigate how well the project team has managed project activities and whether it had in place the tools necessary to ensure achievement of the outputs and objectives. However, one of the most important purposes of this evaluation is to assess the potential for the sustainability of the interventions and results undertaken during the project and identify concrete steps the project might take to help ensure sustainability. Evaluations serve as an important accountability functions for USDOL and ILO. The evaluation report should be written as a stand-alone document, providing the necessary background information for readers who are unfamiliar with the details of the project as the evaluation report will be published on the USDOL website.

The evaluation will **focus** data collection primarily on selected project documents and reports and interviews with key project personnel, partners, and stakeholders in Lesotho. The project will be evaluated through the lens of a diverse range of international and national stakeholders that participate in and are intended to benefit from the project's interventions.

The primary **audiences** of the evaluation are USDOL and the ILO. USDOL and ILO intend to use the evaluation report to determine the strengths and weaknesses of the project design and implementation and identify effective principles, practices or services that should be adopted or continued by the Government of Lesotho and/or other key stakeholders after the project ends. The primary stakeholders of the evaluation are USDOL, ILO, the Government of Lesotho and the constituents in Lesotho. The ILO, the tripartite constituents and other parties involved in the execution of the project would use, as appropriate, the evaluation findings and lessons learned. The evaluation findings, conclusions and recommendations will also serve to inform stakeholders in the design and implementation of subsequent projects in the country and elsewhere as appropriate.

### **Evaluation Questions**

To serve these purposes, this evaluation will focus on the validity of the project's design, the relevance of the project's services to the target groups' needs, the project's efficiency and effectiveness, the impact of the results, and the potential for sustainability. These criteria are explained in detail below by addressing their associated questions.

Additional questions may also be analyzed as determined by the stakeholders and evaluator before the fieldwork begins. The evaluator may also identify further points of importance during the mission that may be included in the analysis as appropriate.

#### *Validity of the project design*

1. To what extent was the project design logical and coherent? Are the activities, outputs, outcomes, and goal linked in a cause and effect manner? Were the objectives/outcomes, targets and timing clearly established and realistically set?

2. How appropriate and useful are the indicators described in the project document in assessing the project's progress? Is the project's performance monitoring plan (PMP) practical, useful, and sufficient for measuring progress toward achieving project objectives? How is the gathered data used? How could it be used better?

#### *Relevance and strategic fit*

3. To what extent were the project's immediate objectives consistent with the needs of key stakeholders including apparel sector workers, producers, the Government of Lesotho, social partners, and international buyers? Were appropriate needs assessments or diagnostics conducted at the inception of the project? Have the needs of these stakeholders changed since the beginning of the project in ways that affect the relevance of the program?

#### *Project progress and effectiveness*

4. Is the project on track to complete the project targets according to schedule? If not, what have been the obstacles to achievement both in terms of factors that the project is able to influence and external factors beyond its control?
5. How effectively has the project engaged stakeholders in project implementation? How effective has the project been in establishing national ownership? What is the level of commitment of the government, the workers' and employers' organizations to, and support for, the project? How has it affected its implementation?

#### *Efficiency of resource use*

6. Is the project on track to expend its resources according to schedule (rate of expenditures)? If not, what have been the obstacles to expending resources according to plans?
7. Have resources (funds, human resources, time, expertise, etc.) been allocated strategically and efficiently to achieve outcomes? How might they have been allocated more effectively?

#### *Effectiveness of management arrangements*

8. Was the project adequately staffed?
9. How effective was communication and collaboration within the project and between ILO and USDOL? Could communication structures and mechanisms have been improved? If so, how?
10. To what extent did management capacities and arrangements put in place support the achievement of results?

#### *Effectiveness of Better Work core services*

11. What are the key strengths of the technical team responsible for the assessment and advisory services? What are the areas for improvement? Are there external factors influencing the assessment process?
12. What are international buyers' views of BWL core services?
13. How effective or thorough have the Enterprise Advisors been in triangulating evidence in order to identify gaps in compliance?

14. Are advisory services timely and of high quality? Were the topics chosen for advisory services relevant and related to pressing non-compliance issues? Has factory compliance improved because of BWL advisory services?
15. To what degree have workers participated in the PICC (or equivalent workers-management structure at the factory level) formation and implementation process? Has the nature of social dialogue in the participating factories in the project changed because of the implementation of the project advisory activities? To what extent? What are the challenges to worker participation, and how might they be overcome as the project transitions into its sustainability and exit strategy phase?
16. What was the nature of training received and what evidence is there that it has been effectively applied? Were the training services provided relevant? What are the areas for improvement? How has the training addressed the key gaps identified in compliance?

*Impact orientation and sustainability, including effectiveness of stakeholder engagement*

17. What was the nature of the commitment from national stakeholders, including the Government of Lesotho, the labor movement (locally, regionally and internationally), employers (both the employers' association and participating factories themselves)? How has the relationship been handled by the project in general and in times of crisis? What are opportunities for greater engagement?
18. Has Better Work Lesotho communicated effectively with national stakeholders? Do the stakeholders feel that their concerns have been sufficiently addressed?
19. To what extent has the project effectively leveraged the Project Advisory Committee (PAC) as a tripartite mechanism for providing guidance and advancing progress on project objectives?
20. What was the nature of buyers' engagement in BWL? How effectively has BWL encouraged buyers to participate in the project? Has Lesotho gained new buyers or increased orders because of improved compliance in the factories?
21. How might the program's services need to be adjusted in light of anticipated transition to national ownership, evolving needs and factory demands?
22. What are the key elements that the project developed during this time that could be sustained beyond the life and the context of the project (e.g. team capacity transferable to the MoLE, factory compliance improvements transferable to other factories and business association, etc.)?

**Evaluation Management and Support**

Dan O'Brien will serve as the evaluator for this evaluation. Dan is a private sector and labor expert with substantial experience providing technical assistance to and evaluating employer-based labor projects. Dan has extensive experience in Africa including Zambia, Malawi, Uganda, Kenya, Ghana, Nigeria, and Ethiopia. Dan also has conducted the mid-term evaluation of the Better Work projects in Nicaragua and the mid-term evaluation of the Better Work Bangladesh preparation phase project. He also provided technical backstopping for the evaluations of Better Work Vietnam and Better Factories Cambodia projects.

O'Brien and Associates will provide logistical, and administrative support to the evaluator, including travel arrangements and all materials needed to provide the deliverables specified in the Terms of Reference. O'Brien and Associates International will also be responsible for providing technical oversight necessary to ensure consistency of methods and technical standards.

## **Roles and Responsibilities**

The Evaluator is responsible for conducting the evaluation according to the terms of reference (TOR). He will:

- Finalize and submit the TOR
- Review project background documents
- Review the evaluation questions and refine the questions, as necessary
- Develop and implement an evaluation methodology (i.e., surveys, conduct interviews, review documents) to answer the evaluation questions, including a detailed discussion of constraints generated by the retrospective nature of this evaluation methodology and data collection and how those constraints could be avoided in future projects
- Conduct planning meetings/calls, as necessary, with USDOL and ILO
- Decide composition of field visit interviews to ensure objectivity of the evaluation
- Present verbally preliminary findings to project field staff and other stakeholders as determined in consultation with USDOL and the ILO
- Prepare an initial drafts (48 hour and 2 week reviews) of the evaluation report and share with USDOL and ILO
- Prepare and submit final report

USDOL is responsible for:

- Drafting the initial TOR
- Reviewing CV of the proposed Evaluator
- Providing project background documents to the Evaluator (responsibility is shared with ILO)
- Obtaining country clearance
- Briefing ILO on upcoming visit and work with them to ensure coordination and preparation for evaluator
- Reviewing and providing comments of the draft evaluation report
- Approving the final draft of the evaluation report
- Participating in the post-trip debriefing
- Including USDOL evaluation contract COR on all communication with evaluator(s)

ILO is responsible for:

- Reviewing the TOR, providing input, as necessary, directly to the evaluator, and agreeing on final draft
- Providing project background materials to the evaluator
- Preparing a list of recommended interviewees
- Scheduling meetings for field visit and coordinating in-country logistical arrangements
- Reviewing and providing comments on the draft evaluation reports
- Organizing and participating in the stakeholder debrief
- Including USDOL program office on all communication with evaluator

## **Evaluation Methodology**

Performance shall be assessed in terms of six criteria: relevance and strategic fit; validity of project design; project progress and effectiveness; efficiency of resource use; impact orientation and sustainability of the project; and effectiveness of management arrangements.

The evaluation shall draw on six methods: 1) review of documents, 2) review of operating and financial data, 3) interviews with key informants, 4) field visits, 5) a stakeholder debrief before leaving Managua, and 6) a post-trip conference calls.

*Document Review:* The evaluator will review the following documents before conducting any interviews or trips in the region.

- The project document
- Cooperative agreement
- Technical progress reports and comments
- Reports on specific project activities
- Training materials
- Trip reports, field visits, meetings, needs assessments and other reports
- Strategic framework, PMP, and performance indicators
- Work plans and budgets
- Any other relevant documents

*Interviews with key informants:* Interviews are to be conducted with key program stakeholders (by phone or in-person) including (but not limited to):

- USDOL project management team
- US Embassy
- ILO BW team in Geneva
- BWL country team including CTA and enterprise advisors
- Government counterparts, especially at MoLE and MTICM and Lesotho National Development Corporation (LNDC)
- LTEA
- Association of Lesotho Employers and Business (ALEB)
- Factory representatives (a sample of 8-10 factories)
- Trade union representatives, including FAWU, LECAWU, NUTEX, Lentsoe La Sechaba (The Voice of Workers) and UNITE
- Members of Performance Improvement Consultative Committees (PICCs) (mid-level management and shop stewards)
- Project Advisory Committee (PAC)
- IFC representative in / for Lesotho
- Regional ILO LABADMIN, ACTRAV and ACTEMP representatives; ILO Technical Specialist on HIV and AIDS (based in Pretoria)
- Director DW/CO Team, Pretoria
- International buyer representatives
- Other collaborating projects (former staff of ALAFA)

*Fieldwork in Lesotho:* The evaluator will meet the BWL director and country team to discuss the purpose and logistics of the evaluation. In addition, BWL will assist the evaluator schedule interviews with the list of key informants listed above.

In addition to interviewing the various representatives, the evaluator will interview the PAC members both individually and as a committee. He will also interview the trade union representatives separately. The evaluator will work with BWL management to develop a list of criteria that will be used to select a non-random sample of 8-10 factories to interview. Interviews with the ILO BWL point person and the LABADMIN, ACTRAV and ACTEMP representatives will be conducted by telephone once the fieldwork is completed.

The exact itinerary will be determined based on scheduling and availability of interviewees. Meetings will be scheduled in advance of the field visit by the project staff, coordinated by the designated project staff, in accordance with the evaluator's requests and consistent with these terms of reference. *The evaluator should conduct interviews with beneficiaries and stakeholders without the participation of any project staff.*

*Stakeholder debriefings:* Before departure from Lesotho, the evaluator will conduct a debriefing meeting with project staff and key stakeholders to present and discuss initial findings of the evaluation.

*Post Trip Debriefings:* Upon return from Lesotho, the evaluator will provide a post-trip debrief by phone to relevant USDOL and ILO staff to share initial findings and seek any clarifying guidance needed to prepare the report. Upon completion of the report, the evaluator will provide a debriefing to relevant USDOL and ILO on the evaluation findings, conclusions, and recommendations, as well as any association limitations to the evaluation methodology and on the evaluation process in general.

*Ethical Considerations:* The evaluator will observe utmost confidentiality related to sensitive information and feedback elicited during the individual and group interviews. To mitigate bias during the data collection process and ensure a maximum freedom of expression of the implementing partners, stakeholders, communities, and beneficiaries, implementing partner staff will generally not be present during interviews. However, implementing partner staff may accompany the evaluator to make introductions whenever necessary, to facilitate the evaluation process, make respondents feel comfortable, and to allow the evaluator to observe the interaction between the implementing partner staff and the interviewees.

*Limitations:* The scope of the evaluation specifies two weeks of fieldwork, which is not enough time to visit all of the project sites to undertake data collection activities. As a result, the Evaluator will not be able to consider all sites when formulating his findings. All efforts will be made to ensure that the Evaluator is visiting a representative sample of sites, including some that have performed well and some that have experienced challenges.

This is not a formal impact assessment. Findings for the evaluation will be based on information collected from background documents and in interviews with stakeholders, project staff, and beneficiaries. The accuracy of the evaluation findings will be determined by the integrity of information provided to the evaluator from these sources and the ability of the latter to triangulate this information.

Furthermore, the ability of the evaluator to determine efficiency will be limited by the amount of financial data available. A cost-efficiency analysis is not included because it would require impact data, which is not available.

## **Evaluation Milestones and Timeline**

Activity	Date	Products/Comments
Prepare and submit TOR	February 7	Draft TOR
Doc reviews, methodology, data collection instruments	January-February 17	Final evaluation questions Methodology section Instruments
USDOL pre-trip calls	February 17	
Fieldwork Lesotho including debrief meeting	March 5-19	Debrief presentation
USDOL and ILO debrief calls	March 24	Debrief notes
Analysis and report writing	March 24-April 12	
Send first draft report for 48 hour review	April 13	Draft Report 1
Revise and send second draft report for 2 week review	April 30*	Draft Report 2
Finalize and send final report	May 11*	Final Report

\* These dates depend on when USDOL and ILO provide comments to evaluator

### Deliverables and Deliverable Schedule

- A. Finalized TOR with USDOL and ILO consensus, February 17, 2015
- B. Method to be used during field visit, including itinerary, February 23, 2015.
- C. Debriefing meeting/presentations, March 5, 2015
- D. USDOL and ILO debrief calls, March 24, 2015 (to be determined)
- E. Draft Report 1 to USDOL and ILO April 13, 2015 (48-hour review).
- F. Draft Report 2 to USDOL and ILO by April 30, 2015 (2 week review).\*
- H. Final Report to USDOL and ILO by May 11, 2015.\*

\* These dates depend on when USDOL and ILO provide comments to evaluator

### Evaluation Report

The evaluator will complete a draft report of the evaluation following the outline below and will share it with the USDOL and the ILO for an initial 48-hour review. Once the evaluator receives comments, he will make the necessary changes and submit a revised report. USDOL and the ILO will have two weeks (ten business days) to provide comments on the revised draft report. The evaluator will produce a re-draft incorporating the USDOL and ILO comments where appropriate, and provide a final version within three days of having received final comments.

The final version of the report will follow the format below (page lengths by section illustrative only) and be no more than 30 pages in length, excluding the annexes:

- Title page (1)
- Table of Contents (1)
- Acronyms (1)
- Executive Summary (5)
- Background and Project Description (1-2)
- Purpose of Evaluation (2)
- Evaluation Methodology (1)<sup>8</sup>
- Findings, Conclusions, and Recommendations (no more than 20 pages)

<sup>8</sup> This section should include a discussion of how future projects of this nature could be implemented to allow for evaluation methods that can more confidently assert causal impacts.

- This section should be organized around the TOR key issues and include findings, conclusions and recommendations for each.
- Annexes
- Terms of reference
- Strategic framework
- Project PMP and data table
- Project workplan
- List of meetings and interviews
- Any other relevant documents

## **ANNEX B: INTERVIEW GUIDE**

Below is the general interview guide that was modified and used for the specific interviews.

### **Validity of the project design (M&E System)**

- Are the outputs, intermediate objectives, and development objective logically linked?
- Do the outputs, intermediate objectives, and development objective meet RBM criteria
- How appropriate and useful are the indicators?
- How effective is monitoring system?
- How could the M&E system be improved?

### **Relevance and strategic fit**

- Is the project meeting the needs of the key stakeholders?
- Is the project addressing key issues in the garment sector regarding labor compliance?
- What contributions has the project made to the sector over the past four years?

### **Project progress and effectiveness**

- Is the project on track to complete the project indicator targets? If not, why?
- How effectively has the project engaged and communicated with stakeholders in project implementation? What can be improved?
- Has the project effectively leveraged PAC to achieve its objectives? Are the PAC members committed? What can be improved?

### **Effectiveness of Better Work core services**

- How effective are the enterprise advisors in general and at triangulating evidence to identify compliance? How can the work of the enterprise advisors be improved?
- What do the international buyers' think about BWL core services? Have the buyers been effectively engaged in the project? What could be improved?
- Are advisory services timely and of high quality?
- Has factory compliance improved because of BWL advisory services?
- To what degree have workers participated in the PICCs? How effective are the PICCs?
- Has social dialogue improved because of the project?
- What are the challenges to worker participation and recommendations to make improvements?
- How effective has the training been? What can be improved?

### **Efficiency of resource use**

- How efficient is the project when compared to other BW country programs?
- How are resources allocated in the BWL budget? Is the project overspending or underspending?

### **Effectiveness of management arrangements**

- Is the project adequately staffed?
- Is the project effectively managed (structure, skills)?
- How effectively is the project communicating and collaborating with key internal and external stakeholders?

**Impact orientation**

- Have working conditions improved because of BWL interventions? If so, what has improved and what has not improved?
- What do factory managers and workers think are the most important impacts of the project?
- Have factories realized an increase in orders or productivity because of their participation in BW? Have they seen any financial benefits?

**Sustainability**

- What are key elements that could be sustained (e.g. team capacity transferable to the Ministry of Labor, factory compliance improvements transferable to other factories and business association, etc.)?
- What are the options to sustain BWL when USDOL funds end in 2016?
- Do you think the US Congress will approve AGOA? If it does not, what do you think will happen to the sector? What do you think the project should focus on if it does not pass?

## **ANNEX C: LIST OF DOCUMENTS REVIEWED**

1. BWL Project Document
2. USDOL-ILO BWL Cooperative Agreement (September 2010)
3. USDOL-ILO BWL Cooperative Agreement Grant Modification (September 2011)
4. BWL Workplan
5. BWL Performance Monitoring Plan
6. Technical Progress Reports (2010 to 2014)
7. BWL Pricing Study
8. BWL Garment Industry 1<sup>st</sup> Compliance Synthesis Report
9. BWL Garment Industry 2<sup>nd</sup> Compliance Synthesis Report
10. BWL Garment Industry 3<sup>rd</sup> Compliance Synthesis Report
11. BWL 1<sup>st</sup> Thematic Synthesis Report: Contracts
12. Compliance Assessment Tool
13. Perception of Impact Study
14. Two Sides to Better Work: A Comparative Analysis of Worker and Management Perceptions
15. Are Sweatshops Profit-Maximizing? Answer: No. Evidence from Better Work Vietnam,” Better Work Discussion Paper no.17
16. Final Report: Mid-term Evaluation Better Work Lesotho
17. Better Work’s Influencing Agenda and Labor Inspectorates: What Has Been Done So Far?
18. Sustainability Plan for Better Work Jordan
19. Better Work Indonesia: Progress on Strategy Towards Sustainability
20. Cooperation Agreement between BWL and MOLE, May 2013
21. Management Procedures and Guidelines: USDOL-ILO Cooperative Agreements, 2010
22. Workers’ Perceptions of Compliance with Labour Standards: Assessing Opportunities and Challenges for Better Work in Lesotho’s Apparel Sector
23. Zero Tolerance Protocol between MOLE and BWL

**ANNEX D: LIST OF PERSONS INTERVIEWED**

## ANNEX E: ANALYSIS OF GOAL, INTERMEDIATE OBJECTIVES, AND OUTPUTS

Development Objective	Analysis
Contribute to improving the life of workers, their families and communities in Lesotho.	The development objective satisfies the RBM criteria. It describes a fundamental condition that the project's intermediate objectives aspire to but will likely not achieve during the course of the project. The project's PMP lists two indicators that the impact evaluation will measure. These include the number of workers reporting improvement in workplace and life satisfaction and the number of workers reporting improvement in health outcomes. It is not clear, however, how the project intends to assess an improvement of life of families and communities since the indicators focus on workers and the workplace. The project might either focus the development objective on workplace satisfaction including occupation health and safety issues or add indicators to measure family and community satisfaction.
Intermediate Objectives	Analysis
<p>IO 1: BWL's assessment, advisory and training services have been a driver of change towards higher compliance with national labor law and international labor standards.</p> <p>IO 2: BWL has influenced national policies, strategies and practices to improve labor-related issues and industrial relations.</p> <p>IO 3: BWL has strengthened its governance and long-term viability by, among other things, increasing technical skills and management capacity of national staff and stakeholders, scaling of service delivery and fostering engagement and cooperation.</p>	The three intermediate objectives meet the RBM criteria. They, if achieved, would contribute to the development objective and they are stated in terms of behavior changes and policy change. IO 3, however, is somewhat complex. It combines two objectives: strengthening governance and long term viability and increasing technical skills and management capacity, scaling services, and fostering engagement and cooperation. IO 3 could be divided into two objectives or rephrased to focus on increasing skills and capacity necessary for strong governance and viability.
IO 1 Outputs	Analysis
<p>1.1. BWL assessment services are maintained and adjusted to effectively influence compliance with national and international labor standards</p> <p>1.2. Advisory services are adjusted to achieve greater impact</p> <p>1.3. Training services are diversified and strengthened to achieve greater impact</p> <p>1.4. The quality of BWL core services meets BW quality standards and best practice</p>	The RBM guidelines state that outputs are products or services produced by the project that achieve the intermediate objectives. Products and services would include the factory assessment reports, technical assistance reports or recommendations, and trainings. The current set of outputs is stated more like outcomes than outputs. Although this introduces an additional level of objective, it is acceptable in a logical model as long as they contribute to the intermediate objective, which they do. The potential problem is that the traditional BW products and services (assessments and trainings) and their targets are not captured as outputs. The project has adjusted for this by including the BW products and services in the indicators, which has caused misalignment, in some cases, between outputs and their indicators. The additional level of objective has also generated significantly more indicators. The outputs have, on average, four indicators each rather than one target per output. This is discussed in more detail under the project's M&E systems.
IO 2 Outputs	<p>In general, the outputs, if achieved would contribute directly to their corresponding intermediate objective. The more critical question is how to measure them to determine if they were achieved.</p>
<p>2.1. Ministry of Labor and Employment is collaborating with BWL to introduce labor law related changes</p> <p>2.2. Awareness on the need to improve maternity protection in the garment sector is raised</p> <p>2.3. Union capacity is promoted, in cooperation with IndustriALL and other collaborators</p> <p>2.4. BWL has influenced national policy and strategy discussions where opportunities did arise</p> <p>2.5. Data and lessons learned collected from BWL core services, M&amp;E and research activities are analyzed and effectively communicated to different target groups</p>	
IO 3 Outputs	
<p>3.1. The capacity of staff to provide specialized advisory services and take on greater management responsibility for the program is strengthened</p> <p>3.2. National stakeholders' support to BWL is maintained and the program's governance structure and capacity strengthened</p> <p>3.3. BWL has explored and tested opportunities to expand its scale of operations</p> <p>3.4. International buyers' commitment to and engagement with the program is increased and services provided are consistent with buyers' needs and priorities</p> <p>3.5. The commitment, engagement and revenue to the program from participating factories is increased</p> <p>3.6. A strong partnership with ALAFA is built, with the aim to develop synergies and strengthen the effectiveness of program operations where they relate to HIV/AIDS</p>	

## ANNEX F: ANALYSIS OF INDICATORS

Intermediate Objectives	Indicators	Analysis
BWL 's assessment, advisory and training services have been a driver of change towards higher compliance with national labor law and international labor standards.	Average factory non-compliance rate (M&E #10) Average compliance improvement effort of participating factories (M&E #11)	The average factory non-compliance rate and average compliance improvement rate are appropriate indicators for the intermediate objective.
BWL has influenced national policies, strategies and practices to improve labor-related issues and industrial relations.	Number of country policies changed as a result of BW's activities and facilitation (M&E #35) Number of mentions of BW included in reports by other policy actors (M&E #34)	The number of country policies changed is an appropriate indicator for the intermediate objective. The number of mentions of BW in the reports of other actors is less powerful since mention of BW does not necessarily indicate whether the project influenced national policy, strategy, or labor practices.
BWL has strengthened its governance and long-term viability by, among other things, increasing technical skills and management capacity of national staff and stakeholders, scaling of service delivery and fostering engagement and cooperation.	Increase in ownership, commitment and responsibility toward the program by national staff and stakeholders	There are two issues with this indicator. First, it is not clear whether an increase in ownership, commitment, and responsibility would indicate (measure) the complex aspects of the intermediate objective that includes strengthened governance, long term viability, increased technical skills and management capacity, scaling services, and improved cooperation. Second, it is the opinion of the evaluator that measuring ownership, commitment, and responsibility would be a difficult undertaking.
Outputs	Indicators	Analysis
1.1. BWL assessment services are maintained and adjusted to effectively influence compliance with national and international labor standards	Annual compliance synthesis report available Annual thematic synthesis report available Number of PICC members trained in applying the self-assessment tool Number of factories applying the self-assessment tool	The annual compliance synthesis and thematic reports are appropriate indicators for BWL services (although these reports will combined in 2016). Number of factories applying the self-assessment tools an appropriate indicator for an adjustment to services. Training PICC members is an activity and the number trained is an activity target. The number of factories applying the tools is adequate.
1.2. Advisory services are adjusted to achieve greater impact	Number of advisory visits in the reporting period (M&E #17) Number of factories with a functioning PICC (M&E #18) Percentage of women among PICC workers (M&E #19) Percentage of factories implementing recommended changes (M&E #20)	There is a mismatch between the output and indicators. The indicators are more appropriate for measuring the provision of advisory services and the related PICCs. The indicators, however, do not measure whether the advisory services have been adjusted to achieve greater impact. Since the indicators are good measures of the provision of advisory services and are required to be reported on by BW Global, it would make most sense to reformulate the output so it captures the spirit of the indicators. For example, effective advisory services including formation of PICCs, are provided and adjusted as appropriate.
1.3. Training services are diversified and strengthened to achieve greater impact	Number of factories participating in BW training courses in the reporting period (M&E #21) Number of participants in BW training in the reporting period (M&E #22) Percentage of women participants in training (M&E #23)	There is a mismatch between the output and the indicators. The numbers of factories, participants, and female participants that participate in training are important and relevant indicators for the provision of training services and are required by BW Global. However, they do not indicate whether training is diversified or strengthened. The project might consider adjusting the output and adding an indicator or two to capture how trainings are to be strengthened and diversified.

1.4. The quality of BWL core services meets BW quality standards and best practice	<p>Number of internal trainings for staff to further strengthen quality of service delivery</p> <p>Percentage of advisory visits/PICC meetings subjected to quality assurance</p> <p>Percentage of assessment visits subjected to quality assurance</p>	The number of internal trainings for BWL staff to strengthen quality services is more appropriate as an activity than an indicator because training staff does not indicate whether BWL core services meet BW quality standards. On the other hand, the percent of advisory and assessment visits subjected to quality assurance are appropriate indicators for measuring BW quality standards.
<b>Outputs</b>	<b>Indicators</b>	<b>Analysis</b>
2.1. Ministry of Labor and Employment is collaborating with BWL to introduce labor law related changes	<p>Assessments of BWL and MoLE inspection findings show greater consistency in interpretation of the labor law</p> <p>The zero tolerance protocol reflects knowledge of Labor Department on crucial OSH issues (fire safety, building structure)</p>	Consistency in the interpretation of labor law and labor department knowledge on OSH issues are important precursors to MOLE and BWL collaborating to introduce labor law related changes. In this way, they are appropriate indicators for the output. It would be helpful to have an indicator for assessing the progress in actually “collaborating” to introduce labor law changes.
2.2. Awareness on the need to improve maternity protection in the garment sector is raised	<p>Awareness raising posters developed and disseminated</p> <p>Worker focus group discussions held and results analyzed</p> <p>Number of trainings on maternity protection material</p>	The three indicators are more appropriate as activities or steps to create awareness on the need to improve maternity protection. The output requires indicator(s) to measure the increase in awareness, which is not an easy task. One option is to administer a short questionnaire on maternity protection at baseline and again towards the end of the project to assess changes in awareness. Another option is to measure actions or steps the garment sector takes to improve maternity protection.
2.3. Union capacity is promoted, in cooperation with IndustriALL and other collaborators	<p>Number of awareness raising campaigns implemented by unions</p> <p>Percentage of factories with at least one trade union (M&amp;E #13)</p> <p>Percentage of assessed factories with a current valid collective bargaining agreement (M&amp;E #14)</p> <p>Percentage of factories with functional grievance mechanisms (M&amp;E #15)</p>	The four indicators are strong measures of union capacity to implement affiliation campaigns, form unions and manage relationships with factory management, and negotiate collective bargaining agreements. In a way, they “out power” what the evaluator considers an anemic output focused on “promoting” union capacity. To align the output with the indicators, the output could be restated in terms that are more definite. For example, build union capacity to implement awareness campaigns, establish factory level unions, negotiate collective bargaining agreements, and develop grievance mechanisms.
2.4. BWL has influenced national policy and strategy discussions where opportunities did arise	Number of compliance issues raised that the program aimed to influence	The evaluator assumes that by influencing national policy and strategy, BWL intends to shape or adjust policies and strategies as they relate to compliance. Therefore, the indicator should capture concrete examples of changes in policies or strategies that can be attributed to BWL advocacy initiatives.
2.5. Data and lessons learned collected from BWL core services, M&E and research activities are analyzed and effectively communicated to different target groups	<p>Number of worker focus group discussions held</p> <p>Number of targeted communication materials developed</p> <p>Number of workers reached with new communication methods</p> <p>Number of advocacy activities implemented by BWL</p>	The evaluator assumes that the data and lessons mentioned in the output will be communicated to target groups to influence national policies and strategies. With this in mind, the number of focus group discussions and communication materials are more appropriate as activities or activity targets. The number of workers reached with new communication methods and the number of advocacy activities are appropriate measures for communicating with target groups (output). It would be helpful to add an indicator that measures the effectiveness of the advocacy or communication strategies.
<b>Outputs</b>	<b>Indicators</b>	<b>Analysis</b>
3.1. The capacity of staff to provide specialized advisory services and take on greater management responsibility for the program is strengthened	<p>Number of trainings held for EAs and TO</p> <p>Number of management tasks taken on by national staff (e.g. approval of assessment reports, etc.)</p>	The number of trainings is more appropriate as an activity target than an indicator for this output. The number of management tasks taken by national staff, however, is an appropriate measure of staff to provide specialized advisory services and strengthening their management.

<p>3.2. National stakeholders' support to BWL is maintained and the program's governance structure and capacity strengthened</p>	<p>Number of PAC meetings in the reporting period (M&amp;E #24)</p> <p>Number of meetings with tripartite constituents</p> <p>Number of tasks that PAC members have taken over to facilitate effective PAC meetings</p> <p>Number of social compliance improvement initiatives PAC members have been actively involved in</p>	<p>This set of indicators is appropriate to measure the level of support and capacity of the stakeholders that comprise the PAC. However, these indicators do not measure the program's governance structure and its strength or capacity. It would be helpful to define the governance structure and develop at least one indicator to measure its capacity.</p>
<p>3.3. BWL has explored and tested opportunities to expand its scale of operations</p>	<p>Conditional on outcomes of feasibility study: number of capacity building measures implemented</p>	<p>The project might consider adjusting the indicator to include the (a) number and kinds of opportunities to expand operations and (b) number or percent of measures implemented (including capacity building). These would more accurately measure the output.</p>
<p>3.4. International buyers' commitment to and engagement with the program is increased and services provided are consistent with buyers' needs and priorities</p>	<p>Number of buyer participants in the program (M&amp;E #25)</p> <p>Number of buyer partners in the program (M&amp;E #26)</p> <p>Increase in revenues through buyer subscriptions (%)</p> <p>Percentage of international buyers registered with BW not duplicating BW assessments</p> <p>Percentage of buyers reporting satisfaction with BWL services</p>	<p>These five indicators are appropriate to measure buyers' commitment, engagement, and needs as stated in the output.</p>
<p>3.5. The commitment, engagement and revenue to the program from participating factories is increased</p>	<p>Number of new factories registered in the reporting period (M&amp;E #1)</p> <p>Total program revenue in the reporting period (M&amp;E #27)</p> <p>Percentage of surveyed factories that assess BWL services as useful and beneficial</p>	<p>These three indicators are appropriate measures for the output, which has a focus on the commitment, engagement, and revenue from participating factories. The project might consider adjust the revenue indicator to better reflect an increase (or decrease) in revenue. For example, an increase of X% in program revenue generated in the reporting period. A target should be set for the X value.</p>
<p>3.6. A strong partnership with ALAFA is built, with the aim to develop synergies and strengthen the effectiveness of program operations where they relate to HIV/AIDS</p>	<p>Number of PAC meetings with ALAFA presence</p> <p>Number of activities (e.g. trainings, awareness raising events) organized and conducted jointly with ALAFA</p>	<p>Both indicators are appropriate measures for an effective partnership with ALAFA that increases the effectiveness of HIV/AIDS programming. Since effectiveness is noted in the output, the project might consider adding an indicator to measure the actual effectiveness of the partnership with ALAFA (i.e. HIV/AIDS programming).</p>