



Evaluation Summary



International
Labour
Office

Evaluation
Office

Better Work Vietnam, Phase II – Midterm Evaluation

Quick Facts

Countries: Vietnam

Mid-Term: August 2015

Mode of Evaluation: *Independent*

Administrative Office: *CO-Hanoi*

Technical Office: *BETTERWORK*

Evaluation Manager: *Rasha Tabbara*

Evaluation Consultant: *Una Murray*

Project End: *December 2016*

Project Code: *VIE/12/06/MUL, VIE/13/07/IRL,
VIE/13/06/AUS, VIE/11/50/USA,
VIE/12/05/CAN*

Donor & Project Budget: *Ministry of Foreign Affairs of the Netherlands; Development Cooperation Directorate of the Department of Foreign Affairs and Trade of Ireland; Swiss State Secretariat for Economic Affairs; Australian government Department of Foreign Affairs and Trade; US Department of Labor; Canada Employment and Social Development – total budget: \$6,000,000*

Keywords: *labour; employment; migration; health and safety; gender; social protection*

Background & Context

Vietnam, the focus of this mid-term evaluation, has a garment industry that is growing fast and set to expand. Workers interests need to be protected if growth is to be sustained. *Better Work Vietnam (BWV)* is part of the *Global*

Better Work family, a partnership between ILO and IFC operating in Vietnam since 2009. BWV is a hybrid between a business-oriented programme and a development programme. It aims to contribute to improving the lives of garment workers in Vietnam, helping the apparel industry to ensure export oriented factories are competitive and workers are treated fairly and with respect.

Phase II, the focus of this mid-term evaluation began in July 2012 and runs for 48 months. With both a business-oriented and a development-oriented focus, BWV is concerned with assessing and advising on many aspects of labour standards in Vietnam. BWV has 5 objectives, in short:

- i) assessment, advisory and training services help factories adhere to labour standards, to show leadership in adhering to law, and help to drive change;
- ii) achieving impact by bringing lessons learned into public and private sector policy debates;
- iii) expanding the scope and depth of BWV services to increase its impacts;
- iv) strengthening the long-term viability of activities by increasing cost recovery, the capacity of national staff who take on greater management and ownership for the programme; and
- v) increasing the capacity and ownership of local social partners for sustainability.

BW operates under the umbrella of a Project Advisory Committee (PAC) made up of

government, the Vietnamese trade union and the main employers' organisation. BWV interfaces with factories who register with the programme on many levels. BWV Enterprise Advisors (EAs) go into participating factories advising and assessing the labour situation around set criteria devised from *Better Work Global*.¹ *Better Work* staff help the factory set up a Performance Improvement Consultative Committee (PICC), consisting of workers, management and union members, to discuss/resolve issues arising from assessments. The *Better Work* team share good practices from other factories; provide training and produce assessment and compliance feedback. Regular public synthesis and thematic reports are produced to present findings from Vietnam factories and give an overview of garment sector progress and challenges. Apart from workers and factory management, BWV stakeholders also include buyers, and have partnerships and activities organised with, the Vietnamese trade union (VGCL), the national employer organisation (VCCI) and the government, in particular the Ministry of Labour, Invalids and Social Affairs (MOLISA).

Methodology of mid-term review

The Evaluator obtained information about the progress of BWV towards reaching the immediate objectives, outputs and activities over 30 days between May and June 2015. A short mission to Vietnam took place to meet BWV staff, stakeholders and visit factories. Using an evaluation matrix developed for the mid-term evaluation, primary sources of information included 57 opened-ended interviews with semi-structured questions. Secondary sources including qualitative and quantitative data were analysed using the BWV performance plan data and relevant reports. The draft report was shared with BWG and BWV to check for accuracy and subsequently circulated

to a wider range of BWV stakeholders (including SECO).

Main Findings & Conclusions

Phase II was designed based on stakeholder needs, built on the successes of Phase I and informed by lessons learned. BWV connects different stakeholders such as the trade union, factories, the government (MOLISA) with 51 buyers, including 29 buyer partners. When a factory participates in the *Better Work* (BW) programme, buyers realise the factory is serious about its workers and working conditions, which gives the factory an edge towards working with more international buyers, a key goal for garment factories. Impact research through long term studies provide strong evidence that improvement in factory workers conditions leads to improvements in factory competitiveness. BWV is supporting MOLISA in their labour inspection duties, equipping them with new tools and approaches, and working alongside an ILO Industrial relations project.

Progress is on schedule and ongoing with regard to the five objectives of BWV. Considerable efforts are in place to implement **Objective 1**, BWV's core services (assessment, advisory and training to factories). At present there are 356 factories registered with BWV; over 50 from the North of the country joined since January 2015 and a new BWV office opened in Hanoi. A new (adjusted) model for assessment and advisory services has recently been introduced (May 2015). The new model for working with factories should eventually ensure factories take more responsibility for compliance with national labour standards themselves rather than standards being pushed by buyers.

A quality assurance mechanism is in place to help ensure all factories obtain consistent service from enterprise advisors, the foot soldiers of BWV. Although widely recognised

¹ This includes a focus on: occupational health and safety; working hours; human resources policies and practices; how to increase production efficiencies; and how to increase workers productivity.

that 80 percent of workers in the garment industry are female, clarity on what BWV is striving to achieve on gender related issues is needed.

Activities to ensure BWV has achieved greater impact by bringing lessons learned and knowledge of governance gaps in policy debates are also ongoing although may require more focus and stakeholder mapping for better targeting (**Objective 2**). Nearly all the activities around expanding the scope and depth of BWV services have been completed (**Objective 3**). E.g. the expansion to the north of the country and to the footwear industry). The expansion to include environmental criteria as a factory assessment has been delayed and may not be possible to include yet, with all the initiatives underway. With regard to **Objective 4**, and the long-term viability of BWV activities, many initiatives are in place, but are expected to accelerate in the coming year. Linked to this are activities to increase the commitment and revenue to BWV from participating factories. Specific actions to improve the management capacity of national staff have been completed but should continue for the remainder of Phase II. *Industrial relations* are a fundamental part of improving the situation at the factory level. Acknowledging the importance of industrial relations in all its work, IR training for project staff has taken place. Nineteen BWV having completed the Basic IR course and six having completed the Advanced IR course. Project staff have widened and diversified their skill sets both in core service delivery and in supporting wider project activities, but this of course is an ongoing process, also important for more recently recruited staff.

The more challenging engagements relate to increasing the capacity and ownership of local social partners for the sustainability of BWV. These are also ongoing and making progress (**Objective 5**). For example provincial level PACs will probably be set up in the coming months, allowing the national PAC to focus

more on strategic issues, allowing provincial PACs to concentrate on implementation issues. Considerable efforts is being placed on enhancing ownership and ensuring that the project services are institutionalised – which requires continued planning, management and a perseverance towards collaboration with the many BW Stakeholders during the remaining period of Phase II.

Outputs for objective 5 are not as easy to assess and monitor, but worth the effort to ensure BWV can in the long-term become a sustainable entity in Vietnam. Beyond financial sustainability, there is a focus on institutional aspects (capacity building of social partners) and human resource management issues. Building the capacities of national staff, to take more ownership of the programme, may require more intense focus for the remainder of Phase II. Donor encouragement and attendance at BWV events should help secure more commitment from the government/social partners and leverage the programme to higher levels nationally. The BWV country manager is Vietnamese which is considered good practice.

Overall performance targets and monitoring and evaluation indicators need to be streamlined, and work is ongoing with BWG to revise some indicators.

Conclusions

During Phase II a significant number of new initiatives are being put in place (expansion North and from 3 to 13 provinces, new services model, expansion to footwear industry). Other than continuing to implement these changes, it would be inappropriate to introduce even more changes, including environmental assessments.

Impact research undertaken in collaboration with Tufts university indicates that BWV is contributing to the lives of almost half a million workers in Vietnam, by improving working conditions in registered factories (development oriented objectives). Impact studies are demonstrating that decent work actually

improves competitiveness (business oriented objectives).

Resources appear to be allocated strategically to achieve BWV Phase II expected outcomes. Financial sustainability is on the agenda, but may not yet be achieved by the end of the Phase II, although many efforts have been made to improve the time and resource efficiency in the deliver of core services.

BWV appears to have an efficient management system in place, with an well respected competent CTA and sub-teams organised around thematic areas, and procedures following guidelines. More linkages with ILO Hanoi would be beneficial for communicating on policy related issues. BWV may need to provide more support on leadership skills amongst the social partners for the institutionalisation of the BWV approach, leveraging support via the tripartite Project Advisory Committee and BWV donors.

Impact at the factory levels depends considerably on factory management commitment, but is also linked to pressures from buyers, and the quality of services provided by EAs. Services provided by EAs is within the immediate control of BWV, and management have put in place a quality control system to ensure consistent service from EAs – who as a valuable resource, have to be cultivated so they remain with BWV once trained. Capacity building for staff should focus on being flexible and adapting to different worker/employer situations.

Clarify on what and who exactly BWV is trying to influence is also important. More work with regard to the media may help to energize stakeholders and get some messages through to target audiences. Partnerships are working well (with MOLISA, VCCI, VGCL, APHEDA) and all must continue to work together on consolidating key messages for change that may be required.

Recommendations

Main recommendations and follow-up

Recommendations include careful work on revising the indicators such as:

- clarifying why and for whom indicators are being collated;
- considering the usefulness of each indicator to monitor BWV progress;
- ensuring indicators are up to date; and
- correlating all indicators across different reporting systems.

To review the more detailed table on recommendations and their links to conclusions and lessons learned, see the full report.