



International Labour Organization

**IPEC**

International Programme on the Elimination of Child Labour

## *IPEC Evaluation*

**ILO/IPEC BGMEA Phase III -  
Continuing the Child Labour Monitoring  
and Education Components and  
Prepare for the Integration Into a Broader  
Project in the Garment  
Export Industry in Bangladesh  
BGD/00/52/USA**

**A Final Evaluation**

**by**

**An Independent Evaluation Team**

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## Acronyms and abbreviations

BGMEA	Bangladesh Garment Manufacturers & Exporters Association
BKMEA	Bangladesh Knitwear Manufacturers & Exporters Association
BRAC	Bangladesh Rural Advancement Committee
CTA	Chief Technical Advisor
GoB	Government of Bangladesh
GSS	Gono Shahajjo Sangstha
ICCD	Intensive child collection drive
ILO	International Labour Organisation
IPEC	International Programme on the Elimination of Child Labour
ISPI	Italian Social Partners Initiative
JTAG	Joint Technical Action Group
MOU 1	first Memorandum of Understanding (signed on July 4 <sup>th</sup> 1995)
MOU 2	second Memorandum of Understanding (June 2000 - July 2001)
NFE	Non-Formal-Education
NORAD	Norwegian Agency for Development Cooperation
NPC	National programme Coordinator
SIBL	Social Investment Bank Limited
Tk.	Thaka
ToR	terms of reference
UNICEF	The United Nations Children's Fund
USDOL	United States Department of Labour

## Executive Summary

In July 1995 BGMEA, UNICEF and ILO signed a Memorandum of Understanding in order to work together to remove and rehabilitate child workers in the garment industry. A second MOU was signed in July 2000 and ILO/IPEC implemented 3 projects that contributed to the fulfilment of the MOU's objectives. The USDOL funded BGMEA Phase III, the ISPI-funded and the NORAD-funded extended components. A combined final evaluation of these three projects was carried out by 2 independent consultants during September and October 2003.

This report, arising out of the combined evaluation, is on the final evaluation of the USDOL-funded 'Continuing the child labour monitoring and education components, and prepare for the integration into a broader project in the garment export industry in Bangladesh' project (known as BGMEA Phase III). The purpose is to document the process and the achievements of the project.

The BGMEA Phase III project experienced difficulties at the design and commissioning stages and in its management. There was a 9 month bridging period from the conclusion of the earlier phase until the project document was approved and there was a further 9 months when the project was unable to obtain access to the funds. The CTA left the project in the middle of this period so there were 11 months with no CTA and no alternative management system was put in place.

Despite these constraints, the project continued to effectively manage the main output, the monitoring and verification of the garment factories. However no progress was made on developing BGMEA's capability to manage the monitoring and other outputs were only initiated after the scheduled completion date of the project.

BGMEA has benefited greatly from the child labour free status that the project has given it. Some of the contributions towards their financial commitments of the MOU are long overdue.

The monitoring of the factories has continued uninterrupted, and the number of factories employing child labour has continued to drop with 6.6% of factories employing child labour in 2001. The figure has continued to drop and is now 0.96%. Child labour is approximately 0.004% of the workforce in BGMEA factories.

Due to the small number of children being identified and removed from the factories, the unit cost per child is now over US\$ 1,000.

The project also continued to monitor enrolment in schools. Although there has been a slight improvement, the enrolment rate is still low at 21% in 2001. The number of children is now small and the distance to the nearest school is a constraint.

During BGMEA Phase III, a broader labour standards project was prepared, and this project has successfully continued the child labour monitoring. It was planned that this

project would discontinue the child labour monitoring in all of the BGMEA factories from January 2004 but this has been postponed.

Little was done during BGMEA Phase III to develop BGMEA's capacity to manage the monitoring system and BGMEA were reluctant to take on the responsibility.

BGMEA Phase III was expected to develop a manual documenting the monitoring system and to carry out a tracer study to assess the impact of the MOU interventions on the garment factory child workers. Due to the late release of funds and the lack of management neither of these outputs had progressed by December 2001. Since that time delays have continued and these outputs are now nearing completion. The tracer study will add valuable quantitative data on the impact of the interventions on the children and their families and information on those not enrolled in school.

The future of child labour monitoring in the majority of BGMEA factories is uncertain after January 2004. The child labour monitoring system is not yet sustainable without ILOs support.

# **1. Project's Objectives and their Historical Context**

The BGMEA Phase III is one component of a number of International Labour Organisation's (ILO) and United Nations Children's Fund's (UNICEF) projects that all aim to control and rehabilitate child labourers in the Bangladesh ready made garment industry. This chapter gives the project's objectives in the context of previous and concurrent interventions by other projects and organisations.

## **1.1 The garment industry and child labour**

The ready-made garment industry in Bangladesh employs approximately 1.8 million workers and the exports, mainly to the United States and to Europe represent 76% of the country's total exports. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is responsible for the approval of licences for importing necessary raw materials and for exporting the garments and therefore has a central role in the industry.

It is estimated that in 1993 the number of child workers in the garment industry was in the region of 50,000 to 60,000. Trade Union, human rights, consumers and religious organisations in the United States, under the umbrella of the Child Labour Coalition, promoted legislation to prohibit imports of products made with child labour. The governmental instrument for this proposed sanction was a bill that was placed before the US Congress by Senator Harkin in 1992. The garment industry in Bangladesh responded to this threat by the abrupt dismissal of many child workers. It was reported that 40,000 to 50,000 children were laid off. According to reports at the time, many of these children took up other work, and this work, often in the informal sector, was more hazardous and less secure.

The ILO and UNICEF's intervention was not a pre-planned activity that was designed to remove and rehabilitate child workers in the garment industry. International moral and commercial pressures were compelling employers to dismiss children, and the intervention was designed in response to the given circumstances.

## **1.2 The first Memorandum of Understanding (MOU I)**

A comprehensive and critical summary of the early period of the BGMEA project can be found in Haarlem 1999a.

### **1.2.1 The MOU**

In response to this situation of continuing dismissal of child workers, a Memorandum of Understanding was signed in July 1995 by BGMEA, ILO and UNICEF. The purpose of the MOU was the removal of under aged children from BGMEA factories and their placement in appropriate education programmes. The main components of the MOU were; fact-finding survey, a halt to terminating under-aged workers until the education programme was in place, education (funded by UNICEF and BGMEA), verification (funded by ILO), income maintenance (funded by ILO and BGMEA), an Informal Steering Committee and publicity and advocacy. A target date of October 31<sup>st</sup> 1995

was set for the removal of all children and their placement in the school programme. The MOU contained no completion or expiry date.

An initial survey conducted by ILO, UNICEF and BGMEA between August and November 1995 identified 9,546 children below 14 years in the garment factories.

### **1.2.2 BGMEA Phase I Project**

In August 1995 an agreement was signed between USDOL and ILO/International Programme for the Elimination of Child Labour (IPEC), which included a specific contribution to the work in Bangladesh. The launch of the project was delayed for many reasons and the October 1995 deadline was not met. The Project Document for the ILO components; the ‘Verification and monitoring system for the elimination and prevention of child labour in BGMEA factories and the placement of child workers in school programmes’ (often referred to as ‘BGMEA Phase I’) was under preparation from August 1995 until May 1996. The Project implementation date was July 1996 with an implementation period of two years. There were three immediate objectives:

1. Establish and implement an experimental monitoring and verification system to remove child workers under 14 years from garment factories and to prevent new children from entering employment in garment factories
2. Withdrawal of around 10,000 children under 14 years from work in the garment factories
3. Increased awareness within and outside Bangladesh on the purpose, progress and achievements of the monitoring and verification system.

The first school was established (by UNICEF) in January 1996 and by August 1996 2,200 children had been enrolled in schools. Due to the slow implementation the US Embassy set a new deadline for the removal of under age workers from the garment factories of October 1996, and an intensive child collection drive (ICCD) was carried out in the six weeks prior to the deadline that identified 5,674 child workers. The monitoring visits that were carried out as part of the (ICCD) were the actual start of the Phase I Project. According to the Project Document, monitoring was to be carried out by 30 ILO monitors with 10 Government Factories Inspectors also participating. A record from the ICCD states that there were 46 ILO monitors, 14 BGMEA monitors and 14 Government of Bangladesh (GoB) monitors

### **1.2.3 Incentives for enrolled children**

The payment of a 300 Thaka/month stipend to the children enrolled in school was one of the incentives to promote enrolment. There were strong concerns expressed over the stipend, partly because the available budget would be expended within the first year if all of the initially identified 10,000 children were enrolled in the school. Other incentives included in the MOU 1 were the completely free primary education, a food supplementation programme for the school children (that was never implemented due to the lack of a donor) and a general statement about income generating opportunities.

In order to implement the last of these, ILO and UNICEF submitted a proposal for a project to be funded by the Italian Social Partners Initiative (ISPI) in June 1997. The project was approved only in late 1999 and implementation commenced in December

1999. A similar project to be funded by Norwegian Agency for Overseas Development (NORAD) was submitted in December 1998 but was only implemented in April 2000. During the MOU 1 period, UNICEF carried out their own independent skill training and 1,106 ex-garment workers received training. A further 113 received skill training from H&M, a garment buyer.

#### **1.2.4 BGMEA Phase II Project**

The project, 'Mainstreaming the verification and monitoring system for the elimination and prevention of child labour in garment factories, strengthening education programmes and establishing vocational training programmes', (BGMEA Phase II) commenced in July 1998 (although the Project Document states January 1998) and lasted for two years. Three immediate objectives are stated in the Project Document, one to be funded by The United States Department of Labor (USDOL), and two by ISPI. The latter two are from the project that was being discussed with ISPI and UNICEF since 1997 and by the time the project was approved in 1999 the objectives were distinctly different.

The USDOL-funded objective is; 'To have established monitoring and verification schemes according to the agreements stipulated in the MOU ensuring that the garment industry remains child labour free'.

It was envisaged that at the end of the project period, that a monitoring system in which BGMEA and the Government are participating, should be in place and able to take over. A number of activities were planned that would assist in achieving this goal, including:

- Strengthening the capacity of the official labour inspection system through analysis and training of labour and factory inspectors,
- Technical assistance to the industry to set up a self-audit system.

In July 2000 an evaluation of the BGMEA Phase I and II projects was carried out, concluding in a Stakeholders Evaluation Workshop. The evaluation focused on the achievements and challenges to the monitoring system and to the enrolment of children in the education programme and did not comment substantially on handing over the monitoring system to BGMEA and the Government.

### **1.3 The second Memorandum of Understanding (MOU 2)**

#### **1.3.1 The MOU**

The second MOU was signed in July 2000 and had a duration of 12 months until June 2001. As this has never been revised or replaced there is currently no MOU between the parties. In addition to maintaining the commitments in the first MOU, the second MOU looked to develop a long-term response to the problem of child labour monitoring in the garment industry. The main components were; ongoing monitoring and verification, transferring the monitoring to another appropriate entity, collaboration with the government, continued education support, skill training, scholarship programme and discontinuing stipends. The financial commitment of each of the partners was specified and management was to be through a Steering Committee chaired by ILO.

### **1.3.2 The MOU 2 Project**

The second MOU was to be implemented through the BGMEA-ILO-UNICEF MOU-2 Project and a Project Document was prepared that describes all of the planned objectives and outputs and goes into greater detail on the ILO supported components. The MOU 2 Project objectives, indicators, outputs and activities are in appendix 2 of this report and it is against this framework that the findings of this combined evaluation are reported in section 3.2. There are three specific projects that make up the ILO/IPEC components and these are detailed in the following three sections. It is these three projects that are evaluated in this report.

### **1.3.3 BGMEA Phase III project**

The Project 'Continuing the child labour monitoring and education components, and prepare for the integration into a broader project in the garment export industry in Bangladesh' (BGMEA Phase III) was designed for a period of ten months from May 2001 until February 2002. This was preceded by a bridging period from July 2000 when Phase II was completed. The budget is US\$ 575,572, with US\$ 375,572 from the United States Department of Labor and US\$ 200,000 from BGMEA. It is this project that is evaluated in this report.

The child labour monitoring component was handed over to the ILO/DECLARATION project titled 'A Partnership Approach to Improving Labour Relations and Working Conditions in the Bangladesh Garment Industry' (described in this report as the 'Partnership Project') in January 2002. The BGMEA phase III project period has been extended until December 2003 to enable some outstanding activities including this final evaluation to be completed.

The Project Document for the USDOL-funded component is incorporated in the overall MOU 2 document described in 1.3.2 above. The immediate objectives are:

1. The achievements of the monitoring system are maintained and expanded.
2. The monitoring and verification system is included as an integral part of a new project covering labour relations and working conditions.
3. BGMEA partners are prepared to handle the monitoring system without external technical assistance.
4. Implementation of the project improved through the strengthening of its management and the gathering of relevant information on ex-child workers.

### **1.3.4 Income and Employment Generation Project**

The Income and Employment Generation Project (hereafter referred to as the ISPI project) is funded by the Italian Social Partners' Initiative and has a budget of US\$ 670,000 divided between ILO (\$410,000) and UNICEF (\$260,000). Conceived in June 1997 the ISPI project went into operation in December 1999. The project was designed for a period of 18 months and was extended until July 2003. It is currently in a bridging phase while an agreement for a second phase is negotiated.

Although this project started during MOU 1, its design fits within the MOU 2 framework and it was mainly implemented during that period. Implementation was designed to be carried out jointly by ILO/IPEC and UNICEF. The terms of reference (ToR) for this evaluation only covers those parts of the project that have been implemented by ILO/IPEC.

The Development Objectives of the ISPI project are to:

- (a) Contribute to the elimination of child labour from the garment industry through monitoring of the enterprises and assisting children and their families in realising the benefits of and linkages between education, skills training and enterprise development.
- (b) Contribute to the economic progress of the nation by facilitating continued export of garments by a child labour free industry and to social progress by providing child workers with knowledge about the working world and productive career options.
- (c) Contribute to the improvement of family income through skills training, entrepreneurship development and access to micro credit.

The Immediate Objectives of the ISPI project as stated in the Project Document are as follows:

- 1. Skill development (700) and family income enhancement (implementing partner-ILO).
- 2. Micro credit programme (100) (implementing partner-ILO).
- 3. Child labour awareness amongst trade unions (implementing partner-ILO).
- 4. Strengthening education services for working children (implementing partner-UNICEF).
- 5. Social Mobilisation (implementing partners-ILO and UNICEF).

### **1.3.5 Integrated Child Labour Rehabilitation Project**

The Integrated Child Labour Rehabilitation Project (hereafter referred to as the NORAD Project) is funded by the Norwegian Agency for Development Cooperation with a budget of US\$ 760,548. The project was first drafted in December 1998 and revised in June 1999. The project became operational in April 2000 and activities began in September 2000 with a planned two-year duration. The completion date has been extended until December 2003. Although this project was designed during MOU 1, its design fits within the MOU 2 framework and it was implemented during that period.

According to the Project Document the development objectives of the NORAD project is to contribute to the development of an effective model for:

- Transforming the child workers into skilled manpower.
- Alleviating poverty and gradually eliminating child labour from Bangladesh.

The Immediate Objectives of the NORAD project as stated in the document are:

1. To provide skills training to 3,350 MOU children to ensure better wages and wider career options.
2. To enhance the income of 1,116 families of the targeted 3,350 MOU children so that they do not have to send their children who are under 14 years of age to work (with 300 families involved at the first stage).

In July 2001 these objectives and targets were revised to:

1. Providing skills training to 1,800 MOU children, their siblings and other working children.
2. Providing micro credit to 300 adult family members of the MOU children.

The NORAD Project Document indicates that the project has three major components:

1. Skill training for ex-working children and their capable adult family members,
2. Entrepreneurship training for children and family members to start their own business or improve their existing business, if any, and
3. Micro-credit programme for selected families of child workers for enhancing the family income.

## **2. Evaluation objectives, process and methodology**

### **2.1 Objectives of the evaluation**

Chapter 7 of the MOU 2 Project Document on 'Planning, Monitoring and Evaluation' states that a final evaluation workshop would be conducted during the programme implementation and that this would cover all of the components (i.e. including the UNICEF implemented NFE and the extended components) of the project.

At the planning stage of this project there was an expectation that it would be evaluated in an integrated way. UNICEF carried out an evaluation of some aspects of its intervention in MOU 1 and 2 in a study that was completed in 2002. The results of this study are only available internally to UNICEF at the moment.

The timeframe for this evaluation is from the actual commencement of the project until 30<sup>th</sup> September 2003. The purpose is to document and evaluate both the process and the achievements of the project.

It is expected that the tracer study that has been implemented by UNICEF as part of the Joint Framework Assessment (completed but not yet published), and the smaller scale tracer study being implemented by the BGMEA Phase III Project (field work completed, still in preparation) will give information on the impact of the project on the children and their families

So that the outcome of this evaluation can inform further strategic planning and thinking, it will document achievements, effective practices and lessons learned. Where applicable, recommendations will be developed from these.

### **2.2 Process and methodology of the evaluation**

This evaluation is based on the terms of reference (ToR) produced by ILO/IPEC for the combined evaluation of all three ILO/IPEC projects under MOU 2. These ToRs are in appendix 1 of the combined evaluation report. They are developed according to the ILO/IPEC evaluation guidelines and are based on the outcome of a participatory consultative process on the nature and specific purpose of the evaluation. The ToR suggest some specific topics and special concerns that should be covered by the evaluation, a general description of the methodology and process to be followed, and some guidelines for this report.

The evaluation was carried out by an independent team, consisting of Mr Keith Jeddere-Fisher (Team Leader) and Ms Sumaiya Khair, from the 1st of September until the 24<sup>th</sup> of October 2003 when the Final Draft report was submitted. The report was finalised in March 2004 when comments on the draft had been received from the stakeholders.

Project documents, including reports and selected correspondence files were reviewed. A list of these documents is given in appendix 5. Semi-structured interviews were carried out with key informants in Dhaka and existing and past project staff gave an overview of the projects and their activities.

Use was made of the Projects' monitoring and reporting processes, including the six monthly and annual reports made to ILO and the donor. No attempt was made to duplicate the collection of the quantitative data available from these sources. During field visits and interactions with implementing partners and project beneficiaries, observations were made in order to verify the project monitoring results.

Following the overview provided by the staff and from documentation, visits were made to garment manufacturing units. Meetings were held with ex-garment industry working children at the skill training centres, in their subsequent places of work and in focus-group meetings. A non-formal education centre was visited. These interactions occurred in all of the main garment manufacturing areas of Dhaka, Mirpur, Savar, Narayanganj and Chittagong.

In order to make the maximum use of the limited time available for the field visits, individual and group meetings were prepared in advance by the project. On each occasion the consultants made discrete enquiries about the process and criteria used to select the participants for these interactions.

At the beginning of every interaction, an introduction was given, explaining the purposes of the evaluation and emphasising the learning objectives. In most situations it was possible to develop a good open environment where challenges as well as achievements were acknowledged.

A stakeholder workshop for the combined evaluation of the MOU 2 projects was held for one and a half days at the end of the country visit and was attended by representatives of the government and the implementing partners. The consultants made presentations on the strengths, weaknesses, opportunities and threats of the different components as they saw them. There was discussion in order to obtain consensus on these main points and then intensive small group discussion on five issues that had been identified as either important for ongoing implementation or as an opportunity to document effective practices. Some of the recommendations and points made in the resulting presentations and discussions have been incorporated within this report. The workshop concluded with a summary of the MOU 2 projects' effective practices, the lessons learnt and some recommendations for the future.

A full list of individuals, groups and organisations consulted during the evaluation mission, including the workshop participants is given in appendix 4.

Chapter 3 of this report records the findings of the evaluation team. Section 3.1 looks at the design and timing of the project and at the mechanisms to coordinate with the partners. Section 3.2 reviews the achievements against the project objectives. Chapter 4 gives an overview of what happened to the garment factory child workers and discusses the sustainability of the interventions and their impact. Chapter 5 summarises the findings, the effective practices identified, the lessons learnt and the recommendations that have been made through the report.

In addition to this report on the USDOL-funded BGMEA Phase III Project, a combined report on the whole ILO/IPEC MOU 2 intervention has been prepared. There are also separate reports on the ISPI-funded Income and Employment Generation Project and on the NORAD-funded Integrated Child Labour Rehabilitation Project.

## **3. Evaluation Findings**

### **3.1 Implementation process of the project**

#### **3.1.1 Design and relevance**

##### **Looking back at the first MOU projects**

There are some stakeholders, particularly among the garment factory owners and managers that question the appropriateness of the whole intervention in the garment sector. They point to the fact that there are many child workers in Bangladesh working in more hazardous situations, and that workers removed from the garment factories may move to more hazardous situations. However, as discussed in the first chapter of this report, ILO and UNICEF did not initiate the removal of child workers from the garment industry, instead, they responded to the situation that had occurred in response to moral and commercial pressure. This report does not attempt to review the appropriateness of that first response.

##### **Building on the experience of Phase I and II**

The Project Document summarised the lessons that were learnt from the self-evaluation workshop and the achievements, weaknesses and lessons learnt that were identified in the Stakeholders Evaluation Workshop in July 2000. Where appropriate those lessons have been incorporated in the project design. Whether these changes resulted in changes in practice or not will be noted in section 3.2 where the project achievements are reviewed.

##### **Missed or hidden groups**

The project works only with garment manufacturers that are registered members of BGMEA. In order to receive permission from the government to import raw materials and to export garments, every manufacturing unit needs to be registered with BGMEA. BGMEA does acknowledge that subcontracting of orders between factories does occur, but they say that this only occurs between registered BGMEA factories. The minimum size of factory that can be registered with BGMEA is one with 60 machines, so there is the possibility that subcontracting could happen with smaller, non-BGMEA factories. BGMEA are sure that that subcontracting and home working does not occur but there is no independent study to verify this. The Partnership Project is encouraging BGMEA to include clauses on subcontracting in their internal regulations.

There is also the allied knitwear industry that has their own association, the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA). Some BKMEA factories are also members of BGMEA. It is possible that children are employed in the knitwear industry and no study has been carried out. Garment factory owners say that the numbers are probably quite small as the industry is more mechanised than the garment industry.

### 3.1.2 The design and approval process

#### Project design and approval

The Phase II project was completed in June 2000 and a number of draft proposals for a further phase were prepared. At the beginning of March 2001 it appears to have received the informal approval of USDOL and in the first week of May formal approval. There is a minimum of four different versions of the Project Document and the one that is used in the country office as the final one is titled 'draft' and has a number of internal inconsistencies (i.e. listed annexes not included). Correspondence between IPEC Geneva and the Country Office in June 2001 shows that both offices are trying to locate the approved Project Document.

Despite the approval there were ongoing discussions with the donor about the budget until at least November 2001. ILO/COMBI minuted the approval of the project by the donor in May 2001 and this is taken by IPEC staff as the date when the funds would have been made available. However there were still considerable delays before the budget could be utilised by the project and correspondence from IPEC to USDOL in November 2001 records that 'We understand that USDOL has not yet approved the budget revision as it awaits clarification of certain issues ...'. It is not clear whether this had effected or delayed the release of the main budget.

The technical progress report of September 2001 warned that the project was unlikely to achieve its objectives due to the non-availability of funds. The December 2001 report repeats the situation of not having received financial authorisation from ILO HQ. The information from the project is clear, but from the correspondence from ILO/IPEC it is not clear whether the difficulty was in the budget approval process with the donor due to the ongoing discussions or due to difficulties in budget release and project management at ILO/IPEC.

It is not within the ToR of this study to comment on the need or the efficiency of the project design and approval and budget release process, but there were consequences on project implementation including:

- Between July 2000 and May 2001 there was a bridging period with no Project Document and ad hoc funding
- The project was maintained during this period with no specific initiatives
- No work was initiated on activities other than the monitoring and verification until after January 2002 (the project completion date)
- There was continuous uncertainty over project funding
- Project staff were insecure.

**Lesson: Preparation and approval of project documents can take a long time. This can have serious consequences on the achievement of the project objectives.**

### 3.1.3 Management of the project

An ILO CTA was in post from April 2000 until January 2001. This covered most of the period of the bridging phase and the preparation of the Project Document. There was then no CTA until the Partnership Project CTA took up post in April 2002 and took responsibility for the outstanding outputs of Phase III. There was no CTA during the period of Phase III. A timeline in appendix 2 shows the periods of the MOUs, the projects and the CTAs.

A decision was made by IPEC around August 2001 to forego the hiring of a CTA and to manage the project with national professional staff with backstopping from IPEC Geneva. This was at least in part because of the financial deficit from the bridging period. The decision to not hire a CTA was conveyed to the donor who requested information on the arrangements that would be made to ensure effective project management. There is no record that any specific arrangements were made by ILO/IPEC and during the period when there was no CTA, the Team Leader was the senior member of staff. There were no changes made to his position or to his job description. The project status report of March 2001 warns that the absence of the CTA during the rest of the project was likely to adversely affect project outputs. The September 2001 technical report contains a similar warning.

It is likely that this absence of project management contributed to the lack of management of the second MOU, to the failure to handover the child labour monitoring to BGMEA and to the reduced amount and late payment of the BGMEA financial contribution. This absence also certainly contributed to the long delays in producing the monitoring manual and to carrying out the tracer study. All of these outputs are discussed in detail in section 3.2.

**Lesson: When there is no CTA or NPC, then ILO/IPEC should formerly put an alternative and effective project management structure in place.**

### 3.1.4 Coordination mechanisms

#### MOU Steering Committee

The MOU established the MOU Steering Committee to oversee the implementation of the MOU activities. The members were BGMEA, UNICEF, GoB and ILO with the US Embassy as an observer. In the first MOU no organisation is specified as the chair, and in the second MOU it is stated that ILO will chair the committee and will convene meetings once a month (although the MOU 2 Project Document states that ‘the project will organise six-monthly MOU-2 Steering Committee meetings’).

Initially meetings were held very regularly, and by October 1996 there had been 26 meetings. After this establishment period, the regularity of meeting dropped with 4 in 1997, 3 in 1998, 3 in 1999 and the final meeting in April 2000. These meetings provided an effective forum for the partners to meet and discuss achievements and constraints at the policy level.

The second MOU was signed in June 2000 and there is no adequate explanation why the Steering Committee did not meet during that period. As the number of children in schools was quite small the MOU Project had become relatively insignificant for UNICEF but it was still an important programme for the other two partners and ILO had a CTA in post until January 2001. The reason given for the lack of any meetings of the Steering Committee during the second MOU is that there was no approved ILO/IPEC project and budget for most of that time and ILO was not in a position to clarify its role. When the project had been approved there was then no CTA.

The consequence of this committee failing to meet since April 2000 is that there has been no management of the second MOU. Although it is not possible to directly attribute any failing in the project implementation to this, it is likely to have contributed to:

- the difficulties in realising the BGMEA financial contribution,
- the failure to develop a transparent penalty system for child labour violations
- and the failure to carry out a joint evaluation of the MOU 2 projects as proposed in the project document.

**Lesson: If there is more than one organisation involved in implementation, there needs to be an effective steering committee or similar that continues in force at least until the final evaluation.**

### **Education Core Group**

This meeting, sometimes called the ‘MOU Core Group on Social Assistance’, coordinated the rehabilitation work of the projects and was focused on implementation issues. Representatives included staff of the organisations that were involved in implementation. Membership included UNICEF, ILO (including the extended components), BGMEA, the education providers and SIBL. This group met regularly every 2 to 4 months in 2000 until 2001 with a final meeting in March 2002. By this time UNICEF and Bangladesh Rural Advancement Committee (BRAC) were no longer involved in the education activities and the number of children in school was small. This group provided a useful discussion forum and promoted effective coordination at this level.

### **JTAG**

The Joint Technical Action Group (JTAG) was described in section 2.1 under the objectives of the evaluation. The first and only meeting in March 2002 can only be seen as a preliminary meeting as it only included ILO and UNICEF representatives; BGMEA were not involved. Despite not meeting again, both organisations have implemented a number of the evaluation activities that were agreed at that meeting (see annex 1 of the evaluation ToR in appendix 1) and there is still the potential for a synthesis report to be prepared.

### 3.1.5 Costs and benefits to BGMEA

#### Benefits to BGMEA from the project

BGMEA are very clear that the monitoring and verification system has enabled them to claim that the garment industry is child labour-free and that this claim is accepted by the buying organisations. They also acknowledge that without this clean image the ready-made garment industry in Bangladesh would have collapsed.

BGMEA's publications, including their website, publicise the 'Social Sector Development Programs and Projects of BGMEA' which include; child labour elimination, non-formal education program and earn and learn program. Due credit is given to ILO, UNICEF and the US Embassy. Publicising the elimination of child labour and the rehabilitation of child workers in the industry has an important place in their marketing strategy

#### Costs to BGMEA from the project

The contributions due and made by BGMEA under the first MOU have not been reviewed in this study. The second MOU commits BGMEA to contribute US\$ 200,000 for the 12-month period.

Due to the delays in agreeing a new project and the weaknesses in project management discussed earlier, the bridging period and BGMEA Phase III covered a time period of 18 months from July 2000 until the Partnership Project started in January 2002. It was only after the project had been approved by the donor in May 2001 that BGMEA was approached to pay their contribution to the second MOU. Due to the lack of a formal agreement with BGMEA and the confused situation it was agreed that BGMEA would contribute US\$ 200,000 for this complete period. BGMEA's in kind contribution through salaries to BGMEA monitors was calculated as \$56,200.

Payments have been made as follows:

In kind through salaries to BGMEA monitors	\$56,200
20.5.2002	\$30,000
2.10.2002	\$33,800

BGMEA promised to pay the balance of the cash contribution of \$80,000 by November 2002 but this has not yet been received (October 2003). BGMEA say that the outstanding contribution will be made but that due to the world economic situation they are facing financial difficulties at the present time.

**Recommendation: BGMEA should immediately pay their outstanding contribution to the MOU 2 project.**

## **3.2 Achievement of MOU 2 objectives**

### **3.2.1 Immediate objective 1. The achievements of the monitoring system are maintained and expanded**

#### **3.2.1.1 The monitoring process**

A brief description of the process is provided below. 'The BGMEA/ILO/UNICEF MOU Project Child Labour Monitoring and Verification Manual' which is currently in draft form, gives a more thorough description of the system.

#### **The monitoring teams**

Although at the beginning of the MOU intervention the number of monitors supplied by the different partners and the make-up of the survey teams varied, since December 1996 there have been 12 monitoring teams, 2 in Chittagong and 10 in Dhaka and the surrounding area. Each team consists of 2 ILO monitors (one male, one female), 1 GoB monitor, either from the Inspectorate of Factories or from the Department of Labour, and one from BGMEA. It is necessary to have at least one female member of the monitoring team, as some of the questions used to identify the age of girls are quite intrusive.

Early reports on the project establishment noted that at the beginning (1995) BGMEA were resistant to including NGO or Trade Union representatives in the monitoring teams. BGMEA continue to be resistant to including Trade Union representatives in the monitoring. It is felt that BGMEA would feel threatened by them not being a neutral third party, and that they would act for their own personal benefit.

#### **The monitoring schedule**

During the bridging period and BGMEA Phase III these teams carried out child labour monitoring in the BGMEA factories on three days a week. The ILO monitors on their remaining two days would monitor the school attendance. The BGMEA monitors and GoB inspectors on their remaining 3 days would carry out child labour-related motivation work with the management BGMEA factories and other government duties respectively.

Since January 2002 when the Partnership Project started, the tripartite teams have spent 3 days a week working on the Partnership Project objectives with 192 factories. Joint ILO and BGMEA teams do the child labour monitoring in the remaining factories in the other two days. Only occasionally are the GoB inspectors involved in this as they have other responsibilities to attend to. The small number of remaining schools is monitored by the ILO monitors as necessary.

From January 2004 the Partnership Project plans to expand the number of factories it works in and expects that the tripartite monitoring teams to work in them five days a week. This means that there will be no ILO monitors assigned to monitor child labour in the remaining 2,000+ factories. This issue is discussed further in section 4.1.

## **Monitoring frequency**

Based on the monitoring results the factories are graded A, B and C. Those in A are visited every 4 months, B every 2 months and C every month. If any factory has three clear inspections then it is moved into the higher grade. If there is any incidence of child labour then that factory immediately goes to grade C. The percentages of factories in the different categories for each year are given in appendix 3a. There has been a steady increase in factories in grade A. In 1997 42% of the factories were in grade A, this rose to 89% in 2001 and is now 92%. Due to the number of factories in grade A, the monthly visiting schedule is being achieved despite the reduction of monitoring from 3 days to 2 days per week.

## **“Closed” and new factories**

There are approximately BGMEA 3,400 member factories. However the number of factories that are currently running is 2,400 to 2,500. The monitoring schedule only covers those that are running and those that have closed within the last year. After a factory has been closed for more than a year the monitoring team makes enquiries when they are in the area and would only visit if they heard that it had opened. Any new factories opening in an existing garment factory zone is quickly identified by the monitoring teams. If the new factory is not in a garment zone, then the teams have to rely on being informed by BGMEA. These systems for closed and new factories work satisfactorily.

## **Response from management when approached by monitors**

The response from the factory management to the monitoring teams is now consistently good and constructive relationships have been developed. There is no longer a need to file ‘non-cooperation reports’ and factory owners are said to be more understanding about the benefits of children’s education.

## **Training for child labour monitors**

The monitors from all three organisations report that those who were there at the beginning received a short orientation to child labour issues and some training on how to approach the factories when monitoring. Staff who have joined later have learnt ‘on the job’ and received no specific training prior to the commencement of the Partnership Project. The Factory Inspectors say that they have received training on the statutory enactments, but have not received any child labour-specific training.

### **3.2.1.2 The results of the monitoring – in garment factories**

#### **Introduction**

There is widespread acknowledgement that the monitoring and verification system has been effective in removing and preventing CL in the garment factories. The figures that follow show the trend and current status of child workers in the garment factories. An important point that should not be forgotten just because there are no figures for it, is that it is certain that a considerable number of child workers have been prevented from working in the garment factories. This is due to the changed attitudes of the management and/or because of the threat of penalties if children are identified.

## **Advocacy**

There is widespread acknowledgement that the publicity surrounding child labour in the garment industry and the response by BGMEA, ILO/IPEC and UNICEF to identify and rehabilitate the children was the first important step in raising child labour as an issue in Bangladesh. As well as raising it as an issue, the publicity and public debate that ensued meant that an understanding of what CL is and its effects was understood quite widely. Eight years after the initial events, many people regard this unintended impact as one of the main achievements, or even as *the* main achievement, of the whole MOU intervention.

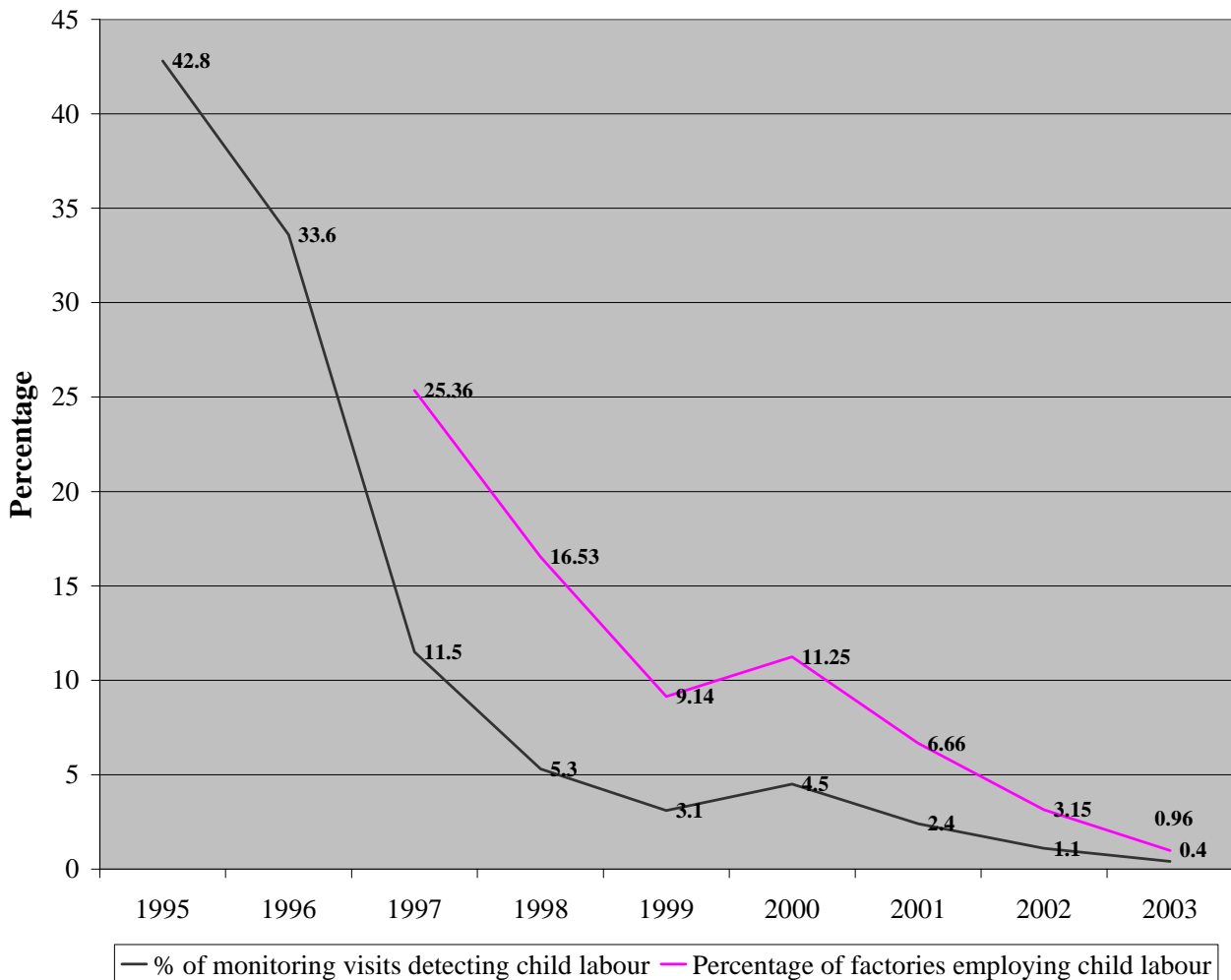
The monitoring and verification system is well known internationally. Papers describing the system and identifying its achievements have been presented at a number of international conferences and this has contributed to similar systems in other countries.

## **Factories using child labour**

All of the BGMEA projects have reported on the percentage of factories using child labour. The figure that they have used for this is the percentage of monitoring visits that detect child labour out of the total number of monitoring visits. These monitoring results are shown in appendix 3c and are represented by the lower line in the graph below. This method of presenting the results does not give you the number of different factories employing child labour, nor the percentage of factories employing child labour.

Data in the Partnership Project office can provide the number of different factories and the percentage of factories employing child labour (not available for 1995 & 1996) and this is given in appendix 3b and is represented by the higher line in the graph. This figure gives a better representation of the situation of child labour employment and will be used in the following discussion.

### Percentage of garment factories with child labour



The target figure set in the project document was that the annual average of factories using child labour would be a maximum of 5%. As shown in appendix 3b, the figures for the two years of the project are: 11.25% in 2000 and 6.66% in 2001. The figure for the first 9 months of 2003 is 0.96%. Calculated on this basis the project did not achieve its target. However the targets were presumably set on the basis of the previous figures all of which were calculated on the percentage of monitoring visits basis. On this basis the project achieved its target (4.53% in 2000 and 2.35% in 2001 (appendix 3c)).

With just 49 children being found in 24 factories during the first 9 months of 2003, child labour in the BGMEA factories is virtually zero. BGMEA report that there are approximately 1.8 million staff directly employed by the factories. The child labour element is about 0.004% of the total workforce. There are probably no other industrial sectors in Bangladesh with comparable figures.

The work of the monitoring teams is no longer primarily identifying children and enrolling them in the education programme, but carrying out preventative verification and motivational work with factory owners and managers.

Looking at the trend of the figures from 1995 to 1998 would suggest that child labour was going to be virtually eliminated by 1999 or 2000. However it has taken a further 3 to 4 years before the figure has dropped below 1% of the factories. BGMEA representatives say that these infringements are usually by the smaller factories that do not always have regular work. It was not possible to corroborate this. Other observers suggest that this is due to a lack of thoroughness by BGMEA in implementing the penalty system, an accusation that BGMEA rejects. This is looked at in more detail in the following paragraph.

The conclusion here is that there was an initial sharp downward trend in the numbers of child workers in the garment factories as a result of the threat of import sanctions and the implementation of the three party monitoring and verification system. However after implementing this system for eight years the existence of child labour in the industry has not been totally eliminated.

**Effective practice: Three party monitoring involving employers, the government and an independent organisation identifies child labour and verifies the status in factories and in the industry.**

### **Monitoring the penalties for factories employing children**

The current penalty system is that any factories found with child workers pay a set fine of US\$ 100 per infringement, regardless of the number of child workers found in the factory. In the past there was discussion about a US\$ 1,000 fine and about a sliding scale based on the number of repeat infringements. Recently there have been discussions about the infringing factory taking responsibility for the costs of rehabilitation of the child workers found. These alternatives do not appear to have ever been approved by BGMEA and the system continues as a US\$ 100 fine per infringement. The fine is said to be utilised for the BGMEA contribution to the Project.

BGMEA report that all reported factories are entered into the database and a letter is issued to them and in most cases the money is realised from them. If the fine is not paid immediately, then it will be collected when the factory renews its annual membership with BGMEA. Unless the fine is paid, the membership will not be renewed. Factory managers expressed confidence that any fines due would be collected by BGMEA. BGMEA report that 3 million Thaka has been raised from fines.

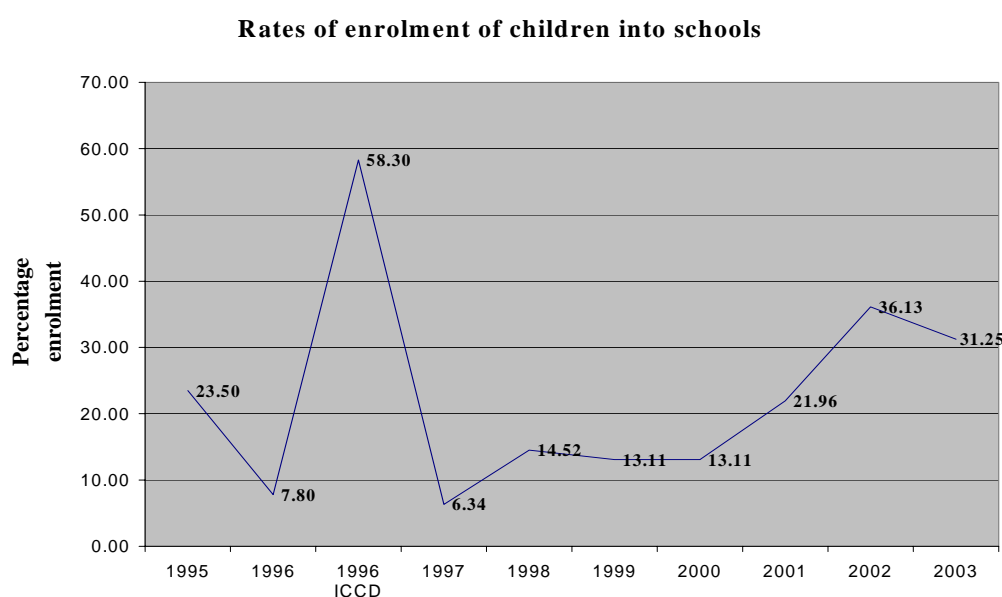
The issue of whether these fines are collected effectively has been a regular discussion point in the Informal Steering Committee. Currently people are continuing to express concern that there is no transparent system for collecting and accounting for these fines. In order to remedy this, the Partnership Project developed a proforma to monitor the payment of fines, which were then submitted to BGMEA. However, there has been no response.

### Recommendations:

- BGMEA should provide a written description to the Partnership Project showing how it monitors the collection of the penalties, and a record of all fines levied and payments received since July 2000.
- BGMEA should discuss and revise the level of the penalty so that it is an effective disincentive to employing child workers. This revision should take effect from January 2004.

### 3.2.1.3 The results of the monitoring – in schools

The evaluation at the end of Phase II identified the low enrolment of identified child workers in the school programme as a major weakness. The July 2000 evaluation workshop spent time identifying the reasons for this and making recommendations to improve the enrolment rate. These recommendations were incorporated into the design of Phase III. Although the % of identified child workers enrolled in social assistance programmes was given as an indicator in the project document, no target percentage was stated. Under the UNICEF education component this indicator is again referred to, this time it is stated as an increase in enrolment compared to the MOU I project period.



The numbers enrolled in the schools each year and the percentages are given in appendix 4d. The percentage enrolment each year is shown in the graph above.

### The enrolment process

The Phase III project took over the responsibility to coordinate the enrolment of children and a number of new measures were introduced at the beginning of the project:

- On the same day that children are identified, a list will be given to the NGO responsible and they will collect the child the next day either from the factory or from their home.
- NGOs will submit the enrolment status on a weekly basis

- ILO compiles the information on a monthly basis and presents this to the Education core Group
- NGOs told to enrol children in their normal schools if the distance to an MOU school is too great.

From July 2001 an additional measure was introduced and this resulted in a significant increase in enrolment:

- Monitoring team visit the child's home on the day that they are identified in order to know its exact location and to have a preliminary discussion with the parents about the social assistance programme under the project.

Enrolment of the children on the same day that they were identified was not achieved during the Phase III project, but has now been implemented by the Partnership Project.

Reasons given for low enrolment rates from July 2000 to December 2001:

- As the number of MOU children has decreased, so have the number of schools, and the distance to the nearest school will often be longer. There is no transport facility or allowance if the schools are some distance away.
- Parents are not interested in sending their children to school, mainly because of financial pressures.
- Many of the child workers are 13 or 13.5 years old when they are identified and they go to look for work

### **Importance of the stipend**

Stipends were provided from the beginning of the intervention in order to provide some compensation to balance the drop in family income that results from a child being withdrawn from work. There has been an ongoing debate on whether a financial compensation in the form of a stipend is necessary, or whether a more developmental incentive package in the form of skill training and economic empowerment through micro-credit is sufficient. This debate has not been put to the test due to the difficulties in finding donors to fund the incentive activities and the time taken to implement them. Only since April 2000 has skill training been available for all MOU children who wanted it, and even now the micro-credit is only available to a limited number of families.

One issue that has not been considered is the trauma that the children suffer due to their change in status. After earning an income and having the status of a productive member of the family, they suddenly return to being a dependent.

There has in effect been a slow phasing out of the stipend. When it was introduced in 1996 it related closely to the basic salary. By the time it was phased out it only represented about 1/3 of the basic salary.

All of the children enrolled in GSS schools when the stipend was stopped (766) continued their education. When children were first being identified and removed from the garment factories there was very little awareness about the hazards of child labour and the benefits of education. As this has now changed and skills training is now

available to all 13 ½ year old MOU children, it has been possible to remove the stipend without a negative impact.

### **Intensive Child Collection Drive**

The table in appendix 4d on enrolment rates shows that the ICCD in October 1996 had the highest rate of enrolment. This was carried out immediately prior to the October 30<sup>th</sup> 1996 deadline that BGMEA set to have the industry child labour free. One reason given for its success was that the education providers had established a large number of schools in readiness and they were therefore eager to enrol the children in order to fill the schools. A more detailed review of the arrangements and methods during this ICCD could identify other factors that led to its relative success.

### **Discussion**

The project did introduce measures to improve the enrolment rate but at the same time there was also a number of new disincentives, in particular the greater distance to school because of the reduced numbers of schools.

In the Stakeholders' Workshop for this final evaluation, the opportunity was taken to discuss the project experiences and to develop an 'ideal' incentive package to encourage children to participate in rehabilitation programmes such as this one. Proposals that came from this discussion included:

- Phasing of services so that they are available at the right time
- Provision of quality education up to class five (quality educational materials including uniform, teacher- quality & involvement, effective supervision, environment – toilet facilities, drinking water).
- Linkage with local health centre or provide health services in school for the family
- Low cost recreational activities such as picnic, art & song competition,
- Transport facilities to pick children up from their home to school.
- Indoor games competition two or three times per year.
- Fixed deposit scheme (contribution to a fund that is released on completion of primary education) for continued education or self-employment.
- IGA training to guardians.
- Financial support in the form of micro credit to guardians or seed money (if possible).

#### **3.2.1.4 The cost of identification and removal of child workers**

With the number of children being identified in the factories dropping to a small number, the cost of identification and removal per child is escalating:

Approximate figures for child labour monitoring (not rehabilitation) based on the project budget:

	1998	1999	2000	2001	2002	2003
CL identified and removed	1,240	534	908	428	156	24 (for 9 months)
Cost of ILO monitors and transport only	96,400	96,400	?	97,850 <sup>(1)</sup>	113,693	113,693
Time spent on CL monitoring	3 days/wk	3 days/wk	3 days/wk	3 days/wk	2 days/wk	2 days/wk
<b>Direct Cost per child</b>	<b>\$ 47</b>	<b>\$ 108</b>	<b>?</b>	<b>\$ 137</b>	<b>\$ 291</b>	<b>\$ 1,421</b>
Total project cost	350,800	324,150	?	375,572	501,919	501,919
<b>Total cost per child</b>	<b>\$ 170</b>	<b>\$ 364</b>	<b>?</b>	<b>\$ 526</b>	<b>\$ 1,287</b>	<b>\$ 6,274</b>

<sup>(1)</sup> BGMEA should have paid 50% of this.

The ILO monitors do carry out other activities in addition to monitoring child labour in the factories. This has in the past included school monitoring and currently includes wider factory monitoring. Therefore the direct cost per child is calculated by taking the cost of ILO monitors and applying the proportion of time that the teams spend on child labour monitoring.

The total cost per child is calculated similarly but taking the total project cost. These figures do not include the cost of the BGMEA monitors, nor for the allowances provided to the GoB Inspectors, both of which should be paid by BGMEA.

The implications of these costs are considered in the discussion on the future of child labour monitoring in section 4.2.

### **3.2.2 Immediate objective 2: The monitoring and verification system is included as an integral part of a new project covering labour relations and working conditions**

#### **3.2.2.1 Preparation for the new project**

The ILO In-Focus Programme Declaration took responsibility for the preparation of the new document. In 2001 staff carried out a series of missions to Bangladesh in order to discuss the proposed project with BGMEA and other partners and to prepare the Project Document. The Project 'A Partnership approach to improving labour relations and working conditions in the Bangladesh garment industry' was approved by the Donor, USDOL, in September 2001. The planned date of commencement was October 2001 but it became operational in January 2002. This project took over the child labour

monitoring responsibilities from January 2002, although it only began to address all of its objectives in April 2002 when the CTA began his appointment.

Child labour is included in this project as one aspect of labour and working conditions. The project aims to continue to remove any children under the age of 14 from the workplace, and using finances received from the violating factory, arrange for hers or his primary education and subsequent skill training.

It is planned that monitoring teams will continue to visit factories on a random and regular basis, although with a reduced regularity for those that have a consistent clean record.

Although the removal and rehabilitation of child workers is an activity that will continue throughout the 36 months of the planned project, the continuation of the monitoring visits is only proposed for the first 12 months. In the Project Document there is no proposal for a replacement monitoring mechanism.

### **3.2.2.2 Implementation of the new project**

As recorded above, the Partnership Project took over the child labour monitoring and rehabilitation responsibilities from January 2002.

#### **Changes made to the monitoring process**

From the commencement of the Partnership Project, ILO took over the responsibility for the few remaining schools that were run by GSS for the education of children removed from the garment factories. This means that the project is now responsible for the identification, enrolment and education of the few remaining child workers.

The regularity of monitoring has remained the same so that over a period of 4 months, 'A' category factories will have 1 visit, 'B' 2 visits and 'C' 4 visits. There is a possibility that the regularity of visits to 'A' category factories will be reduced to once every 6 months.

During 2002, the project developed and tested some new proformas for different monitoring purposes. Two of these are related to the education component and have been implemented, although not incorporated into the database because of the small number of children and the fact that this component is being phased out. The two to do with child labour monitoring and the monitoring of penalties paid by factories using child workers have not been approved by BGMEA and are not yet in use.

#### **Continuation of the child labour monitoring**

As child labour monitoring is incorporated as one aspect of labour and working conditions, the monitoring will be continued and institutionalised in the factories that the Partnership Project is working in. However, in the present phase, this is just in a pilot group of 450 factories. Separate child labour monitoring has continued in the remaining 2,000 factories and although the Project Document proposed that this would only be carried out for 12 months from January 2002, it is still going on at the present time. In order to release more resources to support the other objectives of the

Partnership Project, the project management is discussing the possibility of stopping this separate child labour monitoring form January 2004. No alternative has been discussed with BGMEA and this issue is considered further in section 4.2.

### **3.2.3 Immediate objective 3: BGMEA is prepared to handle the monitoring system without external assistance**

#### **3.2.3.1 Background: historical perspective and project design**

The second phase of the BGMEA project from 1998 until July 2000 was called 'Mainstreaming the verification and monitoring system for....'. One of the outputs of that project was; "Technical assistance provided to the industry to set up a self-audit scheme". The CTA, writing in July 1999, was expecting to handover to "the new indigenous monitoring system from June to October 2000. However it appears from the June 2000 Stakeholder Evaluation Workshop that there had been no progress made on this and it is recorded that the project has not completed its study on self-audit possibilities, nor had it initiated a detailed dialogue on the issue.

There is some contradiction between this objective of BGMEA being able to handle the monitoring system without external assistance and the previous one of including the system as an integral part of a new ILO project. The September 2001 status report records that BGMEA was not willing to segregate the existing child labour monitoring from the new project. As child labour is just one aspect of the range of labour and working conditions this appears to be a reasonable position to take, infact a necessary position for the achievement of the previous objective. However, the Partnership Project in its first three-year phase only aims to be active in 200 factories, less than 30% of the industry. There is no indication whether the implications to the ongoing child labour monitoring of the Partnership Project only working in a fraction of the factories was clear to BGMEA and/or the Phase III project management.

#### **3.2.3.2 Credibility of BGMEA monitoring**

Concern is expressed by all of the stakeholders, including BGMEA, that if BGMEA carried out the monitoring alone, there would be a lack of credibility.

- Although there are Government Inspectors involved at the moment, their attendance at child labour monitoring has reduced due to their commitments with the Partnership Project.
- The capacity of the Government Inspectorate has not increased during the project period. There are still just 64 inspectors for 20,000 registered factories. Without ILO's involvement they are unlikely to continue giving the same attention to the garment industry.
- If there is no independent body involved, garment buyers and others would not trust the results.
- When BGMEA monitors carry out motivational work alone in the factories, they have never reported any child labour violations.
- Factory managers and owners treat the BGMEA monitors as their own staff. It is possible that they would be pressurised and compromised.

### **3.2.3.3 Progress on capacity building and handing over**

In June 2001 the project technical report states that no progress had been made towards achieving this objective as BGMEA was "unwilling to take over the child monitoring system" and that they wanted to keep it as an integral part of the expanded project. Neither the BGMEA staff nor the staff of the Partnership Project have heard of the 'Assistance Cell' that was meant to be set up by the Phase III Project to manage the monitoring system. It is likely that if a strong project management had been in place, then this position would have been challenged and some progress may have been made on this objective.

There have been no activities designed to develop the capacity of BGMEA to take over the responsibility of managing and running the monitoring system. The database that is used to prepare the factory-visiting schedule and to record violations is accessed only by the staff of the Partnership Project and is located in the ILO office. Although the training manual on the child labour monitoring system that could provide some assistance to BGMEA is only now being finalised, there have been detailed descriptive reports on the system available and BGMEA have not shown any specific interest in using them.

BGMEA management do not have an expectation or any awareness that they should be managing the monitoring, or that this could happen in the near future. "Management has not been handed over because management is in the hands of a broader project".

### **3.2.3.4 BGMEA's capability**

The time spent by BGMEA monitors on child labour has reduced since the commencement of the Partnership Project and is likely to reduce further. During Phase III, BGMEA monitors weekly schedule was to spend three days carrying out child labour monitoring as part of the tripartite team and three days doing child labour motivational work in factories. They now work for three days in the tripartite team on the Partnership Project objectives, two days with ILO monitors for child labour monitoring and a day carrying out motivational work. From January 2004 it is possible that they will be spending five days on the Partnership Project objectives. The BGMEA management were not clear on the number of days that their monitors worked on child labour monitoring, saying that these details are all decided by the project, and all that they knew was that their monitors worked with ILO for five days.

As noted earlier the capacity of the Government Inspectorate has not increased during the project period. There are still just 64 inspectors for 20,000 registered factories and without ILO's presence it is unlikely that they would be involved on a regular basis. Their level of involvement in child labour monitoring has already decreased due to the demands of the Partnership Project.

BGMEA expressed that they would continue to monitor the child labour in their member factories even if ILO monitors were not involved. They have not considered how they would do this and may be willing to recruit additional staff. They do already have their own 'fire and safety' monitors, 2 in Chittagong and 10 in Dhaka and it is possible that their duties could be expanded.

There is a high turnover of BGMEA monitors so BGMEA's institutional capacity at the implementation level has not been established.

There are also concerns over BGMEA's financial capacity to take the initiative in a monitoring scheme. The arrears in their payments to both Phase III and the Declaration Project demonstrate reluctance, if not an inability to contribute additional financial resources. BGMEA do pay the salaries of their monitors, but if they were to continue working with the tripartite teams in the Partnership Project, then additional monitors would need to be recruited.

### **3.2.4 Immediate objective 4. Implementation of the project improved through the strengthening of its management and the gathering of relevant information on ex-child workers**

There are three specific outputs to be considered here. The first is to do with improving the collaboration between agencies for the enrolment of child workers in school. The reasons for the low enrolment and what was done to try and improve it were discussed in 3.2.1.3. The other two outputs are reviewed below.

#### **3.2.4.1 Tracer study on the social impact on ex-child workers**

The Project Document talks of a system to track the social impact on ex-child workers who have benefited from one or more of the components of the project. Since the document was written ILO/IPEC has clarified terminology. Tracking describes the process of following beneficiaries (or a sample of beneficiaries) during the life of a project and beyond to assess the impact of present and future interventions, while tracing describes the process of assessing longer term impact on beneficiaries from past interventions. ILO/IPEC says that the intention here is a tracing study.

The project technical reports in June, September and December 2001 stated that there had been no progress on the tracer study as it required an outside consultant and the project budget had not been approved. The difficulties due to the budget approval process and/or the absence of a proper project management system were reviewed in sections 3.1.2 and 3.1.3.

The consequence of the above problems was that no work had done on the tracing system at the time when the project was due to be completed, January 2002. After January 2002 responsibility for this output is taken up by the ILO Programme Officer in Dhaka and by ILO/IPEC in Geneva.

In June 2002 the UNICEF tracking (tracing) study is referred to and the school enrolment process is presented as the BGMEA tracking system. There is clearly confusion over what is required at this stage, a point that the donor raises and clarifies in their response. In December 2002 the same erroneous presentation is made concerning the BGMEA tracking system. It appears that responsibility for the outstanding outputs of Phase III was given to ILO Country Office administrative staff who did not have a clear conceptual understanding, nor a feeling of responsibility and ownership for the project.

**Recommendation: When there are outstanding components of a project that is otherwise complete, ILO/IPEC need to ensure that appropriate technical staff are appointed and equipped to complete the commitments in a professional manner.**

Also in December 2002 it is stated that UNICEF is carrying out the tracking study to determine impact (tracing). In March 2003 a national consultant is sought to implement the BGMEA Phase III tracing study and deliver the outputs stated in the Project Document.

The same organisation that carried out the UNICEF study has been contracted. Advice on the methodology was provided from ILO/IPEC in Geneva. The methodology is similar, but the investigation is more focused covering just four categories:

- Garment children who were retrenched but did not enrol in a MOU school (the control group)
- MOU graduates who completed his/her education
- MOU graduates who completed MOU education and received vocational training
- MOU graduates who completed MOU education and whose parents received micro-credit

The study was ongoing during the evaluation fieldwork and the draft report should have been submitted by mid-October 2003.

The UNICEF tracer study, carried out as part of a wider study into UNICEF's involvement in the MOU projects, was completed in December 2002. The results have not yet been made circulated. It is said that they will be discussed with ILO at the end of October 2003.

No new information regarding either of these studies were available in March 2004 when this report was finalised.

#### **3.2.4.2 Manual on the BGMEA monitoring and verification system**

An operation manual, describing the overall strategic framework of the project and the monitoring and verification system is identified as one of the outputs identified in order to strengthen project management. The manual is currently being tested and finalised.

The manual is designed with different sections designed to meet the needs of the monitors, their supervisors and programme managers interested in adapting the model to other situations. The present monitors and supervisors in the Partnership Project do not express a need for themselves, as they are confident in their existing knowledge and experience. The BGMEA management may find it useful if they take over the responsibility for the monitoring. Its main use of the manual is for its adaptation in other sectors and in other regions.

The project technical reports in June and September 2001 stated that there had been no progress on the manual as it required an outside consultant and the project budget had not been approved. The December report again states that a consultant could not be

recruited due to the non-availability of funds. The difficulties due to the budget approval process and/or the absence of a proper project management system were reviewed in sections 3.1.2.2 and 3.1.3.2.

At the same time that the official project reports were stating that there had been no progress due to the lack of finances to hire a consultant, the project Team Leader compiled and revised the projects records and recording formats and produced a draft in November 2001. As the BGMEA monitoring model had a high international profile there was a realisation that the manual required further work on it. From January 2002 the staff of the Partnership Project took responsibility for this output.

A descriptive manual was drafted in November 2002, but the project wanted to delay it so that a number of improvements that the Partnership Project was field-testing could be incorporated. The December 2002 status report promises a manual by February 2003, and the March report by April 2003. The August 2003 report is silent on the matter. It is around March 2003 that the need for an outside consultant is identified. At the same time the purpose and structure of the manual is clarified. Terms of reference were prepared and the work is going on now. There are currently two draft documents, 'The BGMEA/ILO/UNICEF MOU Project Child Labour Monitoring and Verification Manual' and 'The BGMEA/ILO/UNICEF MOU Project Child Labour Monitoring and Verification Project: An Overview'.

The delays until December 2001 were due to difficulties in the project and budget approval process. From January 2002 until around March 2003 they were caused by some confusion over what was wanted, but more importantly by it being given a low priority. This stems from a lack of perceived need and therefore ownership of the manual.

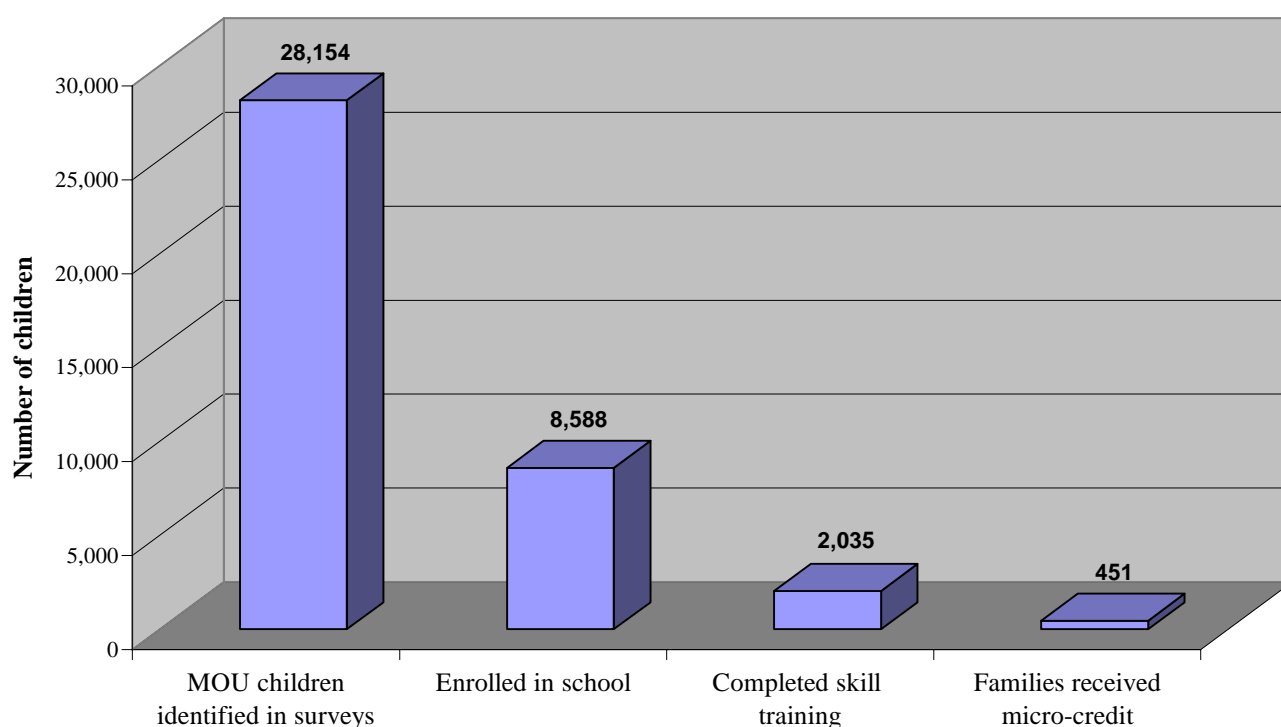
## 4. Sustainability and Replication

### 4.1 Overview of what happened to the garment factory child workers

It was estimated in 1993 that the number of child workers in the ready-made garment industry was in the region of 50,00 to 60,000. Many of these were dismissed from the factories before the MOU projects began. The first systematic survey was carried out from August to November 1995 and this identified 9,546 children below 14 years. It is assumed that 40,000 to 50,000 children had therefore already been dismissed. These dismissals were made prior to the MOU projects commencing, and apart from arguments that the MOU could have been agreed earlier, these children were outside of the responsibility of the project.

The children that the project does have responsibility for are those identified in the initial survey and then in subsequent surveys and monitoring. The total number identified is 28,154 (see appendix 4d). Of those 8,588 (31%) were enrolled in the MOU schools, 2,035 (7%) will by December 2003 have completed skill training (appendix 3e) and 451 (1.6%) families will have received micro-credit.

**MOU children that benefitted from the BGMEA/ILO/UNICEF projects**



This evaluation has found that those families participating in the micro-credit programme have experienced significant positive changes in their livelihoods, and there are also clear benefits for many of the children who have received skill training. No attempt has been made in this study to identify the benefits obtained from the education component. However, when reviewing these achievements, one has to recognise the limited impact these interventions have had on the whole target group.

The main reasons for the limited impact are identified earlier in this report. For the education component it was the late provision of the education facilities coupled with issues of incentive and motivation to attend school. For the skill training it was due to the late provision of the training opportunities and for the micro-credit it is due to the limited capital sum available for disbursement.

The results of the two tracer studies, one by UNICEF and one by BGMEA Phase III, will provide an indication of what happened to the nearly 20,000 children who were dismissed from the factories but did not benefit from rehabilitation. They will also provide quantitative information on the impact that the different rehabilitation programmes have had on the children and their families.

## 4.2 The future of the child labour monitoring

The evaluation findings have established a number of points:

- BGMEA are reluctant to take responsibility for the child labour monitoring and their capacity to do so has not developed. There are also questions about their commitment and/or capacity to maintain the child labour monitoring.
- The capacity of the government to independently carry out child labour monitoring has not developed during the period of the projects
- ILO/IPEC has been unsuccessful on two previous occasions to handover the monitoring to BGMEA or to an independent party
- The number of child workers being identified now is very low
- The cost to ILO of identifying and removing child labour from the garment industry is increasing due to the small number of child workers and is now well over US\$ 1,000 per child

According to the Project Document of the Partnership Project, ILO monitors should only have continued child labour monitoring for 12 months. In order to focus on the labour relations' aspects of the project, they are proposing that the mixed teams of monitors spend five days per week on the Partnership Project objectives in the 250 pilot factories. The effect of this on the child labour monitoring in the remaining 2,000 factories is shown in the table below.

Days spent per week on child labour monitoring and awareness raising

	<b>ILO monitors</b>	<b>BGMEA monitors</b>	<b>GoB</b>
<b>BGMEA Phase III</b>	3	6	3
<b>Partnership, now</b>	2	3	0 to 2
<b>Partnership, in 2004?</b>	0	1?	0

Respondents have varying opinions on the effect of stopping the monitoring and verification visits. Some believe that child labour in the garment factories is a thing of the past due to the continuous pressure from buyers, others believe that the marginal and seasonal factories would re-employ children.

**Recommendations:**

- **BGMEA, with the support of the Partnership Project, needs to urgently explore options to maintain the child labour monitoring in the industry**
- **The Partnership Project should provide advice to BGMEA on how to manage the child labour monitoring in all of their factories**
- **ILO and their donors need to review the cost effective use of their resources**

(As a result of discussions arising out of the draft version of this report it is reported that the Partnership Project and BGMEA agreed to revise their child labour monitoring schedule. The child labour monitoring will continue in the following manner: The teams will visit once per year to those Category 'A' factories that have had a clean record of child labour since the inception of the child labour project in 1995-96. For other Category 'A' factories that employed child labour in the past and are now in Category 'A' the team will visit twice per year. 'B' category factories: once every two months and Category 'C' factories once a month.)

### **4.3 Sustainability of child labour monitoring**

There is no consensus on whether monitoring is still required to maintain the garment industry child labour free, with strong conflicting opinions being held by important stakeholders. It is likely that the better-managed and efficient factories will remain child labour free, but that the marginal elements could reemploy children and bring the whole sector into disrepute. The number of children involved is never likely to be large.

This study has identified that the capacity of GoB to carry out child labour monitoring has not developed significantly during the project, and remains at a low level. They are likely to reduce their commitment to child labour monitoring in the garment sector if ILO is not involved.

BGMEA have developed their capacity to support ILO in carrying out the child labour monitoring through the recruitment and support of monitors. This evaluation has identified that BGMEA's capability and commitment to take responsibility for the monitoring is low and has not been increased significantly by the BGMEA Phase III project, despite that being one of the immediate objectives.

Sustainability in maintaining the sector child labour free in the present situation is most likely to be achieved by individual factory owners and managers exercising their own discipline under the surveillance and pressure from international buyers.

#### **4.4 Replication of child labour monitoring**

The monitoring and verification system has been replicated successfully in a number of child labour projects in Pakistan and India in sectors where there is a strong influence from buyers. Potential for replication within Bangladesh was discussed at the Stakeholders Evaluation workshop and the knitwear and shrimp industries were identified as potential sectors.

**Recommendation: ILO/IPEC should study the child labour situation and explore the possibility of working with the industry and the government to eliminate child labour in the knitwear and shrimp sectors.**

## **5. Summary of Findings, Effective Practices, Lessons Learnt and Recommendations**

### **5.1 Summary of findings**

- Transparent monitoring and verification maintained (3.2.1.1)
- Child labour virtually eliminated from the garment sector. Less than 1% of factories employ any child labour and child labour represents 0.004% of the workforce (3.2.1.2)
- CL monitoring has progressed into improved labour standards in the garment industry (3.2.2)
- Capacity of BGMEA and GoB to carry out monitoring without ILO support not yet established (3.2.3)

### **5.2 Effective practices**

- Three party monitoring involving employers, the government and an independent organisation identifies child labour and verifies the status in factories and in the industry. (3.2.1.2)

### **5.3 Lessons learnt**

- Preparation and approval of project documents can take a long time. This can have serious consequences on the achievement of the project objectives (3.1.2).
- When there is no CTA or NPC, then ILO/IPEC should formerly put an alternative and effective project management structure in place. (3.1.3)
- If there is more than one organisation involved in implementation, there needs to be an effective steering committee or similar that continues in force at least until the final evaluation (3.1.4).

### **5.4 Recommendations**

#### **For BGMEA**

- BGMEA should immediately pay their outstanding contribution to the MOU 2 project (3.1.5.).
- BGMEA should provide a written description to the Partnership Project showing how it monitors the collection of the penalties, and a record of all fines levied and payments received since July 2000 (3.2.1.2).
- BGMEA should discuss and revise the level of the penalty so that it is an effective disincentive to employing child workers. This revision should take effect from January 2004 (3.2.1.2).
- BGMEA, with the support of the partnership project, needs to urgently explore options to maintain the child labour monitoring in the industry (4.2).

### **For ILO/IPEC**

- When there are outstanding components of a project that is otherwise complete, ILO/IPEC need to ensure that appropriate technical staff are appointed and equipped to complete the commitments in a professional manner (3.2.4.1).
- ILO/IPEC should study the child labour situation and explore the possibility of working with the industry and the government to eliminate child labour in the knitwear and shrimp sectors (4.4).

### **For the Partnership Project**

- The Partnership Project should provide advice to BGMEA on how to manage the child labour monitoring in all of their factories (4.2).

### **For ILO and for donors**

- ILO and their donors need to review the cost-effective use of their resources (4.2).

## Appendix 1: Objectives of the complete MOU 2 Project

### Project Objectives, Indicators, Output and Activities – all components

#### 4.1 ILO Component: Monitoring and Verification System

Immediate objective	Indicators	Outputs	Activities
1. The achievements of the monitoring system are maintained and expanded.	<ul style="list-style-type: none"> <li>➤ All listed BGMEA members are included in the monitoring system.</li> <li>➤ 90% or more of the planned monthly visiting schedule is performed.</li> <li>➤ Awareness raising receives positive response by management when approached by monitors.</li> <li>➤ Annual average of child labour using factories of maximum 5%.</li> <li>➤ % of identified child workers enrolled in social assistance programmes.</li> </ul>	1.1. Monitoring visits to BGMEA factories and to NFE centers conducted and reflected in monthly reports.	1.1.1. Discuss the role and participation of the GOB inspectors. 1.1.2. Organise monitoring schedules. 1.1.3. Conduct unannounced visits to the BGMEA factories (including new BGMEA members. ). 1.1.4. Conduct monitoring visits to the NFE centres to check attendance 1.1.5. Prepare monthly monitoring reports.
		1.2. Identified child workers are enrolled in social assistance programmes.	<b>1.2.1. Co-ordinate the enrolment of children identified in social assistance programmes.</b>
		1.3. Monitors re-trained and able to use new performance procedures.	1.3.1. Design performance procedures for monitors. 1.3.2. Conduct training workshops for monitors.

## 4.2 UNICEF Component: Non-Formal Education and other Social Assistance

Immediate objective	Indicators	Outputs	Activities
2. Appropriate education and skills training is offered to child workers through Learning Centres.	<ul style="list-style-type: none"> <li>➤ Present number of 49 Learning Centre premises is kept open.</li> <li>➤ Average time of enrolment of identified child worker into the learning centre (target: less than 10 working days from the factory visit).</li> <li>➤ Number of ex-child workers that completed grade V.</li> <li>➤ Monthly enrolment rate of newly identified ex-child workers (target: increase compared to MOU-1 project period.)</li> </ul>	2.1. The current and new students are offered to continue and complete their Non-Formal Education (NFE) up to grade V at the existing MOU-Learning Centres.	2.1.1. Attract NGOs (BRAC, GSS) to manage and run the Learning Centres. 2.1.2. Include life skills component in Education.
		2.2. Plan outlined for the future role of each of the Learning Centres.	2.2.1. Undertake mapping of the Learning Centres, their location in relation to the target group, their local community, and prospective institutions for sustainable operation.

#### 4.3 ILO Extended Component: Skill Training, Micro Credit and other Social Assistance (supported by Italian Social Partners' Initiative and NORAD)

Immediate objective	Indicators	Outputs	Activities
3. Social protection is offered in the form of skills training and income compensation.	<ul style="list-style-type: none"> <li>➤ Number of trainees that gained new skills.</li> <li>➤ Number of ex-child workers placed in jobs according to their training.</li> <li>➤ Opinions of key stakeholders on the viability of income compensation schemes.</li> </ul>	3.1. Skills training provided to the already enlisted skill learners and newly identified child workers.	3.1.1. Identify the learners and select the relevant skills training programmes to match their interests and needs. 3.1.2. Contract skills training providers. 3.1.3. Encourage their job placement after completing the programmes.
		3.2. Selected number of ex-child workers received specialised skills training to find re-employment (i.e. in garment sector) and better career development opportunities.	3.2.1. Prepare a policy paper between the funding and implementing agencies. 3.2.2. Finalise contract between BGMEA and service providers to provide specialised skills training to the former child workers.
		3.3. Alternatives to instant income compensation, (to attract child participation in the Social Assistance components) identified.	3.3.1. Conduct a study on instant income compensation alternatives to stipends. 3.3.2. Discuss the results with the MOU partners and the implementing agencies.

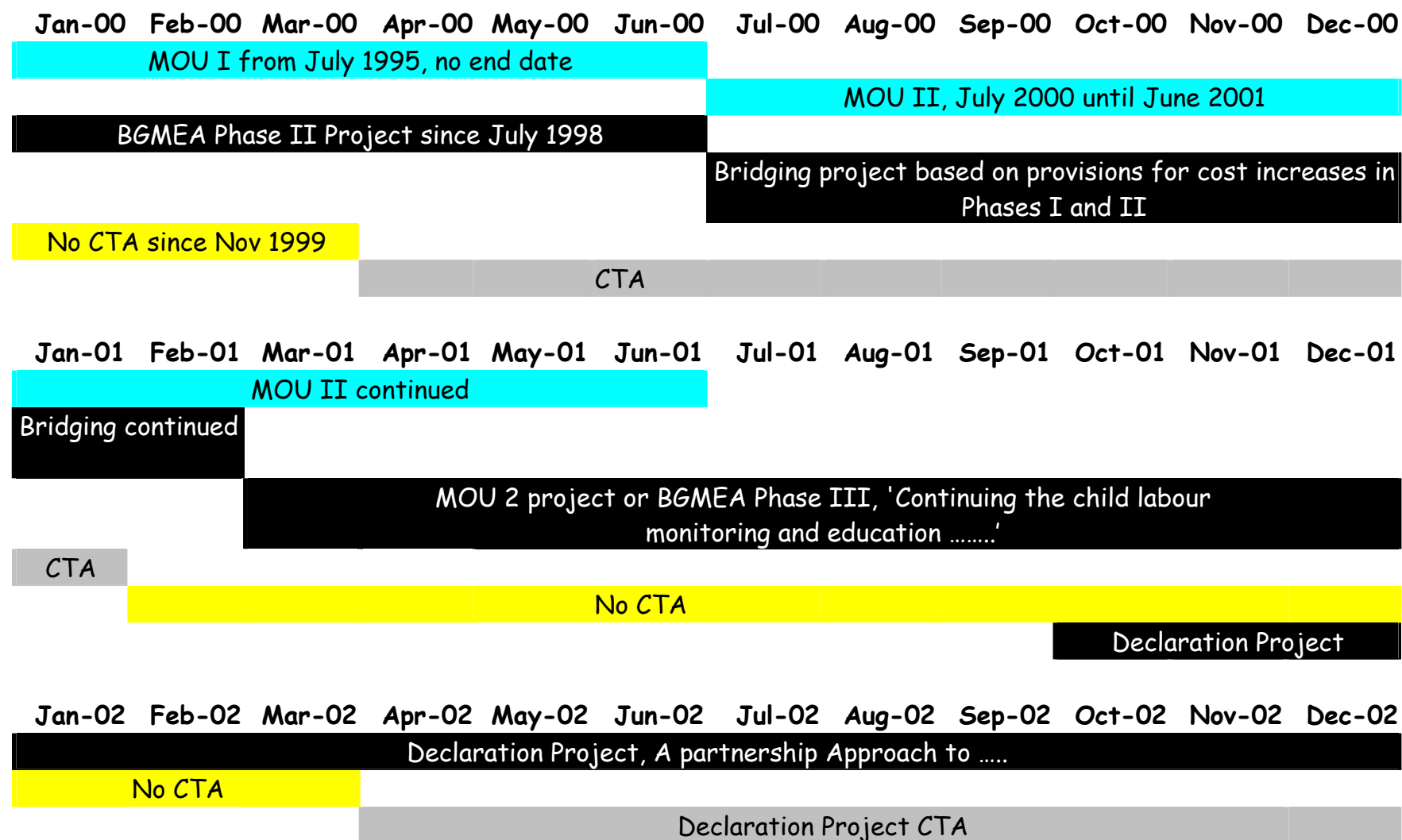
#### 4.4 Preparation of the hand over

Immediate objective	Indicators	Outputs	Activities
4. The monitoring and verification system is included as an integral part of a new project covering labour relations and working conditions.	➤ The monitoring and verification system is included as a chapter in the project document.	4.1. A project document to cover labour relations and working conditions (maintaining child labour as one of the issues for monitoring) is prepared.	4.1.1. Set up a new project management, including monitoring management, by June 2001. 4.1.2. Size down the ILO monitoring team by June 2001. 4.1.3. Finalise TOR for the Project Steering Committee. 4.1.4. Conduct participatory workshops for the planning and design of the new project document.
5. BGMEA is prepared to handle the monitoring system without external technical assistance.	➤ % of BGMEA staff in total management staff of the monitoring system. ➤ Capacities available in BGMEA's Assistance Cell. ➤ Opinions of BGMEA key staff on internal capacity to handle the monitoring system.	5.1. A manual on child labour monitoring system is developed.	5.1.1. Identification of consultant for manual preparation 5.1.2. Participatory workshops for the definition of the manual contents. 5.1.3. Preparation and edition of the manual.
		5.2. BGMEA staff trained.	5.2.1. Training of BGMEA staff on operational techniques of project management including database management system and reporting.
		5.3. An Assistance Cell is set up at BGMEA.	5.3.1. Negotiation with BGMEA. 5.3.2. Training of BGMEA officials.

#### 4.5 ILO Component: Project Management Procedures are Optimised

Immediate objective	Indicators	Outputs	Activities
6. Implementation of the project improved through the strengthening of its management and the gathering of relevant information on ex-child workers.	<ul style="list-style-type: none"> <li>➤ Reduced time lag to transfer and process information among the operating agencies.</li> <li>➤ Number of child workers tracked.</li> </ul>	6.1. Inter-agency collaboration is fully operational.	6.1.1. Review the working procedures among various agencies. 6.1.2. Negotiations with agencies involved.
		6.2. A pilot system to track the social impact on ex-child workers who have benefited from one or more of the components of the project.	6.2.1. Prepare a concept paper on examining social impact on ex-child workers and their families. 6.2.2. Propose a system to track the social impact of ex-child workers and their families' one year after having been assisted by one of the project components. 6.2.3. Pilot run of a tracking system with a selected number of children and families.
		6.3. Operation manual describing the overall strategic framework of the project and the monitoring and verification system.	6.3.1. Identify various elements of the manual. 6.3.2. Conduct case studies and analysis of various elements (social assistance, monitoring system and procedures, role of stakeholders' etc). 6.3.3. Prepare a draft manual in collaboration with stakeholders. 6.3.4. Review and finalise the manual for publication and dissemination.

## Appendix 2: Timeline of MOUs, approved projects and CTAs



**Appendix 3a: Percentage of BGMEA factories in different categories**

<b>Year</b>	<b>Number of factories</b>	<b>% in group A</b>	<b>% in group B</b>	<b>% in group C</b>
1995				
1996				
1997	1778	41.17	46.40	12.43
1998	1905	63.31	30.71	5.98
1999	1925	82.30	15.30	2.40
2000	2215	82.30	13.20	4.50
2001	2265	89.10	9.00	1.90
2002	2283	90.90	6.90	2.2
2003	2281	92.20	6.36	1.44

**Appendix 3b: Percentage of BGMEA factories employing child labour**

<b>Year</b>	<b>Number of factories</b>	<b>Number of factories employing child labour</b>	<b>%</b>
1995			
1996			
1997	1,778	451	25.36
1998	1,905	315	16.53
1999	1,925	176	9.14
2000	2,215	255	11.25
2001	2,265	151	6.66
2002	2,283	72	3.15
2003	2,281	22	0.96

### Appendix 3c: Monitoring results

Year	Visits	With no child labour		With child labour		Temporarily closed		Number of children
	Number	Number	%	Number	%	Number	%	
1996	2,189	1,190	54.36	678	30.97	321	14.67	5,770
1997	5,643	4,592	81.38	652	11.55	399	7.07	3,057
1998	7,681	6,407	83.41	408	5.31	866	11.28	1,240
1999	7,373	5,955	80.80	225	3.0	1,193	16.20	534
2000	8,079	7,157	88.59	366	4.53	556	6.88	908
2001	8,249	6,923	83.93	194	2.35	1,132	13.72	428
2002	7,076	5,960	84.23	76	1.07	1,040	14.70	155
2003	6,659	5,971	89.67	24	0.36	664	9.97	48

Notes:

- 2003 until 30.09.2003

### Appendix 3d: Rates of enrolment of child workers at different times

Date	Notes	Number identified	Number enrolled	%
August – November 1995	Initial survey	9,546	2,241	23.5%
December 1995 – September 1996	Interim monitoring	6,468	505	7.8%
October 1996	Intensive child collection drive	5,674	3,308	58.3%
November 1996 – December 1997	Ongoing monitoring	3,153	200	6.34%
January – December 1998	Ongoing monitoring	1,240	180	14.52%
January – December 1999	Ongoing monitoring	534	70	13.11
January – December 2000	Ongoing monitoring	908	119	13.11
January – December 2001	Ongoing monitoring	428	94	21.96%
January – December 2002	Stipend stopped. ILO Partnership Project responsible for schools	155	56	36.13
January – September 2003	No stipend. ILO Partnership Project responsible for schools	48	14	31.25
-	MOU children self-enrolled		1,800	
<b>Total</b>		<b>28,154</b>	<b>8,588</b>	

### Appendix 3e: MOU children that have received skill training

Project responsible	Approximate date	Number of MOU children
UNICEF	1998/99	1,106
H&M	1998/99	113
ISPI	2000 - 2003	590
NORAD	2000 - 2003	226
<b>Total</b>		<b>2,035</b>

Note: Both ISPI and NORAD provided skill training to more children, but the others were either siblings of MOU children or other working children.

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