Trade & Global Value Chains

Final Evaluation, 2017

Evaluation Management Unit of the Trade and Global Value Chains Initiative
Natural Resources Institute,
University of Greenwich

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Disclaimer
This report represents the views solely of the evaluation team.

Citation

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Executive Summary

The Trade and Global Value Chains Initiative (TGVCI) was a fund mechanism supported by the UK Department for International Development to leverage private sector investment and changes in corporate behaviour with the aim of benefiting both workers and smallholders, but also to provide benefits to suppliers and retailers – benefits that would catalyse further investment and corporate behaviour change as competitor companies crowd in and copy new approaches. The TGVCI made public funds available to successful coalitions applying for the funds in a demand-driven approach. The aim was to benefit workers and smallholders in global value chains, in a process known as social upgrading and suppliers and retailers would also benefit achieving different forms of economic upgrading.

The TGVCI programme sought to test the hypothesis that investing in social upgrading to benefit workers and smallholders also contributes to economic upgrading, and overall this would support the development of sustainable and resilient global value chains. The main purpose of the final evaluation was to ‘undertake an independent, systematic and objective assessment of the programme. The intended outcome for the programme is social upgrading achieved in target regions/sectors through investment in skills, communities and government policy gaps. The users of the findings of the final evaluation will be DFID, PMU, the grantees and implementing partners, and external stakeholders including developing country beneficiaries. The Final Evaluation will focus on the extent to which the TGVCI and the projects it funds have managed to deliver results and will analyse the available evidence to assess whether and to what extent social upgrading can lead to economic upgrading, and if so, in which sectors and under what conditions. The implementation model will also be analysed to establish if a catalyst fund is an effective and efficient way to deliver social and economic upgrading outcomes. It will examine the effects and achievements of the TGVCI projects and review the available evidence on change at an industry level. The Final Evaluation will gather beneficiary feedback on any unintended and unexpected effects.

The specific objectives of the final evaluation included:

- examining evidence collected by fund managers and grantees to demonstrate their achievement as part of the performance management system assessment;
- to consider adjustments made in the programme responding to realities of implementation;
- to consider if the original design was robust and what changes have been made and why;
- to assess the theory of change and the logframe against the specific realities of the contexts in which projects funded by TGVCI operate as well as lessons drawn from the realities of field implementation;
- to assess if the TGVCI model has facilitated social upgrading and if this social upgrading is leading to economic upgrading;
- to assess the effects (if any) of the TGVCI at a broader systemic, industry level
- to assess the effectiveness and efficiency of the delivery model (catalytic fund) as a means of delivering social and economic upgrading in global value chains;
- to assess the sustainability of individual interventions, the effectiveness of the programme at building coalitions, the extent to which companies intend to invest in social upgrading because they see this as a good business model, and to identify any demonstration effects.
The evaluation seeks to answer these questions, although more details are also available in the Mid-Term Evaluation report, also available on DevTracker, which explores some of the issues on the delivery model and coalition building in more detail.

The evaluation is targeted towards those in DFID managing economic development programmes; whilst the programme was managed within the Trade for Development Department, it is also relevant for other teams in Economic Development and International Directorate, such as Private Sector Department. The timing of future evaluations could be better aligned with DFID programme implementation and future programme decision-cycles to maximize the utility of evaluation work. The evaluation also provides learning useful to those managing, delivering or evaluating programmes using similar mechanisms, such as those using challenge funds or working with private sector actors and to the wider Community of Practice working on responsible business with whom this report will be shared.

The TGVCI focused on Ready Made Garments, Bangladesh, and horticulture in South Africa and Kenya. Previous research, also funded by the UK Department for International Development called ‘Capturing the Gains’, found uncertain links between social and economic upgrading. The TGVCI Business Case assumed that companies in global value chains do not adequately invest in social upgrading because they lack both adequate incentives to act on their own and convincing evidence of the benefits. Investment with other stakeholders in social upgrading could deliver business benefits and help to ensure the longer-term profitability and sustainability of corporate supply chains. This report presents the final evaluation of the TGVCI, conducted by the Evaluation Management Unit (EMU) at the Natural Resources Institute, University of Greenwich.

The TGVCI evaluation employed theory-based evaluation to evaluate the effectiveness and impact of the programme. The overall theory of change for TGVCI is that the formation of coalitions of value chain actors would create investment in social upgrading and that in turn, the social upgrading of workers’ labour rights and quality of their employment, would also lead to economic upgrading (i.e. improved profitability and move from low value to high value activities in value chains, contributing in the longer term to supply chain resilience and sustainability).

The funded projects were grouped by EMU under four impact pathways and the evidence reviewed for each. EMU conducted a series of case studies to test the different impact pathways, and has also drawn on project monitoring data, and independent project evaluations where these were commissioned by grantees, although the latter were of variable quality. The overall evaluation faces evidence gaps as not all grantees were able, nor all benefiting suppliers willing, to share data with EMU.

The findings of the evaluation are as follows:

The TGVCI, an experimental programme, aimed to leverage private sector investment to test whether social upgrading can lead to economic upgrading in order to incentivize other companies to crowd in. A core assumption upon which TGVCI was based was that finding ways to deliver on social upgrading as part of businesses’ core strategies would present win-win opportunities that other business would copy. Finding effective strategies would thus catalyse much wider change in global value chain industries, based on a robust business case and bringing development benefits at the same time. DFID anticipated that TGVCI would leverage private sector funding in collaboration with coalition partners to find ways to achieve these win-wins.
Given that this was an experimental programme, it is unsurprising to find a mixture of successful initiatives and ones that have not been implemented or were only partially successful or failures.

An analysis of the projects clustered under the different Impact Pathways in terms of their achievement of outcomes and impacts was conducted. A rating scale was developed to assess the evidence for each impact pathway, rating them as ‘very strong’, ‘strong’, ‘moderate’ or ‘weak’ in the extent to which social upgrading leading to economic upgrading was achieved and adoption by partner companies and wider scaling took place.

Drawing on all the sources of evidence available and using Contribution Analysis, **all four Impact Pathways have achieved a moderate assessment of effectiveness**, i.e. there is some evidence of social upgrading achieved, but limited economic upgrading in target factories, farms or communities for this cluster of projects and types of intervention. The findings on social upgrading (e.g. improvements in workers’ quality of employment and working conditions, or access to better work and rights/entitlements) and economic upgrading (e.g. business benefits such as productivity enhancements or change in position in the value chain for the overall enterprise) for each impact pathway are detailed below:

- **Impact Pathway 1: Worker technical, life and leadership skills**: Moderate. There is very strong evidence that worker technical, life and leadership skills interventions can deliver social upgrading by enhancing workers’ quality of employment and working conditions, and there were some instances of improvement in workers’ access to better work on a limited scale, but limited evidence on economic upgrading (i.e. on business benefits or improved position in value chain), although worker and management feedback has been positive. There is evidence of adoption/adaptation by partner companies, although the evidence on this is somewhat mixed, and no wider scaling. Other contributing factors include suppliers’ own human resource development plans and organisational culture within suppliers.

- **Impact Pathway 2: Worker Health and Nutrition Interventions**: Moderate. There is some evidence that worker health and nutrition interventions can deliver social upgrading, in terms of benefits for workers’ health, but no evidence on the achievement of business benefits (e.g. productivity benefits or change in position in the value chain for the enterprise as a whole). One project has had considerable success in the Kenyan horticulture context and interest is being generated in the other models (health insurance, nutrition gardens). Other contributing factors include workers’ wages and the availability of nutritious food. For the nutrition garden project, workers’ access to capital and land were also influencing factors.

- **Impact Pathway 3: Management Skills, Social Dialogue and Worker Representation**: Moderate. There is some evidence that social upgrading can result from such interventions, in terms of enhanced quality of employment and work conditions, although there is no evidence on improvement of workers’ access to better work and improving workers’ rights and entitlements. Evidence on business benefits is lacking except for one project providing training on worker productivity and human resources which demonstrated savings due to productivity and efficiency. There is some evidence of adoption/adaptation and wider scaling, but it is limited in scope.

- **Impact Pathway 4: Models for Smallholder Value Chain Participation and Worker Equity**: Moderate. There was mixed evidence. Out of two projects, one appears very promising, having successfully established a Joint Venture, although more time is needed to observe whether financial dividends will be distributed to worker-owners, and that social upgrading can be achieved in terms of improving workers’ rights and entitlements. However, the other
project was not successfully implemented due to a shift in strategy of the retailer away from smallholder sourcing, and while there are lucrative returns for smallholders that can participate in national value chains, the barriers to participation can be prohibitive with significant risks for vulnerable participants. One project promises a likely 20% Social Return on Investment, but the other has not been successful. There is no evidence of adoption/adaptation and scaling to date, although the Joint Venture model is promising. Overall, the assessment for Impact Pathway 4 is moderate.

At the programme level, a similar four category rating scale to that used in the impact pathway assessment was applied to assess the effectiveness and impact of the programme as a whole.

At the programme level, the evaluation team judge that overall the programme has achieved a moderate score. Some evidence of social upgrading has been achieved, but there has been limited economic upgrading (e.g. limited evidence on business benefits such as enhanced worker productivity, no changes in enterprise position in the value chain) in target factories, farms or communities for this cluster of projects and type of intervention.

However, there is a caveat to the assessments made: there are limits to the available evidence. It was originally envisaged that project monitoring data and data on outcomes where appropriate, would be collected by grant applicants and recipients and made available to the EMU. EMU planned to complement this by conducting case studies of selected projects and impact pathways across the three countries as well as lighter touch interaction with all grantees and suppliers implementing the projects. The overall evaluation faced evidence gaps as not all grantees were made aware by PMU of the importance of conducting monitoring and evaluation activities, and grantee capacity on monitoring and evaluation was variable. Access to business performance data from suppliers and gaining permission to access (and sustain access) to workers in factories and farms were also challenging in several instances. There were varying levels of capabilities amongst the independent evaluators commissioned by the project grantees themselves. TGVCI faced a multiplicity of interventions at project sites which made attribution or contribution assessment challenging.
Table 1: Rating per Impact Pathway

<table>
<thead>
<tr>
<th>Impact Pathway</th>
<th>Social Upgrading</th>
<th>Economic Upgrading</th>
<th>Sustainability</th>
<th>Adoption / Adaptation by partners</th>
<th>Wider Scaling</th>
<th>Overall scoring</th>
<th>Other contributing factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker Health and Nutrition</td>
<td>Green</td>
<td>Green</td>
<td>Orange</td>
<td>Green</td>
<td>Orange</td>
<td>Orange</td>
<td>Workers’ wages &amp; availability of nutritious food</td>
</tr>
<tr>
<td>Management Skills, Social Dialogue and Worker Representation</td>
<td>Green</td>
<td>Green</td>
<td>Orange</td>
<td>Green</td>
<td>Orange</td>
<td>Orange</td>
<td>Supplier corporate culture; Relative influence of buyers over suppliers</td>
</tr>
<tr>
<td>Smallholder Value Chain Participation and Worker Equity</td>
<td>Orange</td>
<td>Orange</td>
<td>Orange</td>
<td>Orange</td>
<td>Orange</td>
<td>Orange</td>
<td>Willingness of existing business owners to engage in joint ventures with sufficient incentives and pressure from buyers. Supportive policy. Corporate business strategy aligns with sourcing of product by commercial hubs.</td>
</tr>
</tbody>
</table>

Impact Pathway Assessments

- **Very Strong**: Very strong evidence of social upgrading achieved leading to economic upgrading, plus emerging evidence of adoption/adaptation by partner companies and wider scaling for this cluster of projects and type of intervention
- **Strong**: Strong evidence of social upgrading achieved, leading to some economic upgrading in target factories, farms or communities for this cluster of projects and type of intervention, and some adoption/adaptation by partners
- **Moderate**: Some evidence of social upgrading achieved, but limited economic upgrading in target factories, farms or communities for this cluster of projects and type of intervention
- **Weak**: Limited or no evidence of social upgrading achieved with no evidence of economic upgrading in target factories, farms or communities for this cluster of projects and type of intervention
More detailed findings were also generated to answer the two main evaluation questions, including the relationship and conditions underpinning linked social and economic upgrading and the effectiveness of a modified challenge fund (or catalyst fund) for delivering social and economic upgrading.

Does social upgrading lead to economic upgrading and, if so, in which sectors and under what conditions?

- **Worker Technical, Life and Leadership Skills**
  The TGVCI provides strong evidence that training for workers on technical, life and leadership skills can deliver on aspects of social upgrading, by enhancing workers’ quality of employment and work conditions, but limited evidence on economic upgrading is provided, although worker and management feedback has been positive. There is also plausible evidence that among the projects seeking to deliver access to better work, this has been achieved, although for several of the projects, additionality has not been demonstrated in terms of improvements for workers’ career progression. Opportunities for promotion are limited by the job growth in companies.

One initiative seeking to empower individuals at all levels of companies and in the community, gained highly positive participant feedback, but more systematic evidence is needed to demonstrate that this translates into longer-term positive employment and livelihood outcomes. Another provided in-depth coaching and mentoring to unemployed workers in South Africa, with a majority gaining meaningful employment.

There are risks that skills development in the absence of improved employment opportunities could accelerate the departure of workers from South African horticulture, which would not support the TGVCI goal of more resilient and sustainable value chains. There is no quantitative data available on the business benefits associated with the interventions, although management feedback was positive across the board, with improvements seen in different aspects of worker performance and retailers reporting reputational benefits. Evidence on scaling is mixed. In South Africa, the Emerging Leaders approach is being taken up by a retailer according to the grantee, and it is also being adopted by a limited number of horticulture suppliers. The UK retailer is now mainstreaming the EL approach in some of its supply chains in other African and Asian countries including Rwanda, Senegal and India. However, there is no strong evidence that other UK retailers, or suppliers and retailers elsewhere, are crowding in and paying for the EL training themselves.

The Pinotage Youth Development Agency is receiving strong support for further training, with investment by the UK retailer in follow-on training. The other training courses offered have not been widely adopted by suppliers and UK retailers, although Top of the Class may be offered in modified form to less skilled workers than previously.

- **Worker Health and Nutrition Interventions**
  There is some evidence that the interventions supported delivered social upgrading, but there is no evidence available on business benefits. The four projects were all highly relevant, combining awareness raising with practical interventions, given the importance of workers’ health and the poor access to health services of workers and women workers. There is strong evidence from one project in Kenya, that social upgrading has been achieved in terms of benefits for workers’ health. Evidence from a second project on social upgrading is less strong, but the qualitative evidence indicates that that the Agriculture and Nutrition Garden has been popular with workers and some technologies are being adopted, which could plausibly lead to improved health and nutrition for workers. A health insurance project in Bangladesh reports significant benefits for participating workers and their families.
in the form of free health coverage for at least one year. Sustainability is uncertain as the project developed a health benefits scheme rather than an affordable or sustainable health insurance model, but interest in the latter has been generated more widely in the sector.

However, there is an evidence gap relating to business benefits from improved worker health resulting from the TGVCI project. None of the projects provided reliable measures of business benefits.

Qualitative management feedback was positive regarding health outcomes for workers, particularly at one supplier in Kenya that implemented multiple TGVCI projects, however, disentangling the contribution of individual interventions was not possible. Despite this, scaling has resulted; the HERfarm project, Kenya, has potential for much wider uptake in the sector amongst exporters, given the partnership with a key industry association and a development investment bank. The model is also being implemented by the lead exporters association in Ethiopia. The nutrition garden is being rolled out to other sites in Kenya by the participating supplier and other suppliers have expressed interest. The Health Insurance for All project has provided a possible model for company-financed health cover and raised interest in the sector.

- **Management Skills, Social Dialogue and Worker Representation Interventions Leading to Social and Economic Upgrading**

While not solely implemented in the Bangladesh RMG industry, most projects clustered under this Impact Pathway were in this sector. Social upgrading challenges in the RMG sector are significant and systemic in relation to both measurable standards (e.g. health and safety standards, worker health, sexual harassment, etc) and enabling rights (e.g. workers’ representation, collective bargaining, freedom to associate etc.). The interventions were relevant, but some of the designs were over-ambitious and none of the interventions addressed some of the fundamental challenges of the sector, such as the lack of a living wage, worker housing or environmental pollution. The latter negatively affects workers and the wider community in Bangladesh.

Available evidence is limited with respect to the achievement of changes in the quality of employment and work conditions due to TGVCI interventions. Training on human resources and productivity for middle managers is associated with improvements in working conditions and workforce stability. Social dialogue approaches can deliver positive changes in worker and management knowledge, dialogue and attitudes. Reliable information was not available on the learning outcomes and behavioural change arising from two projects using novel methods for training managers and workers on safety and compliance. Similarly, evidence on business benefits was not collected by most of the projects under this Impact Pathway. The exception was the BBW project which provided middle managers with training on human resources and productivity, which reported a more stable workforce and significant savings due to improvements in productivity and efficiency. Based upon the information available, any impacts from the safety and compliance training on business profitability are likely to be insignificant. No concrete business benefits from a social dialogue intervention were identified. A project facilitating recruitment of disabled people, did not demonstrate business benefits, although it demonstrated that it is no less profitable to employ disabled people versus abled-bodied staff. A Migrant Worker Registration system has not been adopted by the industry in South Africa and there is a lack of evaluation data on business benefits.

- **Models for Smallholder Value Chain Participation and Worker Equity Interventions Leading to Social and Economic Upgrading**

There are opportunities for smallholder horticulture and fruit producers to gain higher returns where they can access commercial supply chains, but the barriers to participation can be prohibitive. TGVCI
tested a strategy of linking smallholders to retailers though supplying produce to intermediary commercial producer ‘hubs’ and the creation of a joint venture scheme giving workers a stake in farm production and profit.

There is qualitative evidence that the joint venture project has contributed to improved governance, leadership and agronomic skills for worker-owners and there is the potential that they will receive significant financial dividends in a few years. The enterprise owners gave positive feedback about worker motivation following the training and anticipate this will increase when dividends start to flow. They anticipate a 20% return on investment (ROI), although no ROI study was conducted. Future scaling is highly feasible amongst project partners and beyond, especially in other crops, because it may enable retailers to deliver on transformation policy agendas and offer potential reputational benefits. For suppliers, the main driver for participation was retaining market access, which was achieved. A key question is whether retailers will invest in the training required to make the Joint Ventures a success.

The model of linking smallholders to retailers via commercial hubs was not fully tested due to a change in market strategy of the retailer. The project experienced serious challenges and has not demonstrated viability as an approach to Social and Economic Upgrading. Retailers and commercial hubs faced risks in relation to product quality and smallholder capacities. Efforts to strengthen smallholder capacity were relatively successful, however, they require investment over the longer term for which there is little incentive.

**Effectiveness of the Modified Challenge Funds as an Implementation Model for delivering Social and Economic Upgrading Outcomes**

The Modified Challenge Fund (termed a catalytic fund within DFID) has supported the implementation or scaling of a diverse set of projects aimed at testing whether social upgrading can lead to economic upgrading. Given that the TGVCI was envisaged as experimental, it is not surprising that several projects failed, while others have been more successful. However, an improved approach to the design of projects, and a greater investment in technical assistance and in-country facilitation, would have better enabled testing of the theory and comparative analysis.

In terms of how effectively the programme built coalitions, we found that there were instances in which more innovative relationships were facilitated, with retailers able to work collaboratively with civil society actors, but there were few incentives in the programme to expand coalitions, once projects were funded. Further, few of the coalitions involved combinations of diverse sets of actors. Most projects were led by individual retailers, and/or by service providers. NGOs tended to only participate as service providers, e.g. trainers. In no cases were there sector-wide processes facilitated which could generate a range of responses to jointly identified problems and pre-competitive collaboration in developing solutions. In some cases, retailers reported transaction costs and difficulties in recruiting suppliers to participate in their projects.

With respect to whether a demonstration effect occurred, with the projects leading to a change in attitudes and/or behaviour of other value chain actors not involved in the programme, the lack of inclusion of a learning mechanism within the programme meant that active promotion of positive results also did not occur. Even where positive outcomes were demonstrated by the projects, there are limited incentives for companies to share such approaches in an in-depth manner with their competitors. The fund manager missed opportunities to facilitate synergies between TGVCI grantees in design, implementation and learning.
There are also key differences in the target industries, with respect to scale and, arguably, with respect to the severity of sustainability issues. The RMG sector context, in Bangladesh and elsewhere, is extremely challenging. The size of the sector, the number and scale of other initiatives, and, arguably, the systematically unsustainable conditions in the RMG industry, mean that it is difficult to see how the initiatives implemented could have made a significant difference. In Kenya and South Africa there has been a longer history of ethical trade and corporate responsibility initiatives. The industries also face diverse sustainability challenges, but there is less intensity of multiple initiatives compared with the RMG sector post-Rana Plaza. A small number of horticulture sector initiatives are experiencing some scaling or there is the potential for further scaling to occur.

None of the projects in any of the three countries which emerged through the demand-led process focused upon more challenging, but fundamental issues for workers and local communities relating to social upgrading, such as living wage issues, housing, and environmental issues. These have not been tackled, yet they remain central to achieving social upgrading and sustainable, resilient supply chains and sectors. Combined with the lack of scaling in many instances means that the TGVCI has not been able to catalyse systemic change. Several grantees suggested that it might have been better to have targeted other countries or sectors with fewer donor and corporate interventions.

Sustainability & Scaling
On the evaluation question of how sustainable the individual interventions were, there are mixed results with respect to the sustainability of the benefits of the TGVCI interventions. The Worker Life, Leadership and Technical Skills Training and health related interventions are likely to provide participants benefits, but continued investment is needed, and in some cases additional training. There is mixed evidence on the Management Skills, Social Dialogue and Worker Representation interventions with some presenting positive plausible evidence and others clearly not.

In terms of the adaptation of business models by project partners in their own supply chains in the absence of donor interventions, participating brands/retailers and suppliers vary in the extent to which they are convinced of the business case. There are instances of or the potential for wider adoption/adaptation; however, in other cases this has not been demonstrated. For several projects, more time is still needed to see if the adoption/adaption is really embedded in corporate strategy or not. Some of the approaches represent the business of consultancy companies and NGOs and so they will continue to promote them in the relevant industries.

Lessons
a. Promising approaches to social-economic upgrading include intensive coaching for unemployed youth, worker equity schemes, social dialogue processes and health interventions. However, more fundamental issues, such as wages, housing and freedom of association also need to be tackled if sustainable, resilient global value chains are to be achieved.

b. Worker equity schemes and other enterprise ownership models offer the potential for long-term improvement in worker social upgrading.

c. Donors and researchers should continue to invest in efforts to understand which are the most promising approaches in terms of achieving social (and environmental) upgrading that can create economic upgrading for both buyers/brands and suppliers and thereby incentivise competitors to act.
d. Environmental issues were identified in an initial study to inform the business case development as being pertinent to the programme, but only a few of the project applicants addressed environmental issues and one project was not implemented. Rather than seeking to address social and economic upgrading separately, supply chain sustainability issues of a social and environmental nature should be holistically addressed along the supply chain by buyers and suppliers. Companies and donors should integrate and address supply chain environmental sustainability concerns in their business models as a core concern, but evidence to build the business case is important as are sector-wide approaches, including the necessary policy and legal levers to create a level playing field and drive change. Ideally, sector wide approaches would also engage with specific verifiable environmental scientific (e.g. changes in land use, Greenhouse Gas Emissions, biodiversity loss) and social policy targets referring to the changes needed rather than referring to the year-on-year performance of companies or comparisons between peers.

e. Donors, companies and the wider community of practice should be realistic about the scale and nature of the challenges faced by workers, communities and environments in many industries in developing countries and emerging markets and design programmes accordingly with appropriate time frames and levels of resources to test new approaches.

f. Political and institutional contexts have a marked effect on the outcomes of supply chain initiatives and geographically focused, multi-stakeholder initiatives offer an avenue for addressing such issues, by engaging value chain actors in a coordinated manner.

g. Catalytic funds and sustainability upgrading interventions can only be effective if they ensure that grantees have a clear sector transformation plan for achieving scaling and systemic change. Any future catalytic funds should also include appropriate and effective learning mechanisms, as companies do not have an incentive to share new innovations that give them a competitive edge over rivals.

h. Sustainability in supply chain interventions requires there to be an adequate root cause analysis and an adequately systemic approach. A demand driven fund for brands/retailers does not necessarily support initiatives which catalyse changes in more fundamental issues affecting companies and sectors or lead to systemic actions focused on sector coordination, policy and regulatory changes, enhanced accountability and worker voice.

i. Corporate grantees can draw on the expertise of NGO partners. Coalitions should recognize and draw upon the development expertise of international NGOs.

j. Consider sector-wide trends and future scenarios at design stage, ideally in a participatory diagnosis of issues.

k. The TGVCI programme supported coalitions involving a relatively limited numbers of actors and did not generate multi-stakeholder coalitions. Joint problem analysis and solution scoping by multiple stakeholders could be followed by action research that allows for rapid comparison of existing and new approaches in the target context. Programme managers require facilitation skills to support such a process, but the process itself can generate priority problems and solutions, which can then receive funding under a catalytic fund for testing and scaling.

l. Ensure that fund managers have adequate facilitation skills – multi-stakeholder engagement processes, especially in highly unequal context such as global value chains – require excellent
facilitation skills and on the ground presence and strong local legitimacy of multi-stakeholder processes.

m. Where donors have a strategic objective of generating evidence to stimulate change in business behaviour, it is essential that adequate provision is made for Monitoring and Evaluation in private sector-led development programmes and projects, including conditions placed upon project funding when private sector partners are contracted.
Table of Contents

Executive Summary ........................................................................................................................................i
Table of Contents ........................................................................................................................................ii
Abbreviations ...............................................................................................................................................xv
1. Introduction ..................................................................................................................................................1
2. Approach to the Monitoring and Evaluation .............................................................................................2
   2.1 Purpose, Scope, Objectives .....................................................................................................................2
   2.2 Methodology .........................................................................................................................................4
3. Contextual Analysis ....................................................................................................................................7
4. Findings ...................................................................................................................................................11
      Relevance ...............................................................................................................................................11
      Social Upgrading: Quality of employment and work conditions ..............................................................11
      Social Upgrading: Access to better work ..................................................................................................12
      Economic Upgrading: Business Benefits ..................................................................................................12
   Impact Pathway 2: Worker health and nutrition ...........................................................................................16
      Relevance ...............................................................................................................................................16
      Social Upgrading: Quality of employment and work conditions ..............................................................16
      Economic Upgrading: Business Benefits ..................................................................................................17
   Impact Pathway 3: Managers and workers trained in skills on better management and social dialogue for mature industrial relations and ethical compliance ........................................................................20
      Relevance ...............................................................................................................................................20
      Social Upgrading: Quality of Employment and Work Conditions .............................................................20
      Social Upgrading: Access to Better Work ..................................................................................................23
      Economic Upgrading: Business benefits ..................................................................................................23
   Impact Pathway 4: Improving models for engaging smallholders and workers in more productive and resilient horticulture value chains .................................................................................29
      Relevance ...............................................................................................................................................29
      Social Upgrading: Quality of employment and work conditions ..............................................................29
      Social Upgrading: Access to better work ..................................................................................................29

xii
Economic Upgrading: Direct business benefits ................................................................. 29
Moving into or staying in higher value markets ............................................................ 30
Scaling for Sustainable and Resilient Value Chains ...................................................... 30
5. Programme Management ......................................................................................... 32
6. Cost-Effectiveness ................................................................................................. 32
7. Conclusions ........................................................................................................... 34
7.1 Does Social Upgrading Lead to Economic Upgrading and, if so, in Which Sectors and Under What Conditions? ................................................................. 38
   Evidence on Worker Technical, Life and Leadership Skills training leading to Social and Economic Upgrading ................................................................. 38
   Evidence on Worker Health and Nutrition Interventions Leading to Social and Economic Upgrading ................................................................. 38
   Evidence on Management Skills, Social Dialogue and Worker Representation Interventions Leading to Social and Economic Upgrading ................................................................. 39
   Models for Smallholder Value Chain Participation and Worker Equity Interventions Leading to Social and Economic Upgrading ................................................................. 40
7.2 Is a Modified Challenge Fund an effective and efficient way to deliver social and economic upgrading outcomes? ................................................................. 40
7.3 How sustainable are the individual interventions (were any of the benefits realised expected to continue over time in the absence of further DFID, or other donor, intervention)? ................................................................. 42
7.4 Were firms or others participating in the programme convinced of the value of investing in social upgrading as a good business model and therefore willing to continue similar projects in future in the absence of donor intervention? ................................................................. 43
7.5 What was the demonstration effect in terms of changes in attitude and/or behaviour of other value chain actors that were not involved? ................................................................. 44
7.6 How effective was the programme at building coalitions and what role did they play in the interventions? What lessons were learned in how to successfully engage key supply chain actors such as government, local firms, civil society etc.? ................................................................. 45
8. Lessons .................................................................................................................. 46
Bibliography .............................................................................................................. 52

List of Annexes
Annex 1: Terms of Reference for TGVCI Final evaluation - Evaluation Management Unit. Feb 2017 . 54
Annex 2: The Evaluation Methodology and Process .......................................................... 59
Annex 3: Trade & Global Value Chains Initiative: Extract from the Performance Management Framework ........................................................................................................ 76
Annex 4: Quality Assurance, Principles and Ethics ............................................................. 84
Annex 5: TGVCI Theory of Change & Impact Pathways ....................................................... 88
Annex 6: Evidence Collected or Available Per Case Study ................................................. 93
List of figures

Figure 1 Programme Theory of Change ................................................................. 6

List of Tables

Table 1: TGVCI Impact Pathways and Projects .......................................................... 5
Table 2 Summary of Social and Economic Upgrading and Scaling resulting from Impact Pathway 1. 14
Table 3 Summary of Social and Economic Upgrading and Scaling resulting from Impact Pathway 2. 18
Table 4 Summary of Social and Economic Upgrading and Scaling resulting from Impact Pathway 3. 26
Table 5: Summary of Social and Economic Upgrading and Scaling resulting from Impact Pathway 4. 31
Table 6: DFID and consortium contributions per impact pathway.................................. 32
### Abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
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<tr>
<td>AAER</td>
<td>Adopt, Adapt, Expand and Response framework</td>
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<tr>
<td>ANC</td>
<td>African National Congress</td>
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<tr>
<td>BBBEE</td>
<td>Broad-Based Black Economic Empowerment</td>
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<td>BBW</td>
<td>Benefits for Business and Workers</td>
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<tr>
<td>COSATU</td>
<td>Congress of South African Trade Unions</td>
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<td>CtG</td>
<td>Capturing the Gains</td>
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<tr>
<td>DAC</td>
<td>Development Assistance Committee of OECD</td>
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<tr>
<td>EL</td>
<td>Emerging Leaders</td>
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<td>EMU</td>
<td>Evaluation Management Unit</td>
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<td>FBC</td>
<td>Fraud, Bribery and Corruption</td>
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<tr>
<td>FGDs</td>
<td>Focus Group Discussions</td>
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<tr>
<td>FSLP</td>
<td>Farmers support and linkages project</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GVCs</td>
<td>Global Value Chains</td>
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<td>International Labour Organisation</td>
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<td>KII</td>
<td>Key informant interviews</td>
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<td>M4P</td>
<td>Making markets work for the poor.</td>
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<td>NRI</td>
<td>Natural Resources Institute</td>
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<td>PCR</td>
<td>Project Completion Report</td>
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<td>Problem Driven Iterative Adaptation</td>
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<td>PMF</td>
<td>Performance Management Framework</td>
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<td>Programme Management Unit</td>
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<td>RCT</td>
<td>Randomised Controlled Trial</td>
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<td>RMG</td>
<td>Ready Made Garments</td>
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<td>ROI</td>
<td>Return on Investment</td>
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<td>TGVC</td>
<td>Trade and Global Value Chains Initiative</td>
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<tr>
<td>ToC</td>
<td>Theory of Change</td>
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<td>ToT</td>
<td>Training of Trainers</td>
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<td>UoG</td>
<td>University of Greenwich</td>
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<td>VfM</td>
<td>Value for money</td>
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</table>
1. Introduction

The Trade and Global Value Chains Initiative (TGVCI) (2013-2016) seeks to test whether investments in social upgrading (better working conditions and access to better work) can lead to business and development gains, and ensure that better skilled, younger workers enter the sector and work more productively. Taking ‘an innovative approach’, the TGVCI aimed ‘to test the hypothesis that investing in social upgrading to benefit workers and smallholders also contributes to economic upgrading’. This would be radically different from current donor-assisted value chain development activities that generally concentrate on supporting the commercial core of the value chain typically through projects focused on economic upgrading. ‘This programme will focus on the linkages between social and economic upgrading, generating evidence that social investments in the wider enabling environment around the core of the value chain lead to commercial (and development) benefits. There is also an opportunity to collect evidence on linkages between socio-economic conditions and environmental and health/safety issues given that these have the potential to undermine these wider benefits’ (DFID, Business Case, 2013, p1-2)

By Project Completion Review, the total budget for the TGVCI, including funding from the Trade for Development Department and DFID Bangladesh was £4.9 million. Total actual expenditure to date and total committed to end of programme was £3.6 million, with an uncommitted balance of £1.7 million.

The DFID funded research programme, Capturing the Gains (CtG), suggested that achieving social upgrading (of poor workers and smallholders) is essential for securing the resilience and sustainable economic upgrading (of commercial firms) in value chains. To achieve this would require collaborative action between lead companies, developing countries’ suppliers, governments, civil society organisations, and workers/communities. But evidence is lacking about the types of value chain interventions that are most effective in achieving economic and social upgrading in GVCs.

The DFID business case argued that companies do not invest in social upgrading because they lack both adequate incentives to act on their own and convincing evidence of the benefits. Investment with other stakeholders in social upgrading could deliver business benefits and help to ensure the longer-term profitability and sustainability of corporate supply chains. The TGVCI would also be innovative in that it would not only ‘test the hypothesis of cutting-edge research on global value chains’, but it would ‘also take a creative approach to programme delivery by drawing upon the best features of current private sector development models - Making Markets work for the Poor and Challenge Funds. It will be a demand-led intervention where businesses and other value chain actors will be incentivized and (technically) supported to invest in the most effective social upgrading activities/projects. At the same time, the programme will actively leverage and disseminate evidence and knowledge generated through these activities/projects’ (DFID Business Case, 2013, p2).

The TGVCI delivery mechanism was a catalytic fund (a modified challenge fund with technical advice provided to grantees), making public funds available to successful coalition applicants and leveraging

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1 Social upgrading is the process of improvement in the rights and entitlements of workers as social actors and enhances the quality of their employment. This includes access to better work as well as better conditions at work contributing towards sustainable development and poverty reduction.

2 Economic upgrading is the process by which economic actors – firms – move from low-value to relatively high-value activities in the value chain


private sector investment. The aim was to facilitate corporate behavioural change, benefitting workers/smallholders (social upgrading) and suppliers and retailers (economic upgrading), including wider scaling and systemic change. The intended outcome for the programme is social upgrading achieved in target regions/sectors through investment in skills, communities and government policy gaps. The TGVCI focuses on Ready Made Garments, Bangladesh, and horticulture in South Africa and Kenya.

A Mid-Term Evaluation was conducted in 2015 with the intention of informing DFID’s future programming in terms of further scale-up or roll-out of the programme. However, the design of and delays in the implementation of the TGVCI Fund and the challenges in collecting private sector data when companies were not contractually required to share relevant data, meant that while the MTE provided important insights and identified potential at-risk assumptions, it was not feasible to generate robust evidence on the social-economic upgrading linkage, especially at the level of the sector. DFID planned the Final Evaluation for the period immediately following the end of the programme fund, but this was too late to inform DFID programming decisions. Alignment could be improved in future monitoring and evaluation contracts with DFID programming cycles.

This report presents the Final Evaluation of the TGVCI conducted by the Evaluation Management Unit (EMU). Nineteen projects have been funded within the TGVCI in two rounds. Section 2 presents the overall approach to the Monitoring and Evaluation. Section 3 presents a contextual analysis for the three, target country-sectors, and Section 4 presents the findings, according to the four main impact pathways. Within each of the four impact pathways we present the findings for each of the relevant projects. Section 5 presents the conclusion and recommendations.

2. Approach to the Monitoring and Evaluation

2.1 Purpose, Scope, Objectives

The main purpose of this Final Evaluation is ‘to undertake an independent, systematic and objective assessment of the programme’s implementation and achievements, to draw out key lessons, and to make recommendations on future support’. It focuses on the extent to which the TGVCI and the projects it funds have managed to deliver results and analyses the available evidence to assess whether and to what extent social upgrading can lead to economic upgrading, and in which sectors and under what conditions. The implementation model is also analysed to establish if a catalyst fund is an effective and efficient way to deliver social and economic upgrading outcomes. The evaluation examines the effects and achievements of the TGVCI projects and reviews the available evidence on change at an industry level (see Annex 1 for the Terms of Reference).

The specific objectives of the final evaluation were as follows:

- to examine the data and evidence collected by fund managers and grantees to demonstrate their achievements in relation to milestones, as part of the performance management system (designed by EMU);
- to consider adjustments that have been made to the programme in the light of the realities of implementation;
- to consider if the original design was robust and what changes have been made and why;
- to assess the theory of change and the log frame against the realities of the specific contexts in which the projects funded by the TGVCI operate, as well as lessons drawn from the realities of field implementation;
• to assess if the TGVCI model has facilitated social upgrading and if this social upgrading is leading to economic upgrading;
• to assess the effects (if any) of the TGVCI at a broader systemic, industry level;
• to assess the effectiveness and efficiency of the delivery model (catalytic fund) as a means of delivering social and economic upgrading in global value chains;
• To assess the sustainability of individual interventions, the effectiveness of the programme at building coalitions, the extent to which companies intend to invest in social upgrading, because they see this as a good business model, and to identify any demonstration effects.

The overall evaluation questions are:
I. Does social upgrading lead to economic upgrading and if so in which sectors and under what conditions?
II. Is the implementation model of a modified challenge fund an effective and efficient way to deliver social and economic upgrading outcomes?

Additional evaluation questions included:
• How sustainable are the individual interventions (were any of the benefits realised expected to continue over time in the absence of further DFID, or other donor, intervention)?
• How effective was the programme at building coalitions and what role did they play in the interventions? What lessons were learned in how to successfully engage key supply chain actors such as government, local firms, civil society etc.?
• Were firms or others participating in the programme convinced of the value of investing in social upgrading as a good business model and therefore willing to continue similar projects in future in the absence of donor intervention?
• What was the demonstration effect in terms of changes in attitude and/or behaviour of other value chain actors that were not involved?

The key definitions used within the programme are set out in box 1.

Box 1: Key Definitions

• **Social upgrading** is ‘the process of improvement of the rights and entitlements of workers as social actors and enhancement of the quality of their employment. This includes access to better work as well as better conditions at work contributing towards sustainable development and poverty reduction’.

• **Economic upgrading** - ‘a process by which firms improve profitability and move from low-value to relatively high-value activities in the value chain’

• **Supply chain resilience/sustainability**: the ability of a supply chain to be able to continue operations over time. This is determined by a range of factors, including availability and skill level of labour and levels of social and political stability in countries of operation’.

*Source: (TGVCI EMU TOR, 2013, p3).*

The evaluation team also respond to the OECD Development Assistance Committee (DAC) criteria for development effectiveness, which are relevance, efficiency, effectiveness, impact and sustainability.

The users of the findings of the final evaluation will be DFID, PMU, the grantees and implementing partners, and external stakeholders including developing country beneficiaries.
2.2 Methodology

The TGVCI is a theory-based evaluation and hence the evaluation is guided by the overall programme theory of change and the associated logical framework. This approach is particularly useful in situations of complexity, as is the case in private sector led development initiatives, where there can be data access constraints and with a diverse portfolio of interventions in a programme. The evaluation uses mixed methods to answer the key research questions. By collecting data along the impact chain and where possible including counterfactual comparisons, it is possible to establish if intended outcomes and impacts have been achieved and how, and to identify weak linkages in the theory of change. Alternative pathways to the observed outcomes can also be explored. We have employed the Donor Committee on Enterprise Development (DCED) Standard for Results Management, which also supports a theory-based approach. See Annex 2 for more detail on the methodology.

The programme theory of change is presented in Figure 1 below. Within the generic theory of change, specific impact pathways have been identified based on a clustering of the types of projects that were funded by the TGVCI in both rounds. Four types of projects were identified:

a. Worker technical, life and leadership skills training;

b. Worker health and nutrition;

c. Management skills, social dialogue and worker representation;

d. Models for smallholder value chain participation and worker equity.

As well as working with projects to strengthen their own M&E and the quality of any independent project evaluations commissioned, EMU adopted a comparative case study approach, focusing in more detail on selected projects and drawing relevant lessons from the broad portfolio of projects. Cases were selected from across the target countries and impact pathways. Data was collected ‘within each case’ (i.e. project) clustered into impact pathways to build up stronger evidence on whether initiatives led to expected outcomes and impacts, and for whom. Systematic research questions were applied across the cases allowing for comparative analysis, which supported the formulation of broader conclusions.

Key data sources for the final evaluation are: project baseline and monitoring data, wherever available; EMU case studies; EMU field visits to projects and interviews with grantees and implementing partners; key informant interviews (KIs); independent project evaluations commissioned by the projects themselves; an industry survey in each target country; PMU documentation and responses to questions, grantees’ project completion reports, and secondary data.

Key activities: i) Mining the monitoring system – i.e. the information collected by grantees and submitted to PMU according to the indicators in the Performance Management Framework (PMF) developed by EMU (see Annex 3, which provides an excerpt of the PMF); ii) Synthesizing evidence from the case studies; iii) Collecting additional data on the case studies at mid-term and final evaluation; iv) Reviewing information from the independent project evaluations and any additional evaluation data being collected by the projects themselves and assessing their quality; v) Conducting stakeholder and key informant interviews; vi) Interviewing a small number of grantees on the evaluation questions and drawing on previous surveys of grantees; conducting an industry survey.

Limitations: There have also been major challenges with respect to the designs of the projects which have not supported the generation of evidence, plus limits on access to the data that companies are
willing to share. The Evaluation Management Unit did not have access to applications during the design phase, but even where grantees were supportive of data collection, permission to cooperate on M&E and access business data, is in the hands of the supplier companies, not the grantees. In some cases, for the non-case study projects the number of field visits and stakeholder interviews has been limited in number.

**Quality of evidence**: The Evaluation Management Unit (EMU) defined robust evidence according to the following criteria: Robust self-assessment monitoring by the project of its outcomes and impacts using appropriate indicators and data collection; Engagement of independent evaluators (levels of independence can vary); Inclusion of counterfactual (e.g. control groups) – this is determined by the design of the project, as well as the viewpoint of the evaluator in some instances, and resources; Quality of the evaluation plan and its implementation; Engagement with EMU as a case study, with complementary data collection by EMU. Further details on quality of evidence and evaluation principles and ethics are given in Annex 4.

Table 1: TGVCI Impact Pathways and Projects

<table>
<thead>
<tr>
<th>Impact Pathway (by output)</th>
<th>Individual component projects</th>
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| 1. Workers’ life skill, technical skills and leadership skills enhanced in South Africa and Kenya export fruit and horticulture industry. | **Round 1**: Youth engagement and vocational skills, South Africa  
Top of the Class, South Africa  
Emerging Leaders, South Africa  
Emerging Leaders, Kenya  
Leadership and Mentorship, South Africa  
**Round 2**: Pinotage Youth Development, South Africa |
| 2. Improved workers’ health awareness, access to health services and reduced exposure to health hazards in Kenya horticulture and Bangladesh RMG | **Round 1**: Her project, Kenya  
Her project, Bangladesh  
Kenya Worker Education and Nutrition, Kenya  
**Round 2**: Health Insurance for all, Bangladesh  
Reducing Charcoal Use for Improved health and livelihoods in Naivasha (approved but not implemented) |
| 3. Managers and workers trained in skills on better management and social dialogue for mature industrial relations and ethical compliance | **Round 1**: Upskill, Bangladesh  
Benefits for Business and Workers (BBW) Bangladesh  
**Round 2**: Bangladesh Garments Social Dialogue Project, Bangladesh  
Count Me Too – Disabled Workers Access, Bangladesh  
Safe Workplaces through gender equality and anti-sexual harassment, Bangladesh  
Upscale, Bangladesh  
Migrant workers registration system, South Africa |
| 4. Improving models for engaging smallholders and workers in more productive and resilience horticulture supply chains | **Round 2**:  
Creation of joint venture small farmers groups, South Africa  
Farmer support and linkages programme, South Africa |

More details are provided on the planned dissemination of the report and its uses in Annex 11.

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5 See Annex 5 for the Impact Pathway Diagrams
Figure 1: Programme Theory of Change
3. Contextual Analysis

Bangladesh

Bangladesh is the second largest exporter of ready-made garments (RMG) in the world after China. In the last fifteen years the value of exports has increased more than five-fold, and employment has more than doubled. In 2016-17, the value of Bangladesh’s exports of RMG was USD 28 billion - 81% of the total exports of the country. The sector now employs over 4 million workers⁶, mostly young women, for whom jobs in the garment sector can be a significant source of empowerment and a route out of extreme poverty.

The RMG sector in Bangladesh has a long history of accidents and factory fires, and a poor reputation for workers’ rights and conditions. There have been some positive developments since the Rana Plaza disaster in 2013. Three separate factory safety inspection and improvement initiatives have inspected all export-orientated factories, and this led to a renewed emphasis on worker safety. Remedial factory safety measures are in progress. The Bangladesh Labour Act was revised, and minimum wages increased, in 2013. Some improvements have been achieved in terms of government inspection capacity, labour rights, worker conditions, and workplace safety.

Significant challenges and problems remain to be substantially addressed. Bangladesh continues to be rated by the ITUC as one of the worst countries in the world for labour rights. The increase in union registration after 2013 has proved to be temporary, freedom of association is limited, and collective bargaining is largely absent according to EMU interviewees at the time of the final evaluation. Bangladesh also has one of the lowest minimum wages in the world, well below half of all calculations of what would constitute a living wage. With an urban inflation rate of 7% in 2015-16⁷, real wages in garment factories have declined since 2013. Scope to improve wages and conditions is constrained by unequal buyer-producer relationships, fierce competition between producers, and strong downward pressure on garment prices. Real prices paid by international buyers for cotton trousers declined by 40% between 2000 and 2014 (Anner, 2016). Overall, the domestic and international context for improved pay and conditions in the RMG sector remains very difficult.

Kenya

Kenya is the most successful producer and exporter of fresh produce and flowers in Sub-Saharan Africa. However, global agrifood value chains are highly competitive, and there is growing global and regional competition for the Kenyan horticultural sector (USAID, 2015)⁸. The horticultural industry is the fastest growing subsector in Kenyan agriculture and the second largest foreign exchange earner after tea, earning approximately US$ 1 billion in 2016. The horticulture sub-sector contributed about 1.6% to the national GDP and despite the challenges faced⁹, it has continued to grow (by an average of 15% - 20% per annum) and expand its market share globally (HDC, 2017¹⁰; KFC, 2017¹¹).

The horticultural sector in Kenya is uniquely positioned to create wealth, reduce poverty and encourage gender equity, which resonates with TGVCI goals of improving the lives and working

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⁷ Bangladesh Economic Review 2016, Table 3.2
⁸ USAID-KHCP Global Competitiveness Study
⁹ In recent years, horticultural exports have had a dwindling market share of the country’s produce in the European Union, partly because they have been unable to meet the stringent entry regulations.
conditions of workers in value chains, leading to poverty reduction and development outcomes. It creates employment opportunities, especially for women, in a country where unemployment is close to 40 per cent (Oxfam & IPL, 2013)\(^\text{12}\). However, from the 1990s onwards, there had been critiques of conditions in the industry and efforts to improve practices. Sectoral and retailer codes emerged which focused on ILO core labour rights, but they did not cover other wellbeing issues related to the workplace. The impacts of the corporate codes on labour practices during the mid-2000s, while positive, were limited for non-permanent workers, and focused more on material benefits, as opposed to social wellbeing and empowerment indicators (Nelson, Martin and Ewert, 2007\(^\text{13}\)). The UK’s Ethical Trading Initiative study in 2005, found challenges included low pay, a lack of adequate housing, health and safety issues (particularly related to pesticide handling), sexual harassment, lack of severance pay, short-term contracts, lack of maternity leave, unfair dismissal, excessive overtime, deductions from pay, lack of freedom of association, lack of contracts, social security payments not met, and abusive supervisors (ETI, 2005, p8\(^\text{14}\)). Vocational training and worker welfare initiatives in the Kenyan horticulture sector were mainly productivity-oriented, rather than pertaining to wider social benefits accruing through worker empowerment and raised aspirations (Hellyer and Whitwell, 2012\(^\text{15}\)). A study in 2013 identified scope for improvement across all the dimensions of poverty, additionally identifying problems of lack of childcare, lack of workers empowerment to challenge employers on pay and conditions and weak representation via unions or worker committees (Oxfam and IPL, 2013). There are limitations with respect to real wages and effective wage negotiation (Riisgaard and Gibbon, 2014\(^\text{16}\)). Health and nutrition issues are a further challenge for workers in Kenyan horticulture, where in addition to health and safety at work, workers face multiple health issues, including HIV/AIDS, family planning, maternal mortality and gender-based violence including female genital mutilation.

Over the period of TGVCI implementation there have been developments in the horticultural industry that can create a more conducive landscape for economic and social upgrading in this sector. Some sources have identified a shift in employers’ attitudes towards recognising the importance of their employees as a skilled asset pool and good business investment that supports greater continuity of production in the sector (Hellyer and Whitwell 2012; Riisgaard and Gibbon, 2014). A Collective Bargaining Agreement (CBA) was signed by more than a third of all operators in 2014, covering pay rates, hours of work, leave, acting allowance, housing allowance and burial expenses, disciplinary and grievance procedures, redundancy and termination of contract and retirement benefits (ibid, p22). In 2014, 60% of workers employed in the flower sector were members of the Kenya Plantation and Agricultural Workers Union (KPAWU), but studies have shown that workers, especially female workers, in the horticultural sector are not adequately represented by KPAWU\(^\text{17}\). An application from


the Kenya Export Floriculture, Horticulture and Allied workers Union (KEFHAU) to establish a trade union, was refused on the grounds that workers in the sector were already sufficiently represented by KPAWU, but following an appeal, KEFHAU’s registration was granted in 2014.

Furthermore, stakeholders in the industry are building coalitions of mutual interest and adopting value chain-oriented solutions in response to the stringent rules and documentation requirements for entry to the EU market\textsuperscript{18}. In 2015, the KFC invited the Kenya Bureau of Standards (KeBS) to start the process of reviewing the Horticulture Code of Practice KS 1758 of 2004\textsuperscript{19}. This aims to bring all exporters and handlers under one uniform standard practice.

\textbf{South Africa}

The fruit industry is an important sector of commercial agriculture in South Africa. Although the latter only contributes some 2.5\% to total GDP, it provided employment to nearly a quarter of a million people in 2013 and in 2017 the number had risen to more than 300,000\textsuperscript{20}. Agriculture is an important earner of foreign exchange. Over half of the country’s agricultural exports originate from the Western Cape, mainly in the form of wine and deciduous fruit. In 2014, the fruit sector made a significant contribution to the economy\textsuperscript{21}. Forty-five percent of total production was exported\textsuperscript{22}. In 2014 there were 1770 farmers in the deciduous fruit sector which provided approximately 109,000 ‘on farm’ jobs and a total of 437 757 livelihoods\textsuperscript{23}. Thus, a loss of international competitiveness on the part of fruit farmers would have serious ramifications for employment and social cohesion in the rural Western Cape.

The last decade has seen a shift in fruit exports away from European and toward African, Middle Eastern and Asian markets\textsuperscript{24}. These have less stringent product standards, which has reduced costs for farms and pack houses. European markets remain important, although their requirements are becoming more demanding, requiring more multi-skilled workers in pack houses. The most pressing issue for fruit farmers is to secure a stable seasonal labour force. Workers frequently move on to another farm where wages are marginally higher or where employment conditions are better. Despite high levels of unemployment\textsuperscript{25} labour shortages can still exist in agriculture, because many unemployed are not willing to take up farm work.

\textsuperscript{18} Between January and April 2014, 45 consignments of contaminated horticultural exports from Kenya were intercepted and prevented from entry into the EU market. This put pressure on Kenya to enhance safety measures in its horticulture exports as it emerged that some farmers were still using banned pesticides.

\textsuperscript{19} KS1758 of 2004 had existed for over 10 years without review. The review was a by-product of the National Mechanism for Compliance (NMC) project funded by the Dutch government, an industry wide initiative, spearheaded by the KFC, to build capacity for sustained EU market access for horticultural exports.

\textsuperscript{20} Nick Vink, Department of Agricultural Economics, University of Stellenbosch, personal communication, 19 January 2015. In 2017, Hortgro estimates 179 000 people are directly employed; nearly 300 000 in whole value chain http://www.fruitsa.co.za/wp-content/uploads/2017/07/Fruit-Industry-Overview_.pdf; some sources even put the estimate at 400 000. 90\% is exported, worth R22 billion. https://farmersweekly.co.za/opinion/by-invitation

\textsuperscript{21} In 2017 South Africa’s fruit industry was ‘worth R30 billion’. 50\% of all agricultural exports are fresh fruit. Given that agriculture contributes 2.5\% to South Africa’s GDP, the fruit industry makes a significant contribution to the country’s economy. http://www.fruitsa.co.za/wp-content/uploads/2017/07/Fruit-Industry-Overview_.pdf

\textsuperscript{22} Hortgro: Key Deciduous Fruit Statistics 2014.

\textsuperscript{23} This includes: apples, pears, peaches, plums, apricots and nectarines, but not citrus or subtropical fruit.


\textsuperscript{25} In the third quarter of 2017 the unemployment rate in South Africa stood at 27.7\%; if those are included that have stopped looking for work, it stood at 36.8\%. https://tradingeconomics.com/south-africa/unemployment-rate
Worker representation in agriculture has traditionally been weak, Union membership on the farms has remained very low and collective bargaining non-existent. The government introduced a statutory minimum wage in March 2003, but in subsequent years wage adjustments did not keep pace with the rising costs of living. As a result, serious labour unrest occurred in late 2013. In February 2014, there was a new minimum wage increasing labour costs up to 38%. The minimum wage is currently R692.62 per 45-hour week (for March 2017 to February 2018). This has not resulted in a downsizing of the labour force, because the industry is expanding, and mechanisation is limited. However, producers and pack houses have sought to reduce the size of the permanent labour force and replace them with casual labour. This means that permanent workers lose their full-time employment and housing on the farm, and they seek re-employment as casuals. Seasonal workers find it harder to move into permanent positions even with training and experience.

For the trade union federation COSATU, land reform is a priority, broadly supporting government’s position. It also demands collective bargaining over wages, employment and living conditions. However, COSATU has been seriously weakened by the break-away of some of the biggest unions and increasing tension with the ANC over party corruption. Employers are opposed to central bargaining, arguing that conditions in the various sectors are too divergent.

The general mood in the industry appears to be positive. Hectares under cultivation and volume of production are expanding which means that despite rising costs, political risk and labour conflict, producers are investing, aided by the recent weakening of the Rand against major currencies. Remaining challenges are costs, competitiveness, labour relations, Black Economic Empowerment (BEE) and land reform. The industry tries to address labour issues through a newly established multi-stakeholder forum, the ‘Fruit Industry Round Table Social Compact’.

For employers, labour turnover, skills and productivity are important issues. Productivity is on the permanent agenda of ‘study groups’ where farmers exchange knowledge and information and feed this to industry bodies. Quality control to reduce the percentage of waste is another priority. Employers are caught between pressure to cut labour costs and the need for skilled experienced workers. As a result, companies tend to focus their training efforts on pack house operations. Although skills shortages are widespread, the provision of training is not new in South African horticulture, including courses of a similar nature to those supported by TGVCI. Another aspect of the industry’s commitment to training is the transfer of skills to new and emerging farmers, especially where farm workers have been ‘empowered’ through joint ventures or worker equity schemes.

Insofar as South African fruit farmers still supply to ‘traditional’ markets in Western Europe, they must satisfy the social and quality standards demanded by the retailers. Because of this, but also for reasons of local ‘empowerment’, training and the upgrading of worker skills continue to play a key role in the industry’s international competitiveness.

27 COSATU has threatened country-wide protest action, although it is not clear if such action will materialize due to internal union conflicts. Productivity is not a priority for COSATU, as they argue that an increase will only benefit employers.
28 In its efforts to remain competitive, the industry is aided by its long-standing insertion into export markets which goes back as far as the 1890s. In contrast, the SA wine industry only started exporting table wine in significant volumes in the early 1990s – a whole century later.
29 Hortgro agricultural economist.
30 e.g. ‘Farm Worker Wellness Program’. HIV/Aids and tuberculosis are major issues amongst seasonal workers with an infection rate as high as 35% in some areas, e.g. Grabouw/Elgin
4. Findings


The projects in this grouping address the need for worker training to enhance technical, life and leadership skills with a view to increasing productivity, efficiency and quality of output for diverse markets. Six projects were funded under this impact pathway, five in South Africa and one in Kenya.

The Top of the Class project provided technical and life skills training for permanent workers, including a better understanding of the supply chain, to enhance career progression and create a more satisfied workforce and increased productivity.

The Pinotage Youth Development project focused on intensive, individual and small group-based training for unemployed youth. The approach integrates work readiness, technical skills, personal development and life skills to enhance employability.

The Leadership and Mentorship project aimed to develop the leadership capacities and management competencies of junior and middle management on fruit farms and pack houses in South Africa through a process of training and mentoring which would lead to improved promotion for workers and increased productivity for businesses.

The Youth Engagement and Vocational Skills project aimed to increase the employment of unemployed youths and the transition of young seasonal workers to permanent employment to address the skills gap in the agricultural sector. Accredited technical and life skills training was provided.

The two Emerging Leaders (EL) projects in Kenya and South Africa trained trainers and brought leadership training to workers in the horticultural and fruit sectors. Training was intended to transform mind-sets and empower workers to undertake actions to improve their performance, their own lives and that of their community.

A detailed summary of the findings relevant to each project clustered under Impact Pathway 1 is presented in Table 2 below. The key findings for impact pathway 1 are as follows:

Relevance

The projects in Impact Pathway 1 are all highly relevant, given the context in which many companies are seeking to reduce their permanent workforce, although workers in pack houses need improved skills as the stringency of buyers’ standards increase. This means there are few opportunities for workers to move into higher paid or more responsible positions. Unemployment levels, particularly amongst the youth in South Africa, are high and so tackling youth unemployment is a key policy and sector priority and effective approaches for this are sought after.

Social Upgrading: Quality of employment and work conditions

Aspects of social upgrading can be achieved through corporate ‘projects’, enhancing workers’ quality of employment and work conditions. There is strong evidence that training of permanent, seasonal workers and unemployed people in Kenya and South Africa is highly relevant and provides immediate benefits to workers, such as improved self-confidence, self-esteem and understanding of work responsibilities. Projects of this type have tended to be more successful than others in achieving their targets and feedback from workers and managers has been generally positive, although for some there is a lack of robust evidence available, particularly in the longer-term.
Social Upgrading: Access to better work

There is plausible evidence that access to better work has been achieved in some cases. For example, the delivery of new life and technical skills have led to employment in the Pinotage Youth Development project, which has been highly effective in identifying unemployed youth and gave them coaching and personal development support and the majority gained meaningful work. However, the training is intensive and the retailer, while planning further support is keen to reduce some costs. The Leadership and Mentorship project shows strong evidence of positive outcomes from the training, leading to a third of middle manager leaders being promoted due to a change in their leadership style, with another third earmarked for promotion as positions arise.

The evidence from Top of the Class shows that 43% of trainees reported being ‘promoted’ since the training and all received a salary increase above the annual increase, but worker classifications were not clear in the independent evaluation. Positive independent evaluation data indicates positive promotion results for the Youth Education and Vocational Skills project, although additionality has not been proven with respect to seasonal workers gaining positions on farms and issues with the definition of ‘promotion’. New life and technical skills often lead to increased responsibilities, but it is not always the case that there are promotion opportunities on farms and in pack houses in South Africa and Kenya and not all types of training offered will put the trainees above other competitors in the marketplace.

The Emerging Leaders projects in South Africa and Kenya adopted a more expansive approach, which sought to motivate individuals at all levels in companies and in the community to be empowered and to act to improve their livelihoods. The approach mobilizes large numbers of people (workers, community members, and often managers) to ‘write their own story’ at relatively low cost (although there is an opportunity cost for the company involved). However more systematic evidence on outcomes in terms of changes in livelihoods from this approach is required.

It is important to note that providing skills without other improvements in employment could risk accelerating the exit of people from the South African agricultural industry, as this is a common aspiration among agricultural workers. One industry key informant interviewed who has familiarity with several of the training courses, said such training is a ‘valuable piece of the puzzle’, but there are huge deficits in education, major social problems and consequently ‘no quick fixes’. He added that: ‘the intervention needs to be long-term and intensive, probably 1 to 3 years is needed with young graduates from school’.

Economic Upgrading: Business Benefits

The evidence produced on economic upgrading was very limited, despite this being the strategic aim of the TGVCI project. Two projects did not foresee business benefits in their design. In several cases, the design of the project did not lend itself to evaluation, i.e. there was not a critical mass of workers in a workplace to enable evaluation of changes in indicators, such as worker productivity. Manager feedback was positive, however, across the board, with improvements seen in different aspects of worker performance. Retailers report reputational benefits.

In terms of uptake by project partners (i.e. participating retailers and suppliers) most of the courses remain available for future uptake by suppliers, where they are willing to pay for the costs themselves, but the evidence does not indicate that suppliers will be willing to invest further, without retailer support. The Leadership and Mentorship Course was re-run a second time involving the immediate supplier partners involved in the Eastern Cape, but it is funded by the retailer. The Pinotage Youth Development Agency project is being supported in the future by the retailer. The Emerging Leaders
Scaling for Sustainable and Resilient Value Chains

Evidence on wider scaling is variable. The Top of the Class training may be funded again by the retailer, however, it would be oriented towards lower skilled workers. The Leadership and Mentorship has not been taken up more widely to date. The Youth Engagement and Vocational Skills project is not being run again at this stage and there is no evidence that other companies are crowding in. The Pinotage Youth Development training is being funded for a second year by the retailer, but there is no evidence that it has been more widely taken up or that the approach is scalable unless other trainers can be established in the approach.

The Emerging Leaders (EL) approach has now been formally established as an organisation in both Kenya and South Africa and is being used by other service providers in South Africa in the target horticulture sector. International NGOs are partnering with Emerging Leaders in both countries. However, there is no strong evidence that other suppliers and retailers are crowding in and paying for the training themselves beyond the project participants, or that other retailers are using EL, except one South African retailer has engaged with EL, although we do not know to what extent. The three-day course proved to have too high opportunity costs for some and so a shorter, less intensive alternative was designed. Globally, the UK retailer is now mainstreaming the EL approach in its supply chains in other African countries and Asia where there are adequate numbers of suppliers to establish an EL organisation.
### Table 2 Summary of Social and Economic Upgrading and Scaling resulting from Impact Pathway 1.

<table>
<thead>
<tr>
<th>Projects</th>
<th>Relevance</th>
<th>Social Upgrading</th>
<th>Economic Upgrading</th>
<th>Scaling</th>
</tr>
</thead>
</table>
| Top of the Class          | • Farms and pack houses need better trained staff, especially as retailer requirements change | • Exceeded targets for numbers trained (174 permanent workers trained in life and technical skills)  
  • Positive feedback from workers & Improved technical and life skills & exposure to the value chain, improved self-confidence (independent project evaluation; EMU case study)  
  • Majority of trainees ‘more satisfied’ with jobs after training  
  • 43% reported ‘being promoted’ since the training of which all received a salary increase above annual increase, but worker classifications not always clear in independent evaluation | • No measurement of business benefits – often lack of critical mass of workers in a workplace, but positive qualitative feedback on individual performance  
  • Retailers benefit from reputational benefits; Stronger relationship to employers | • UK retailer plans to fund further courses, but to modify the training to deliver to less skilled workers  
  • No evidence of further uptake in the industry |
| Pinotage Youth Development| • Major policy and sector priority in South Africa (high levels of youth unemployment, need for farms & pack houses to have better trained staff) | • Met targets for numbers trained (20 unemployed youth coached/mentored). Positive feedback from trainees [EMU validated]  
  • Effective adaptive pedagogical approach - feedback (e.g. training valuable; increased confidence etc); 19 out of 20 trainees obtained ‘meaningful’ work. | • Business benefits not measured – insufficient critical mass. Positive feedback from managers that grantees are ‘well prepared’ | • Strong support from retailer (funding already agreed for a second year of the course)  
  • Not clear if additional suppliers & retailers will crowd in, but also PYDA has limited capacity to expand |
| Leadership & Mentorship   | • Mentors identified need for greater proactivity amongst leaders at start. Industry priority – training of middle managers | • Met targets – 20 middle managers were successfully trained, and each was assigned a mentor. Positive feedback on training & positive changes achieved for leaders in leadership styles. Leaders able to motivate inspire and transform the workplace – increased by 20% as rated by supervisors. Conflict incidence decreased amongst participants. Problem solving ability increased [independent evaluation].  
  • Approx. a third of leaders receiving promotion due to change in leadership style. Another third earmarked for promotion when positions arise [Independent evaluation] | • Change in business profitability not anticipated by project & changes not measurable. | • Limited evidence that participating suppliers will re-run at own cost  
  • Limited evidence of wider uptake by non-participating suppliers |

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31 i.e. unclear differentiation between those with genuine permanent contracts and those with only permanent seasonal/casual status.  

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| Youth Engagement & Vocational Skills | • Major policy/sector priority in South Africa – high levels of youth unemployment, need for farms & pack houses to have better trained staff | • Exceeded targets for numbers trained: 601 unemployed or seasonal workers (18-35 years old) trained in life skills, and 179 attended Fruit Grading and Packing Processes training, and 394 people attended Plant Production technical training. Positive feedback from trainees (Independent evaluation; EMU validated); Increased self-confidence and esteem (Independent evaluation; EMU case studies)  
• All received certificates (supports employability potentially);  
• Promotion: Positive data (independent evaluation), but additionality not very clear & issues with definition of ‘promotion’ | • Design did not foresee nor support evaluation of business benefits at company level  
• Qualitative feedback from managers: training valuable (especially life skills training). It improved workers’ punctuality, ability to take initiative & knowledge. Not possible to quantify business benefits to individual companies  
• Promotion: Positive data (independent evaluation), but additionality not very clear & issues with definition of ‘promotion’ | • No evidence that the training will be re-run if suppliers have to bear the cost  
• No evidence of wider scaling |
| Emerging Leaders, Kenya | Structural factors are a brake on educational achievement and affect employability and aspiration, trapping youth and adults in poverty | • Number of trainers trained was 15 (target 30), modified according to expected demand.  
• 7,496 smallholders and workers trained, 3,523 women  
• Estimated 11,000 indirectly trained Positive feedback from participants (90%)  
• Positive feedback from management  
• Positive outcomes (independent pilot project evaluation, but quality of study an issue)  
• Income generation and community projects established but no numbers or information on sustainability | • Managers reported qualitative improvements. Change in mind set, improved leadership skills and reduced tension  
• Independent pilot project evaluation reported positive benefits for workers, but issues with data  
• Positive feedback from participants (90%). Positive feedback from management  
• Individual behaviour change reported: Income generation and community projects established - grantee reports less than 800. Potential as complementary approach. | • Approach mainstreamed by UK retailer in Africa and Asia  
• One of the participating suppliers has rolled out the approach across sites  
• Not clear how much wider uptake from other suppliers/retailers  
• Interest from NGOs  
• Starting work with children |
| Emerging Leaders, South Africa | Structural factors are a brake on educational achievement and affect employability and aspiration, trapping youth and adults in poverty | • 16 trainers trained (target 15) in leadership for Hope and 45 trainers in Certificate for Community leadership5,200 workers trained directly (target 3,000) and 5,000 trained by trainers (target 8,000)  
• 38% received mentoring and follow up visits (target 75%). Positive feedback from participants (87%). Positive feedback from management.  
• Individual behaviour change reported: Income generation and community projects established - grantee reports less than 800. Potential as complementary approach. | • Managers reported qualitative improvements. | • Approach mainstreamed by UK retailer in Africa and Asia  
• A South African retailer has reportedly adopted the EL approach  
• Not clear how much wider uptake, as yet, from other suppliers/retailers  
• EL established as NGO in South Africa |
Impact Pathway 2: Worker health and nutrition

Four projects were funded under this impact pathway aimed at improving workers’ health and nutrition, including two projects led by the same international NGO, one in Bangladesh and one in Kenya.

In Bangladesh, the HERproject aimed at improving health knowledge and access to health services for women workers in the RMG sector to reduce health-related absenteeism and staff turnover, with consequent direct business benefits. In Kenya, the project worked in horticulture and tea, building on an earlier pilot, seeking to improve the social conditions of low-income women workers in the export-oriented agriculture industry through increased health awareness and access to and uptake of services, while promoting business benefit of improved worker health.

The third project, Worker Education and Nutrition, adopted two strategies for increasing worker knowledge and improving nutrition and health. It aimed to raise awareness of workers, smallholders and their families on relevant topics through radio programmes and printed materials and, also established a nutrition garden at a supplier company and provided training for workers and staff on nutrition and gardening.

The final project in this group was Health insurance for all, which provided medical check-ups and health insurance for workers and family members in one company to improve well-being and health, reduce absenteeism and enhance productivity.

Relevance

The projects in Impact Pathway 2 are all relevant, given the importance of workers’ health and the health of women workers particularly. The projects complemented health awareness-raising with practical interventions (improved health clinics, nutrition garden and training, health insurance provision).

Social Upgrading: Quality of employment and work conditions

There is strong evidence from one project (HERfarm project, Kenya) that there have been positive benefits for workers’ health. The HERproject Bangladesh encountered difficulties in finding matching funding and was not fully implemented.

There is a lack of robust evidence for the Worker Education and Nutrition project, but the available evidence indicates that the Sustainable Agriculture and Nutrition Garden has been popular with workers and some of the technologies are being adopted. These are already proven technologies and so there is plausible evidence that workers will benefit from improved health and nutrition if they continue to adopt more of the technologies and given the steady supply of healthy produce to the canteen.

The Health Insurance for All project has reported significant benefits for 1,900 workers and their families in the form of free health coverage for at least one year. However, the project essentially piloted a health benefits scheme (for which sustainability is uncertain), rather than an affordable or sustainable health insurance model, although interest in the latter has been generated more widely in the sector according to the grantee.

32 In the programme theory of change the full impact pathway is entitled: Workers’ health awareness, access to health services and reduced exposure to health hazards in Kenyan horticulture and Bangladeshi Ready-Made Garment (RMG) sectors improved
**Economic Upgrading: Business Benefits**

The HERfarm project conducted Return on Investment studies at two farm sites. The findings as reported in the Grantee Project Completion Report indicate a positive outcome at one farm site and a negative outcome at the other. However, the ROI was not shared with the EMU and therefore we cannot validate the findings.

Qualitative management feedback is positive regarding the health outcomes for workers according to a key private sector partner, which has worked closely with the lead grantee to integrate the approach into their management strategy. Workers noted in focus group discussions that increased pay and bonuses plus improved supervisor-worker relations would be the primary drivers motivating them to increase productivity.

The Worker Education and Nutrition project included radio programmes/written materials which have had a limited effect on worker awareness on social issues, but there is some qualitative evidence that the nutrition garden has been relatively successful and that workers are starting to take up the technologies promoted, and nutrition effects would also be felt from the supply of fresh vegetables to the canteen. This would plausibly improve the health of the workers. However, it is not possible to disentangle the effects of multiple TGVCI projects at one supplier site and no measure of business benefits was provided by this project.

The Health Insurance for All project reports benefits, such as reduced worker turnover and sick leave, but much of the reduction pre-dates the introduction of the scheme and cannot be causally linked to the project. The project has shown that it is possible for a company to provide an externally funded health benefits scheme for all its workers. However, it has not demonstrated that this is an affordable or sustainable health insurance model; what such a model would look like on a larger scale; or whether the benefits for the business outweigh the costs. Almost all the cost of the health scheme (approximately £114,000 for one year) was covered by the TGVCI contribution. The premium paid by the supplier is equivalent to around 10% of the lowest minimum wage per worker. It is not certain whether other factories will be willing to meet this cost in the absence of TGVCI, or what proportion of the cost workers will be willing to meet, or even that the premiums are set at an appropriate and sustainable level given the level of risk. More will be known about the costs and benefits, and the willingness of workers to meet a proportion of the costs, in late 2017 when the scheme will have run for a full year.

**Scaling for Supply Chain Sustainability and Resilience**

There is good evidence of significant scaling resulting from the HERfarm project, Kenya, with potential for a sector-wide uptake given the partnership with a key industry association, plus the international NGO has used the model to expand in Ethiopia. The HERproject, Bangladesh was not fully implemented, although the international NGO is using lessons in its other work. The supplier implementing the nutrition garden is rolling out the nutrition garden at other sites and other horticulture suppliers have expressed interest.

Despite the limitations of the Health Insurance for All project, it has provided a possible model for company-financed health cover; has raised interest in health insurance schemes in the RMG sector; and has increased the likelihood of other RMG factories introducing similar health coverage for their workers.
Table 3  Summary of Social and Economic Upgrading and Scaling resulting from Impact Pathway 2.

<table>
<thead>
<tr>
<th>Projects</th>
<th>Relevance</th>
<th>Social Upgrading</th>
<th>Economic Upgrading</th>
<th>Scaling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Her Project, Bangladesh</td>
<td>Yes. Health provision in Bangladesh for workers, of which many are women, is very poor</td>
<td>• Only partially implemented due to difficulties in obtaining match funding therefore the social upgrading was not tested nor evaluated.</td>
<td>• Not tested</td>
<td>• The international NGO grantee is using the lessons in its work elsewhere</td>
</tr>
<tr>
<td>HerFarm, Kenya</td>
<td>Yes. Health issues among horticultural workers. Need for action on worker health</td>
<td>• Scaling up at retailer sites: 10 out of 11 clinic assessments completed. Materials adapted and 3-day nurse training held for 10 nurses. Targets exceeded for Peer Health Educators (workers) trained (696). Project estimates reaching 5,705 workers via PHEs. Engagement plan for male workers designed. Uptake by other buyers and suppliers slower than expected, but 17 sites participated reaching, 7268 workers – slightly under target. In the tea workstream, the project reached 5, 382 people, exceeding targets.</td>
<td>• ROI studies not shared, so no evidence available. • Managers in retailer scale-up perceived that the project provided crucial health information and services that helped improve workers’ general and reproductive health. Uptake amongst other buyers and suppliers was initially slow and some companies did not maintain initial commitments, but 8 new buyers eventually participated in the project.</td>
<td>• Lots of evidence of scaling e.g. new partnership with Kenya Flower Council represents an opportunity for much wider uptake with the support of a German Development Bank. More time is needed to see how successful the scaling partnership is, but there is the potential for sector-wide change. • Lessons from the HERproject in Kenya are informing activities elsewhere in Africa and globally.</td>
</tr>
<tr>
<td>Worker Education and Social issues amongst horticultural workers.</td>
<td>Yes. Health and social issues amongst horticultural workers.</td>
<td>• Likely to have reached or exceeded audience broadcast target, although not all retailer supplier sites may have received the live programmes. CDs</td>
<td>• No quantification of business benefits, but positive feedback from managers on worker motivation and productivity</td>
<td>• Reports that other suppliers are establishing nutrition gardens</td>
</tr>
</tbody>
</table>
| Nutrition, Kenya | Need for action on worker health. | and additional written materials produced and disseminated to workers. Nutrition and Sustainable Agriculture garden established and met targets of 800 workers trained.  
- Limited impact of radio programmes/written materials. Workers at supplier site all trained in sustainable agriculture and nutrition garden and qualitative data indicates workers are adopting/adapting individual technologies, although there are some barriers to uptake (land, finance etc).  
- Additional benefits likely for smallholders visiting the site. | where they have been trained in the nutrition garden.  
- Reputational benefits for the supplier and retailer of the nutrition garden |
| Health Insurance for All | Yes. Gaps in health service provision in Bangladesh RMG | A ‘health insurance substitute’ successfully designed and agreement signed between supplier, hospital and service support provider. All 1,837 workers and family members covered by the ‘health-insurance-type-package’ (BDT 25,000 in hospital cover, plus amounts for ambulance costs, non-surgical expenses, maternity costs, consultation and medicines). Insurance premium paid by grantee for first year, with employee contributions anticipated in subsequent years.  
- The Health Insurance for All project has reported significant benefits for 1,900 workers and their families in the form of free health coverage for at least one year, although the project has essentially developed a health benefits scheme (for which sustainability is uncertain), rather than an affordable or sustainable health insurance model, although interest in the latter has been generated more widely in the sector according to the grantee. | Reduced worker turnover and sick leave reported by grantee, but much of the reduction pre-dates the introduction of the scheme and have not been explained.  
- Project demonstrated health benefits scheme for all workers, but it did not achieve an affordable or sustainable health insurance model. Largely financed by TGVCI contribution. Not clear if other factories will pay the premium (equivalent to around 10% of the lowest minimum wage per worker) nor what proportion workers would contribute or if premiums set at appropriate level of risk.  
- Interest reported from other suppliers and government. Plus, a report that one other supplier has adopted a similar health benefits scheme. |
Impact Pathway 3: Managers and workers trained in skills on better management and social dialogue for mature industrial relations and ethical compliance

Relevance
The challenges in the Bangladesh RMG sector are broad-ranging and systemic in terms of social upgrading, including measurable standards (e.g. health issues, gender inequality and sexual harassment, fire and building safety) and in terms of workers’ enabling rights (e.g. collective bargaining, freedom to associate etc). The interventions are relevant in terms of tackling appropriate topics, such as workers’ health and safety, and social dialogue for improved worker representation. However, the designs of several of the projects chosen were over-ambitious. None of the interventions sought to seriously address the lack of a living wage for RMG workers, nor other issues affecting worker wellbeing, such as worker housing, access to basic education, living wages, or environmental pollution – yet action on these issues would be needed to achieve the programme goal of sustainable and resilient value chains. While we recognize the difficulty in addressing such systemic issues, there is a clear role for donors and pilots that could have been supported. While some issues were identified in one of the preparatory reports for TGVCI (e.g. housing, environmental pollution), these were not addressed. None of the approved TGVCI projects in Bangladesh addressed the key issues identified in the project scoping study: nutrition and housing. Initial studies for TGVCI did not consider the likely central role of living wages in the achievement of social upgrading linked to economic upgrading. Given the strategic objective of the programme to understand how to facilitate social upgrading to deliver economic upgrading, these strategic issues should have been identified through in-country stakeholder discussions and clearer guidance given to the call for proposals. While living wages are difficult to address, it is not impossible to contribute to testing potential solutions by supporting pilots. While these omissions do not mean that the TGVCI was irrelevant, they do lessen the relevance of the programme to social upgrading that can drive economic upgrading. Fieldwork associated with several of the EMU case studies provided feedback from workers that living wage and housing issues are relevant and connected to the success of other initiatives, such as those focused on worker health and nutrition. Thus, while TGVCI may have contributed, these more fundamental issues remain unaddressed.

Social Upgrading: Quality of Employment and Work Conditions
There are limitations relating to the available evidence on social upgrading pertaining to the approaches piloted or scaled under this Impact Pathway. One project (BBW) demonstrates improvements in working conditions and workforce stability, for example, but in the absence of data from counterfactual factories does not address the attribution/contribution issue. The Social Dialogue project, one of the few of the TGVCI projects which sought to address worker representation, does provide an independent, qualitative evaluation providing evidence of positive impacts on worker and management knowledge, dialogue and attitudes, pointing to improved industrial relations. Another project was only partially implemented. For another, the Migrant Worker Registration System project, there is a lack of evidence.

The BBW project in Bangladesh, provides some evidence of social upgrading outcomes resulting from the intervention focused upon middle managers. The project provided useful management training and tools to 525 managers in 88 factories employing 165,000 workers, although it did not achieve some of its reduced targets. Project monitoring data shows that some improvements in the working environment (e.g. leave conditions and working hours) were achieved. Workers have benefitted on
average, and in common with all garment workers in Bangladesh, real wages have continued to decline and remain well below all estimates of a living wage.

The **Upscale** project was a mass training platform on safety and compliance for factory workers in the RMG industry. The project was partially successful in its implementation, but it did not achieve its targets. There is limited evidence as to whether the approach led to long-term worker knowledge and awareness-raising, over and above the results of conventional training, and the extent to which this leads to worker safety improvements in practice. The training method was well received by workers and factory managers.

The **UpSkill** project was an e-learning system designed to help factories meet labour and safety standards quickly and effectively. As originally envisaged, it was to be delivered either offline through a tablet or online as an internet-based training platform, providing convenient access to training on ethical compliance, complementing and improving the existing knowledge of managers in garment factories. The project did not meet its targets, reaching only 184 users in 51 factories compared with a target of 1500 users from 300 factories. The grantee advised that subsequently more users have been trained, more have signed up and further examinations were carried out in at least two additional factories. Factory, brand and user recruitment proved more difficult than expected at the time of the project, partly due to political unrest. The project evaluation reported many positive impacts in terms of ethical compliance knowledge and benefits, but the evidence presented is limited. The data is self-assessment and makes no comparison with the high levels of knowledge and compliance reported at the baseline. Implementation of improved compliance measures cannot be verified. Based on the information available to the evaluators, it is judged unlikely that the project has had any significant or sustainable impact on the level of compliance and labour standards in garment factories in Bangladesh.

The **Migrant Worker Registration Project** pre-dates TGVCI. In 2008, the South African fruit industry responded to the need to provide retailers and their consumers with assurances of fair labour practices in their supply base, by supporting the development of a single South African based ethical standard and programme that would meet all retailer requirements. The fruit industry’s ethical standard, SIZA was established in 2008. At the time of the project, SIZA was part of industry structures, being a programme under Fruit South Africa. Since then, it has become an independent not-for-profit company. The standards cover compliance with South African labour law, ILO norms and the Global Social Compliance Programme (GSCP), but also take a developmental approach and assist the farmer with practical advice. In 2015, 1,200 fruit farmers/pack houses (out of a total of some 4500) were members of SIZA and the standard has achieved recognition across Europe. The project successfully piloted an innovative low-cost training approach based on a training DVD. It aimed to cover 80% of SIZA’s members (1,000 farms/packhouses). The total number of farms participating in workshops was not as high as planned; SIZA membership dropped towards the end of December 2015 with only 898 members registered on the SIZA platform. [SIZA reports that membership had fallen at that time, but SIZA reports that this has now risen significantly since this period, as a result of improved management]. 718 farms (approx. 80% of the membership) were covered from this smaller membership base. The project did not meet its target of 100,000 workers completing training and receiving the SIZA VISA card by June 2016. A lower number of 8,613 workers had completed the training and received their card by the end of the project (Grantee PCR). It is likely that many more workers received training, and the lead grantee has received requests for new cards above and beyond the 153,000 distributed. But the lead grantee and EMU cannot validate the number who received
training from their managers. The grantee notes that if the managers carry out the training as planned then the potential reach is over 147,000 workers.

The database has not been adopted by the industry and suppliers have only submitted data on approximately 15,000 trained workers. However, the retailer is confident that the training has exceeded this number as they have been receiving requests for new cards over and above the 153,000 now distributed. The project also sought to ensure that 80% of trained workers (men and women) and 80% of managers have higher levels of understanding of their rights and legal obligations under the SIZA standard. 973 farm managers and supervisors were trained (a shortfall of just 27 against a target of 1000), the lower figure being due to the overall SIZA membership decrease. There has been positive feedback from participants according to the lead grantee, but we cannot evaluate whether there has been an improvement in labour rights for seasonal workers as we lack robust evaluation data.

The Social Dialogue Project, effectively a scaling of an existing project, sought to promote and support elected worker Participation Committees (PC), as required by the Labour Law of 2006 in Bangladesh. The project either organized a fair election or reviewed the election already conducted to confirm compliance with the rules and then organized training for both Participation Committee members and factory managers to make them aware of their respective rights and responsibilities and to develop their skills for a positive social dialogue. A fairly-elected and functioning PC should improve the representation of workers in factory decision-making, and it should improve the relationship between workers and management. Where there was a registered trade union, the project worked with their members on the PC.

The Social Dialogue project has been an effective project. Despite a challenging context in early 201534, the project exceeded its targets. From an initial target of 10 factories, the project succeeded in completing training in 25 factories, at no extra cost. A final workshop was held in June 2016.

An independent project evaluation reported that the Social Dialogue project had functioned well in the factories visited35 and found positive attitude changes amongst the managers, workers and trade unionists covered by the training provided. Industrial relations have improved and there have been no instances of labour unrest in the Social Dialogue project-supported factories since the PCs were in place. However, a ‘lack of appropriate commitment and attitude’ of some selected management PC members was noted in a few factories. The EMU team found that, while views on the utility and effectiveness of PCs among workers were mixed, the overall impact of the project on attitudes and behaviour has been positive. Some workers voiced the wider concern that PC’s were, by law, confined to discussing relatively ‘trivial’ issues. PCs are a platform where management and workers can discuss how to improve the factory. PCs are joint management-worker committees and cannot engage in collective bargaining and negotiation. Despite this, the grantee reports feedback that in one pilot factory, workers were able to sign a collective bargaining agreement and that some PC discussions have gone beyond the narrow confines of the PC remit to discuss childcare, festival holiday arrangements and wage increases that have led to positive outcomes for workers and their families (Grantee PCR p.3). However, no further details of the outcomes are available. The Safe Workplaces

34 – political unrest, initial supplier resistance, brands focusing on building and fire safety, and delays on the rules for PCs
35 An independent evaluation was carried out in late 2016 and published in early 2017 and used a sound and clearly reported methodology. The evaluation involved individual/group interviews with key project partner, stakeholders, donors, brands, factory management, PC members, and general workers in 9 factories. Focus group discussions involving PC members, managers and general workers were carried out in 5 factories.
and Gender Equality project planned to implement a gender sensitization and workplace dialogue programme for factory managers and workers in 10 factories supplying one UK brand. The project successfully organized a multi-stakeholder forum (May 2015), conducted three Training of Trainers (ToT) workshops for gender trainers, and delivered five manager sensitization workshops. A total of 75 managers from 9 factories were engaged. According to the grantee, awareness has been raised and some local capacity has been developed (Grantee PCR). However, the project ended prematurely due to delays in reimbursement of invoices, associated problems in the relationships between local partners, and staff/policy changes within the UK brand.

It is not possible to say with certainty whether the project would have achieved its objectives had it been able to complete its full work programme. There is a question as to whether sufficiently rigorous analysis of the effectiveness or otherwise of other gender initiatives in the RMG sector was conducted, beyond the need for such initiatives in general, and the likelihood of achieving significant improvements in gender attitudes, working conditions, and tangible business benefits within such a short project. As with many of the TGVCI projects a longer time-period would likely have been necessary. The grantee reports changes in managers’ attitudes after the training and the brand is planning to continue factory engagement outside of the project, although EMU cannot verify these claims.

Social Upgrading: Access to Better Work

Only one project sought to improve access to better work in this impact pathway. The Count Me Too project was relevant, socially beneficial and relatively low-cost. It demonstrated it is possible to increase significantly the employment of disabled workers within an RMG factory, and that these workers can be as productive and profitable as other workers. It recruited disabled workers (just short of the expected target), and it created a handbook and video to share the lessons of the project. It achieved two of its objectives: to be a showcase for raising awareness in the RMG sector, and to create job opportunities for disabled workers. It is worth noting that most of those employed had hearing or speech impairments rather than other physical or accident-related disabilities. Social benefits for the disabled workers involved were reported by the grantee, e.g. some workers have started saving money and others have been able to send money to their families (Grantee PCR). The impacts were documented by the grantee in success story studies, but there is no robust evidence available.

Economic Upgrading: Business benefits

There is a lack of available evidence to assess the business benefits of the projects falling under this Impact Pathway, either through a lack of independent evaluation, issues of multiple interventions in factories making attribution highly challenging, and/or partial implementation of the project.

The independent evaluation of the Upscale project did not cover business benefits, and no information is available from any of the reports or interviews. To the extent that behaviour did improve due to the project, such benefits would not have been visible within the life of the project and would be difficult to attribute to Upscale in view of the multiplicity of improvement initiatives (training and other) in the factories.

In relation to the Upskill project, factory managers interviewed in 2015 (EMU Annual Review) said that they had benefited from the knowledge on compliance delivered through the project and were trying to implement additional measures. The workers interviewed in 2015 also reported that they had been made more aware of safety measures. The measures and messages were relatively basic. The independent evaluation report commissioned by the lead grantee suggests that compliance awareness and implementation improved, due to UpSkill, but it is difficult for the programme
evaluation team to confirm these results, due to limitations in the survey approach and because of the regular audits and other initiatives of brands and the ACCORD and ALLIANCE which were being implemented in the industry (MTE, 2016, p.128). Based on the information available, any impacts on worker incomes or business profitability are likely to be insignificant. The evidence presented that UpSkill has led to changes in the stability of the workforce, or levels of productivity (i.e. outcomes at programme level) has limitations. The limited effectiveness and scale of the project makes any discernible contribution to programme-level outcomes and impacts unlikely (MTE, p.128). Realistically, observable change at an industry wide level from this type, duration and scale of project was not possible. Based upon the information available to the evaluators, it is judged unlikely that the project has had any significant or sustainable impact on the level of compliance and labour standards in garment factories in Bangladesh

The Social Dialogue project: According to the independent project evaluators, improved communication and trust between workers and supervisors/managers ‘facilitates good manufacturing practice, paving the way to efficient production’ (Independent Project Evaluation, p.4). However, no concrete business benefits were identified by the independent project evaluators. The favourable view of the Social Dialogue training was corroborated during factory visits made by the EMU team. Managers, trade unionists, and Participant Committee (PC) worker members interviewed all saw the project as having improved their knowledge as well as communication within the factory. One factory manager thought that it had had an ‘indirect effect on factory productivity’, but in general the benefits were in terms of atmosphere and attitude. Factories, and particularly the better factories supplying major brands, have been covered by multiple initiatives, thus complicating attribution.

Due to the non-completion of the Safe Workplaces and Gender Equality project it is unlikely that the envisaged business benefits will have been realized.

While the Count Me Too project has been successful in demonstrating that employing disabled people is no less profitable than employing able-bodied staff, there are still challenges involved with training and employing persons with disabilities, and there may not be business benefits beyond possible reputational enhancement. No additional sales have yet resulted for the company. The extent to which the Count Me Too project has succeeded in providing a convincing business case for disabled employment therefore remains uncertain.

For the Migrant Worker Registration System project, the SIZAVisa database has not been adopted by the industry and it is not possible to ascertain if business benefits have been accrued in the absence of evaluation data.

Scaling for Sustainable and Resilient Supply Chains
There are some positive signs that three of the five projects – the Social Dialogue project, Upskill and Upscale - are being scaled up. However, even for these projects, it is too early to say whether widespread uptake will be achieved. New products such as Upskill and Upscale require time to penetrate markets, and there are many other competing initiatives in the garment sector. More generally, the huge scale of the garment sector and its challenges – the most fundamental of which were unaddressed by TGVCI - makes it unlikely than any of the projects supported will make a significant contribution to more sustainable and resilient supply chains.

Most factories participating in the Social Dialogue project do not have a clear plan for how they will maintain the programme, or provide ongoing training, after the project. More seriously, independent project evaluators questioned whether the common perception of the programme as a ‘brand driven
initiative’, and the lack of real commitment from the factory owners might be a threat to sustainability. The turnover of PC members has been identified by the project implementer as a further challenge to sustainability. Training for replacement members, and refresher training more generally, will ideally be required for sustainability. In terms of scaling, the overall objective of the project was to improve worker-management relations, through the development of a scalable and replicable model of workplace social dialogue for the RMG sector in Bangladesh. The model has been or will be scaled more widely according to the grantee. The ILO Better Work and ILO Social Dialogue programmes have acknowledged the contribution of the project implementer’s programme, and the approach is being adapted for Social Dialogue trials in the RMG sectors in Turkey and Myanmar implemented by the project training provider (PCRp.3). The project implementer has been approached by the BGMEA to work with them on incorporating elements of the approach into management training programmes at the BGMEA University, and the project implementer is in discussion with brands about rolling out the training to factories with trade unions. Although there are three much larger social dialogue programmes within the RMG sector, the implementer’s model has the potential to reach a further 345,000 workers across the implementer’s member supplier factories (Grantee PCR).

In terms of scaling, the Workplace Safety and Gender Equality project was not completed and so has not been scaled up, although the grantee has promoted the project to other UK based brands, engaged with UNICEF Bangladesh on a regular basis, and discussed the project with World Bank project teams (Grantee PCR). The TGVCI project may therefore have contributed to future initiatives to some extent.

A slow pace of uptake for the UpSkill platform from factories and brands during the project might suggest that demand may be limited. However, any new product requires time to penetrate markets. Currently there are 300+ users in Bangladesh and India combined in 2017, and 400 more, according to the grantee, will be added in 2018. Whether there will be a widespread uptake for this platform is not yet known.

For Upscale, a longer time-period is needed to establish if the approach is a commercially successful alternative or supplement to conventional methods. Interest has been reported from UK and US retailers and Bangladesh factories, and new users have signed up post-TGVCI according to the grantee. A safety organisation has piloted Upscale at 30 factories in Bangladesh in 2017. The platform is already being adapted for clients in the Indian market.

While the SIZAVisa database software has been established and efforts made to register workers, the database has not been adopted by the key industry body. The exact reasons are not clear, but could include, amongst others, issues, the non-relevance of the intervention to larger suppliers who have their own systems in place for induction and data management, the time costs for smaller farms and intellectual property issues. It is too early to say whether the database and cards will eventually be rolled out, but the challenge for small farms in managing their seasonal workers’ training remains a significant issue for the industry, as is the need for career advancement and skills.
<table>
<thead>
<tr>
<th>Projects</th>
<th>Relevance</th>
<th>Social Upgrading</th>
<th>Economic Upgrading</th>
<th>Scaling</th>
</tr>
</thead>
</table>
| Benefits for Business and Workers (BBW) | Yes, highly relevant given the need to improve working conditions in RMB sector | • It provided useful management training and tools to 525 managers in 88 factories employing 165,000 workers, but did not achieve some of its reduced targets  
• Some improvements in working conditions and stability of workforce achieved  
• Workers have benefitted on average, not all workers have done so to the same extent.  
• Financial benefits for workers have been very limited. The grantee estimates that these are equivalent to £6.4 million, however, this estimate requires significant qualification.  
• Real wages have continued to decline across the sector and remain well below all estimates of a living wage. | • Measurable improvements in business efficiency  
• All businesses have benefitted on average, but not all factories have done so to the same extent | • Evidence of scaling amongst project partners and continued interest of brands, the potential for significant scaling in Bangladesh may be limited without further brand and/or donor incentives to encourage factory participation. Given multiple other initiatives, it is uncertain whether BBW will be adopted and make a difference sector-wide. |
| Count me Too | Highly relevant as disabled people’s participation in the sector is negligible. There are victims of factory accidents who have no access to work. Not known if costs and productivity impact for employers. | • 138 disabled people recruited (compared with 7 prior to the project) and just below the target of 150 disabled people employed. | • Uncertain. No additional sales reported by the supplier, although likely to be reputational benefits. Productivity of disabled workers was not less than able-bodied workers according to grantee. | • No evidence of wider scaling to date. |
| Social Dialogue | Yes, because of the serious lack of workers’ representation and voice, and poor industrial relations, in the RMG sector. A multi-stakeholder workshop (2014) recommended a social dialogue approach be developed. | • Capacity development training provided in 25 factories. Positive attitude changes among managers, workers and trade unionists reported by an independent evaluation points to a positive contribution to industrial relations. Strong signs that project contributed to improvements in industrial relations, increased female participation in PC elections, and improvements in communications and trust between workers and supervisors/managers (Independent project evaluation). EMU found a slightly more mixed picture at 2 factories visits and some | • Lack of evidence that business benefits achieved, although plausible that business benefits will derive from social dialogue. Given overlapping initiatives in factories, attributing changes in business metrics to the project would have been difficult | • Many factories lack a clear plan for maintaining the programme, or providing ongoing training, after the project. A ‘brand driven’ reputation, and some lack of commitment from factory owners could be an issue.  
• The project demonstrated a potentially scalable and replicable model of workplace social dialogue for the RMG sector which has been taken up more widely and has the potential to reach a... |
| Safer Workplaces and Anti-Sexual Harassment | Yes. The project addressed very real and important issues—gender attitudes and sexual harassment in the RMG sector. | A multi-stakeholder forum was completed (May 2015), three Training of Trainers (ToT) workshops for gender trainers and 5 manager sensitization workshops. 75 managers from 9 factories were engaged, leading to awareness raising and local capacity development. Unfortunately, the project ended prematurely due to delays in reimbursement of invoices and staff/policy changes within the UK brand. Payment delays and cash flow problems affected the partners’ relationships and so gender sensitization workshops could occur within the factories, so the project could not achieve its objectives.  
• It is not possible to say with certainty whether the project would have achieved its objectives had it been able to complete its full work programme. | Project did not deliver business benefits or a business case for action on this as could not complete its full work programme.  
• The UK brand may continue its factory engagement on this issue outside the project. The project may have contributed to future initiatives. |
| SizaVisa | Yes. The industry is seeking a stable, seasonal workforce and there is a need for seasonal workers’ labour rights to improve. Smaller companies especially face challenges in managing their training of seasonal workers and the latter need career advancement and skills. | 8,613 workers completed the training, compared with a target of 100,000 although the retailer suggests that the training has continued and more have received their cards. The UK retailer reports that 150,000 cards have been distributed, but only 15,000 workers have had their information submitted by managers.  
• 973 farm managers and supervisors were trained (a shortfall of just 27 against a target of 1000) and the lower figure being due to the overall SIZA membership decrease.  
• Positive feedback reported from participants [not validated by EMU]  
• Lack of evaluation data to indicate whether there has been an improvement in labour rights for seasonal workers  
• 153,000 cards distributed, but suppliers have only submitted data on 15,000 workers (fraction of target) | Not possible to say as the database has not been adopted by the industry body.  
• No evaluation data available.  
• Database not adopted by the industry, as yet. Suppliers have only submitted data on limited number of workers.  
• Too early to know if the database/cards will be rolled out. Some institutional and resource issues involved. |
| Upscale | Yes. Highly relevant as despite other industry training initiatives fire safety concerns persist | Partially successful implementation (did not meet targets).  
• Limited evidence as to whether the approach led to long-term worker knowledge and awareness raising | Lack of robust evidence  
• More time needed to see if commercially successful alternative or supplement to conventional methods. Interest reported from UK retailers and... |
and risks to workers are significant. (over and above results of conventional training) and the extent to which this leads to worker safety improvements in practice. *Training method well received by workers and factory managers.*

<table>
<thead>
<tr>
<th><strong>Upskill</strong></th>
<th><strong>Bangladesh factories, and several new users have signed up post-TGVCI. The grantee reports that a safety organisation has piloted Upscale at 30 factories in Bangladesh in 2017. The platform is being adapted for clients in the Indian market.</strong></th>
</tr>
</thead>
</table>
| **There is a need to raise the level of compliance and labour standards in Bangladesh RMG sector. Additional training may be required but it is not clear if a computer-based training platform is a better or more appropriate way of providing it.** | **The project did not meet its targets (1500 users from 300 factories) reaching only 184 users in 51 factories, although the grantee advises that more have been trained since this date.**
- A total of 24 people attended the examination and were certified, all during the pilot phase. The grantee advised that examinations were carried out after the mid-term evaluation in at least two additional factories. Further users have signed up since the end of the project. The project evaluation reported many positive impacts in terms of ethical compliance knowledge and benefits, the evidence presented is limited. |
| **Many positive impacts in terms of ethical compliance knowledge and benefits (independent project evaluation – but the evidence presented is limited, i.e. self-assessment, no comparison with the high levels of knowledge and compliance reported at the baseline). Implementation of improved compliance measures cannot be verified by EMU. Unlikely to have had an impact** | **Slow pace of uptake for the UpSkill platform from factories & brands during the project suggests demand may be limited, but any new product requires time to penetrate markets. 300+ users in Bangladesh and India currently (2017). 400 more will be added in 2018, according to the grantee. Whether there will be a widespread uptake for this platform is not yet known.** |
Impact Pathway 4: Improving models for engaging smallholders and workers in more productive and resilient horticulture value chains

Relevance
The two projects in this category both aimed to benefit smallholder horticulture and fruit producers by improving their access to commercial supply chains; one through the strategy of linking smallholders to retailers though supplying produce to intermediary commercial producer ‘hubs’ and the other through a joint venture scheme giving workers a stake in farm production and profit. The projects were relevant in their efforts to broaden the basis of supply into retail markets and to meet the Broad-Based Black Economic Empowerment (B-BBEE) Agenda through new working arrangements, skill development and training.

Social Upgrading: Quality of employment and work conditions
There is qualitative evidence that the small-scale, high quality fruit and vegetable production for a South African retailers’ supply chain in South Africa has contributed to improved governance, leadership and agronomic skills for worker-owners and there is the potential that they will receive significant financial dividends in a few years when the mangoes are sold on the market. So far, the Joint Venture has been successfully established and the maturation of the orchard is on course and the first harvest is expected in 2019. More time is needed to evaluate the project, but the signs are very promising.

The Farmer Support and Linkages Project (FSLP) did not manage to fully test the model of linking smallholders to retailers via commercial hubs, thereby raising smallholder incomes. The risks inherent in the project — that of power inequalities between smallholders and retailers and the nature of retail markets — affected the project. Following the strategy change of the retailer away from fresh produce suppliers and towards value added processing, engagement with new suppliers was scaled down. Produce was sold into alternative markets but not based upon any regular agreement. The main contribution of the project has been capacity strengthening for smallholder farmers. The B-BBEE policy was seen as a facilitating factor, but it does not seem to have an impact on procurement strategies of retailers. These require a reliable stream of product and small farms are considered as risky suppliers, especially in the absence of incentives to engage with them.

Social Upgrading: Access to better work
The FSLP did not manage to establish new smallholder-friendly procurement by hubs supplying retailers. The experience of one of the more successful hubs indicates that increased produce sales and profitability do not necessarily result in greater worker security or new jobs. Employment saw a decrease, because of a policy of mechanisation. There was no improvement in worker wages.

Economic Upgrading: Direct business benefits
For the joint venture scheme, farm enterprise owners were positive about the motivation of workers following the training, and they thought that this would increase when worker-owners receive the dividends. They could not quantify the impacts and no impact study is planned. However, the farm owner anticipates a 20% return on investment.

In the FSLP project, the retailer withdrew from the arrangement before any business benefits could be realised. One successful case of a smallholder farmer supplying to an agricultural hub was realized, however the relationship predated the project. An important lesson is the difficulty of finding market actors who are committed to addressing capacity gaps, which would enable smallholders to meet the
demands of retailers. More emphasis on coalitions of facilitating organisations, farmers/farmer clusters and a range of local buyers would be a more realistic start.

**Moving into or staying in higher value markets**

For the farm enterprise owners, the motivation in creating a Joint Venture was to retain market access primarily, rather than change in position / function within value chains. They managed to retain their relationship with the retailer, although they had some concerns relating to the financing/capitalisation model.

The FSLP project has identified several factors that keep smallholder farmers from higher value markets, among which are the high-quality requirements from supermarkets that require substantive investment from farmers. A more realistic strategy is to focus on alternative off-takers, such as processors, fast food outlets and intermediary packers, before making the step to retail markets, i.e. a step-wise approach.

**Scaling for Sustainable and Resilient Value Chains**

For the Joint Venture initiative, future scaling is highly feasible within the participating partner and beyond.

The withdrawal of the main retailer from the FSLP project and the absence of support from an alternative, meant that there was limited or no evidence of scaling. The project duration was too short to test the aggregation model which, according to the grantee would require at least three full growing seasons.
Table 5: Summary of Social and Economic Upgrading and Scaling resulting from Impact Pathway 4.

<table>
<thead>
<tr>
<th>Projects</th>
<th>Relevance</th>
<th>Social Upgrading</th>
<th>Economic Upgrading</th>
<th>Scaling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-scale, high quality fruit and vegetable production for a South African retailers’ supply chain in South Africa</td>
<td>Yes, retailers need to secure supply and demand is growing, plus they need to respond to the B-BBEE transformation agenda.</td>
<td>• One JV established. Overall positive feedback from workers on the training, except for some male workers who dropped out of the technical training (EMU validated). Workers obtained new governance, leadership and agronomic skills. • Farm manager-owner reports that the mango development is going well. They had some concerns relating to the original negotiation of the deal with the retailer.</td>
<td>• Benefits anticipated when mango dividends can be shared amongst workers and productivity gains are anticipated, as well as used to service the debt and cover running costs. • Management anticipate a 20% return on investment.</td>
<td>• Too soon to know, but the involvement of the South African retailer is innovative, and they are reportedly interested to scale up the approach especially in other commodities, where there are more opportunities for small and medium-scale enterprises.</td>
</tr>
<tr>
<td>Farmer Support &amp; Linkages Project</td>
<td>Yes, smallholders lack the capacity to participate in retailer and wholesale markets, but there are income opportunities to be captured. The B-BBEE agenda is also relevant here.</td>
<td>• 3 high potential farms each selected 1 smallholder to work with and provided the latter with support through the development of cropping programmes. All participating farmers received training. • No perceivable impact on the livelihoods of smallholders and farm workers. Except in one case where the smallholder relationship with a hub was strengthened.</td>
<td>• The potential of the project to link smallholder farmers to high potential commercial farms and retailers was severely limited after the retailer retracted from the partnership. The project team worked on new procurement relationships, but these could not be established fully during the project’s lifetime.</td>
<td>• No evidence as the project did not manage to develop the anticipated value chain linkages.</td>
</tr>
</tbody>
</table>
5. Programme Management

A more detailed analysis of programme management and the facilitation of coalitions is provided in the TGVCI Mid-Term Evaluation Report, 2017.

While the fund managers’ role was conceived as a fund manager combined with the provision of technical advice, (with the business case suggesting this was better value for money than a M4P approach which would require more analysis of markets and facilitation, in fact EMU concludes that the latter is indeed required. A facilitator is necessary to facilitate a process which engages the key set of stakeholders in the *co-generation of ideas*, supporting the formulation of potential solutions and selecting action research projects which can test possible solutions and provide rapid lessons. This can be described as a Problem Driven Iterative Adaptation (PDIA) or Social Learning type process.

Facilitation skills are thus critical. Also necessary is a strong on the ground presence and knowledge so that programmes such as the TGVCI has credibility with the private sector in the supplier market, with global retailers and brands, and with government and civil society. A more constructive engagement with some civil society should be sought, beyond a basic service provider role, because there are is a wealth of experience in NGOs and CSOs which could be mobilized to further support learning and implementation.

Fund managers supporting catalytic funds of this kind should provide an adequate level of in-country facilitation and adaptive technical advice to the action research projects on an on-going basis. Closer engagement with on-going processes and initiatives would likely enhance impact. Wider industry interventions should be the ambition.

6. Cost-Effectiveness

The financial figures for the TGVCI are presented in table 6 below.

<table>
<thead>
<tr>
<th>Impact Pathway 1</th>
<th>DFID contribution</th>
<th>Consortium Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth engagement and vocational skills, South Africa</td>
<td>224,673.53</td>
<td>230274.74</td>
</tr>
<tr>
<td>Top of Class, South Africa</td>
<td>67,027.81</td>
<td>74384.25</td>
</tr>
<tr>
<td>Emerging Leaders, South Africa</td>
<td>112935.35</td>
<td>142,716.09</td>
</tr>
<tr>
<td>Emerging Leaders, Kenya</td>
<td>122853.41</td>
<td>154,838.36</td>
</tr>
<tr>
<td>Leadership and Mentorship</td>
<td>33779.18</td>
<td>36,019.87</td>
</tr>
<tr>
<td>Pinotage Youth Development, South Africa</td>
<td>34996.37</td>
<td>39,556.29</td>
</tr>
<tr>
<td></td>
<td><strong>596,265.65</strong></td>
<td><strong>677789.6</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>1,274,055.25</strong></td>
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| Impact Pathway 2                                                                 |                   |                         |
| Her farm, Kenya                                                                 | 162,098.27        | 174,845.21              |
| Her project, nurse training, Bangladesh                                         | 80334.66          | 105,610.90              |
| Worker Education and Nutrition, Kenya                                           | 131300.86         | 131,574.66              |
| Health Insurance, Bangladesh                                                   | 91267.11          | 99,613.79               |
|                                                                                 | **465000.9**      | **511,644.56**          |
|                                                                                 |                   | **976,645.46**          |
The TGVCI business case indicates that the preferred option for the TGVCI would be a hybrid of a challenge fund and M4P, as it was expected offer better value for money for this size of fund than alternative approaches. M4P approaches are suitable for larger projects where market analysis and facilitation, that carry additional costs, becomes more appropriate. As challenge funds incentivize market players to come up with solutions for key issues, rather than engaging in elaborate market analysis, they, therefore, have lower administrative costs than an M4P programme and will be more demand driven rather than dependent on a facilitator. The EMU Mid-Term and Final Evaluations conclude that in fact a grounded approach is needed, with a facilitator, to enable co-learning by key stakeholders, identification of problems and potential solutions and selection of action research projects that test the suggested solutions. Further, a learning and dissemination component was needed in the TGVCI to add value for money, because companies may not be willing to share successful initiatives otherwise.

EMU have faced major hurdles with respect to access to suppliers and information and a lack of cooperation from some retailers. A financial summary of programme expenditure by round and project is given above. In terms of the relative cost-effectiveness of the different projects and impact pathways it is difficult to draw robust conclusions given the variation in the approaches adopted and the fact that several projects were not fully implemented.

As part of the PMU application support role PMU gave grantees advice on what would be considered technically acceptable and in scope for reimbursement. PMU gave generic advice on subjects such as daily consultancy rates and use of out of country consultants. Further, ‘PMU provided tools to the independent expert panel to consider VfM in the final approved contracts. The expert panel are wholly independent of the Cardno grantee support team. They were able to consider all the proposals together and compare which gave best VfM both in outcomes and country context within the limited budget. PMU report that the independent selection panel said that covering smallholders was not part

<table>
<thead>
<tr>
<th>Impact Pathway 3</th>
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<tbody>
<tr>
<td>BBW, Bangladesh</td>
<td>457247.08</td>
<td>457247.08</td>
</tr>
<tr>
<td>Upskill, Bangladesh</td>
<td>120344.95</td>
<td>238744.42</td>
</tr>
<tr>
<td>Social dialogue, Bangladesh</td>
<td>62320.69</td>
<td>66721.76</td>
</tr>
<tr>
<td>Count me too, Bangladesh</td>
<td>43,935.97</td>
<td>43977.04</td>
</tr>
<tr>
<td>Safe workplaces, Bangladesh</td>
<td>99941.51</td>
<td>85271.4</td>
</tr>
<tr>
<td>Upscale, Bangladesh</td>
<td>174979.87</td>
<td>202,695.87</td>
</tr>
<tr>
<td>Migrant Workers, South Africa</td>
<td>30959.1</td>
<td>30959.1</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>989729.17</strong></td>
<td><strong>1125616.67</strong></td>
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<table>
<thead>
<tr>
<th>Impact Pathway 4</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Farmer Support and Linkages project, South Africa</td>
<td>166,438.95</td>
<td>176,476.61</td>
</tr>
<tr>
<td>Creation of joint venture of small farmer groups</td>
<td>103,864.90</td>
<td>126,880.67</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>270,303.85</strong></td>
<td><strong>176,476.61</strong></td>
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<tr>
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<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>2115345.84</strong></td>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>4,812,827.01</strong></td>
</tr>
</tbody>
</table>
of the TGVCI target group, and yet smallholders were clearly identified in the business case’ (TGVCI PCR, 2016).

While it is clear that financial management was robust, it is difficult to gauge Value for Money (VfM) from the quarterly reports provided by the fund manager. Taking the above into account, the following was recommended by EMU: better monitoring of VfM including summary of cumulative expenditure by category to date, but this has not been fully implemented. To drive forward VfM it was recommended that the quarterly reports would include an explicit section reporting on VfM, but this has not been put into practice. A summary of VfM performance has been requested of PMU but has not been received. PMU established systems for monitoring and tracking the use of funds which were robust. As noted in AR 2015 some grantees had requested greater guidance in the correct way of reconciling expenses (TGVCI PCR, 2016)

7. Conclusions

The TGVCI was conceived as an experimental programme, aimed at leveraging private sector investment to test whether social upgrading can lead to economic upgrading in order to incentivize other companies to crowd in. This aim was partly based upon the findings of the Capturing the Gains research programme, which identified processes of economic upgrading resulting from globalization disconnected with social upgrading. The DFID business case assumed that finding ways to deliver on social upgrading as part of businesses’ core strategies would present win-win opportunities that other business would copy and crowd in on. Finding effective strategies such as this would be a way to catalyse much wider change in global value chain industries, based upon a robust business case and bringing development benefits at the same time. DFID foresaw that TGVCI would leverage private sector funding in collaboration with coalition partners to find ways to achieve these win-wins. Thus, the Monitoring and Evaluation was a strategic component of the programme – to compare and evaluate the different types of interventions which were selected for support.

Given that this was an experimental programme, the findings are not highly surprising – i.e. that there was a mixture of successes and failures.

An analysis of the projects clustered under the different Impact Pathways in terms of their achievement of outcomes and impacts was conducted. The rating scales and findings are presented in the tables below

<table>
<thead>
<tr>
<th>Impact Pathway Assessments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Very Strong</strong>: Very strong evidence of social upgrading achieved leading to economic upgrading, plus emerging evidence of adoption/adaptation by partner companies and wider scaling for this cluster of projects and type of intervention</td>
<td>![Green Dot]</td>
</tr>
<tr>
<td><strong>Strong</strong>: Strong evidence of social upgrading achieved, leading to some economic upgrading in target factories, farms or communities for this cluster of projects and type of intervention, and some adoption/adaptation by partners</td>
<td>![Green Dot]</td>
</tr>
<tr>
<td><strong>Moderate</strong>: Some evidence of social upgrading achieved, but limited economic upgrading in target factories, farms or communities for this cluster of projects and type of intervention</td>
<td>![Orange Dot]</td>
</tr>
<tr>
<td><strong>Weak</strong>: Limited or no evidence of social upgrading achieved with no evidence of economic upgrading in target factories, farms or communities for this cluster of projects and type of intervention</td>
<td>![Red Dot]</td>
</tr>
</tbody>
</table>
Drawing on all the sources of evidence available and using Contribution Analysis, all four Impact Pathways have achieved a moderate assessment of effectiveness, i.e. there is some evidence of social upgrading achieved, but limited economic upgrading in target factories, farms or communities for this cluster of projects and types of intervention. The findings on social upgrading (e.g. improvements in workers’ quality of employment and working conditions, or access to better work and rights/entitlements) and economic upgrading (e.g. business benefits such as productivity enhancements or change in position in the value chain for the overall enterprise) for each impact pathway are detailed below:

- **Impact Pathway 1, Worker technical, life and leadership skills:** Moderate. There is very strong evidence that worker technical, life and leadership skills interventions can deliver social upgrading by enhancing workers’ quality of employment and working conditions, and there were some instances of improvement in workers’ access to better work on a limited scale, but limited evidence on economic upgrading (i.e. on business benefits or improved position in value chain), although worker and management feedback has been positive. There is evidence of adoption/adaptation by partner companies, although the evidence on this is somewhat mixed, and no wider scaling. Other contributing factors include suppliers’ own human resource development plans and organisational culture within suppliers.

- **Impact Pathway 2: Worker Health and Nutrition Interventions:** Moderate. There is some evidence that worker health and nutrition interventions can deliver social upgrading, in terms of benefits for workers’ health, but no evidence on the achievement of business benefits (e.g. productivity benefits or change in position in the value chain for the enterprise as a whole). One project has had considerable success in the Kenyan horticulture context and interest is being generated in the other models (health insurance, nutrition gardens). Other contributing factors include: Workers’ wages and the availability of nutritious food. For the nutrition garden project, workers’ access to capital and land were also influencing factors.

- **Impact Pathway 3: Management Skills, Social Dialogue and Worker Representation:** Moderate. There is some evidence that social upgrading can result from such interventions, in terms of enhanced quality of employment and work conditions, although there is no evidence on improvement of workers’ access to better work and improving in workers’ rights and entitlements. Evidence on business benefits is lacking except for one project providing training on worker productivity and human resources which demonstrated savings due to productivity and efficiency. There is some evidence of adoption/adaptation and wider scaling, but it is limited in scope.

- **Impact Pathway 4: Models for Smallholder Value Chain Participation and Worker Equity:** Moderate. There was mixed evidence. Out of two projects, one appears very promising, having successfully established a Joint Venture, although more time is needed to observe whether financial dividends will be distributed to worker-owners, and that social upgrading can be achieved in terms of improving workers’ rights and entitlements. However, the other project was not successfully implemented due to a shift in strategy of the retailer away from smallholder sourcing, and while there are lucrative returns for smallholders that can participate in national value chains, the barriers to participation can be prohibitive with significant risks for vulnerable participants. One project promises a likely 20% Social Return on Investment, but the other has not been successful. There is no evidence of
adoption/adaptation and scaling to date, although the Joint Venture model is promising. Overall, the assessment for Impact Pathway 4 is moderate.

At the programme level, building upon the assessment of the individual Impact Pathways, a similar rating exercise was undertaken. In this case, the following scale was used.

<table>
<thead>
<tr>
<th>Overall Scale of Change Achieved on Desired Outcomes and Impacts by the Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Very Strong</strong>: Very strong evidence of social upgrading achieved leading to economic upgrading, plus emerging evidence of adoption/adaptation by partner companies and wider scaling</td>
</tr>
<tr>
<td><strong>Strong</strong>: Strong evidence of social upgrading achieved, leading to some economic upgrading in target factories, farms or communities</td>
</tr>
<tr>
<td><strong>Moderate</strong>: Some evidence of social upgrading achieved, but limited economic upgrading in target factories, farms or communities</td>
</tr>
<tr>
<td><strong>Weak</strong>: Limited or no evidence of social upgrading achieved with no evidence of economic upgrading in target factories, farms or communities</td>
</tr>
</tbody>
</table>

At the programme level, the evaluation team judge that overall the programme has achieved a **moderate score**, i.e. some evidence of social upgrading has been achieved, but there has been limited economic upgrading (e.g. limited evidence on business benefits such as enhanced worker productivity, no changes in enterprise position in the value chain) in target factories, farms or communities for this cluster of projects and type of intervention.

N.B. There limits to the available evidence. It was originally envisaged that project monitoring data and data on outcomes where appropriate, would be collected by grant applicants and recipients and made available to the EMU. EMU planned to complement this by conducting a series of case studies covering selected projects and impact pathways across the three countries as well as lighter touch interaction with all grantees and suppliers implementing the projects. The overall evaluation faced evidence gaps as not all grantees were made aware by PMU of the importance of conducting monitoring and evaluation activities and grantee capacity on monitoring and evaluation was variable, and in some instances benefiting suppliers were not willing to share data with EMU. Some of the Round 1 partners were not adequately informed about the importance of M&E at a sufficiently early stage, or suffered from a lack of capacity or resources with respect to M&E. Many private sector partners were unwilling to share confidential data, particularly data on business performance. There were also varying levels of capabilities amongst the independent evaluators, commissioned by the project grantees themselves. In terms of the case studies, gaining permission to access factories and farms for interviews and data collection and sustaining this access, was challenging in several instances. Further, TGVCIC faced a multiplicity of interventions at project sites making attribution/contribution challenging. For example, in Bangladesh, all the TGVCIC projects have included factories which have been covered by multiple initiatives, particularly the better factories supplying major brands. This made it almost impossible to isolate the impact of one specific intervention. In Kenya, one supplier participated in three TGVCIC projects, but there was no coordination from the Fund manager to anticipate such issues.
Table 7: Rating per Impact Pathway

<table>
<thead>
<tr>
<th>TGVCI Catalyst Fund Portfolio</th>
<th>Social Upgrading</th>
<th>Economic Upgrading</th>
<th>Sustainability</th>
<th>Adoption / Adaptation by partners</th>
<th>Wider Scaling</th>
<th>Overall scoring</th>
<th>Other contributing factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker Health and Nutrition</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Workers’ wages &amp; availability of nutritious food</td>
</tr>
<tr>
<td>Management Skills, Social Dialogue and Worker Representation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Supplier corporate culture; Relative influence of buyers over suppliers</td>
</tr>
<tr>
<td>mallholder Value Chain Participation and Worker Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Willingness of existing business owners to engage in joint ventures with sufficient incentives and pressure from buyers. Supportive policy. Corporate business strategy aligns with sourcing of product by commercial hubs.</td>
</tr>
</tbody>
</table>
In the next sections we provide a more detailed discussion of the findings per impact pathway, before presenting the lessons and insights in section 8.

7.1 Does Social Upgrading Lead to Economic Upgrading and, if so, in Which Sectors and Under What Conditions?

Despite the gaps in evidence, the available evidence indicates the following for each of the projects clustered under the four impact pathways of the programme theory of change:

**Evidence on Worker Technical, Life and Leadership Skills training leading to Social and Economic Upgrading**

There is strong evidence that such interventions can deliver on aspects of social upgrading, by enhancing workers’ quality of employment and work conditions. Projects delivered improved self-confidence, self-esteem and understanding of work responsibilities. Projects clustered under this Impact Pathway, taken as a group, have tended to be more successful than others in the programme in achieving their targets, which may be due to the closeness of the training to core business activities. Feedback from workers and managers has been generally positive on the training provided. There is also plausible evidence for some of the projects seeking to deliver access to better work, such as Pinotage Youth Development Project, that this has been achieved, although for several projects, additionality has not been demonstrated in terms of improvements for workers’ career progression.

Opportunities for promotion are limited by the extent of job growth occurring within the company. One project sought to empower individuals at all levels of companies and in the community, and gained highly positive participant feedback, but more systematic evidence is needed to demonstrate that this translates into longer-term positive employment and livelihood outcomes. There are risks that skills development in the absence of improved employment opportunities could accelerate the departure of workers from South African horticulture, which would not support the TGVCI goal of more resilient and sustainable value chains.

There is no quantitative data available on the business benefits associated with the interventions. Business benefits were not fully articulated in the design of two projects and in several cases the project design did not lend itself to quantification of business benefits. However, management feedback was positive across the board, with improvements seen in different aspects of worker performance and retailers reporting reputational benefits. In the absence of quantitative data on business benefits, a key indicator of a strong business case might be found in uptake by project partners and beyond. Of the six projects in this group, to date, three projects are receiving further support from the UK retailer partner to re-run training. None has been widely adopted or adapted by other companies in the South African horticulture sector, although one project (Emerging Leaders) has been supported by the retailer to expand in its supply base in other countries.

**Evidence on Worker Health and Nutrition Interventions Leading to Social and Economic Upgrading**

The four funded projects in this Impact Pathway were all highly relevant, combining awareness raising with practical interventions, given the importance of workers’ health, and the poor access to health services of workers and women workers especially in Bangladesh RMG and Kenyan horticulture. There is strong evidence from one project in Kenya, that social upgrading has been achieved in terms of benefits for workers’ health. There is a lack of robust evidence for a second project implemented in Kenya, but the qualitative evidence available indicates that agriculture and nutrition garden has been popular with workers and some of the technologies are being adopted. These are already proven technologies and so there is plausible evidence that workers will benefit from improved health and
nutrition if they continue to adopt more of the technologies and given the steady supply of healthy produce to the canteen. A third health insurance project (Bangladesh RMG) has reported significant benefits for participating workers and their families in the form of free health coverage for at least one year, although the project has essentially developed a health benefits scheme (for which sustainability is uncertain), rather than an affordable or sustainable health insurance model. Interest in the latter has been generated more widely in the sector. A fourth project, planned for the Bangladesh RMG sector, was not fully implemented and so could not test its approach in practice.

There is an evidence gap relating to business benefits. None of the projects provided reliable measures of business benefits or shared business benefits with the EMU. Two Return on Investment studies planned by one grantee were not made available. Qualitative management feedback is positive regarding the health outcomes for workers, particularly at one supplier in Kenya that implemented multiple TGVC projects, but it is not possible to disentangle the contribution of individual interventions. Despite the lack of quantitative evidence of business benefits from improved worker health resulting from TGVC project, scaling has resulted. The HERfarm project, Kenya, has potential for a much wider uptake in the sector amongst exporters, given the partnership with a key industry association and a development investment bank. The model is also being implemented by the lead NGO in Ethiopia. Secondly, the nutrition garden is being rolled out to other sites in Kenyan horticulture by the participating supplier and other suppliers have expressed interest as well. The Health Insurance for All project has provided a possible model for company-financed health cover and raised interest in the sector more widely in health insurance for workers.

Evidence on Management Skills, Social Dialogue and Worker Representation Interventions Leading to Social and Economic Upgrading

Social upgrading challenges in the RMG sector are significant and systemic in relation to both measurable standards and enabling rights (e.g. workers’ representation, collective bargaining, freedom to associate etc). The interventions funded under TGVC were all relevant, but the designs of several of the projects chosen were over-ambitious and none of the interventions addressed some of the fundamental challenges of the sector, such as the lack of a living wage, worker housing or environmental pollution. The latter negatively affects workers and the wider community in Bangladesh.

Available evidence is limited with respect to the achievement of changes in the quality of employment and work conditions due to TGVC interventions. Training on human resources and productivity for middle managers (BBW) is associated with improvements in working conditions and workforce stability. Social Dialogue approaches can deliver positive changes in worker and management knowledge, dialogue and attitudes. Reliable information was not available on the learning outcomes and behavioural change arising from the Upscale and Upskill projects.

Similarly, evidence on business benefits was not collected by most of the projects under this Impact Pathway. The exception was BBW which reported a more stable workforce and significant savings due to improvements in productivity and efficiency. Based upon the information available, any impacts from Upskill or Upscale on business profitability are likely to be insignificant. No concrete business benefits from the Social Dialogue project were identified. Count Me Too did not demonstrate clearly the business benefits of facilitating recruitment of disabled people, although it demonstrated that it is no less profitable to employ disabled people versus abled-bodied staff. The database of seasonal workers compiled under the Migrant Worker Registration project called SizaVisa has not been adopted by the industry and there is a lack of evaluation data, so it is not possible to ascertain if business benefits have accrued.
Models for Smallholder Value Chain Participation and Worker Equity Interventions Leading to Social and Economic Upgrading

There are opportunities for smallholder horticulture and fruit producers to gain higher returns where they can obtain access to commercial supply chains. However, the barriers to meeting supermarket food standards are significant. The two approaches supported through TGVCI were a strategy of linking smallholders to retailers though supplying produce to intermediary commercial producer ‘hubs’, and the second, a joint venture scheme giving workers a stake in farm production and profit.

There is qualitative evidence that the joint venture project has contributed to improved governance, leadership and agronomic skills for worker-owners and there is the potential that they will receive significant financial dividends in a few years. The enterprise owners gave positive feedback about worker motivation following the training and anticipate this will increase when dividends start to flow. They anticipate a 20% ROI, although no ROI study has been conducted or is planned. The owners of the Farm enterprise who agreed to participate in the joint venture project, successfully retained market access rather than a change in position / function within value chains.

Future scaling is highly feasible amongst project partners and beyond for the Joint Ventures project. This is because it may enable retailers to deliver on transformation policy agendas and offer potential reputational benefits, but for suppliers, the main driver for participation is retaining market access. However, the question is whether retailers will invest in the training required to make the Joint Ventures a success.

The project which sought to facilitate smallholder linkages into retailer value chains, albeit via emerging commercial hubs, experienced serious challenges and has not demonstrated viability as an approach to Social and Economic Upgrading. Power inequalities between smallholders and retailers and the nature of retail markets, affected the project, with the retailer making a strategy shift away from fresh produce supply towards value added processing. The assumption that the B-BBEE policy would influence retailer procurement strategies did not hold true. Retailers require a reliable stream of product and small farms are considered risky suppliers, especially in the absence of incentives to engage with them. More emphasis on coalitions of facilitating organisations, farmers/farmer clusters and a range of local buyers is needed to build up farmer capacity to supply retailers. A more realistic strategy is also to focus on alternative off-takers, such as processors, fast food outlets and intermediary packers, before making the step to retail markets, i.e. a step-wise approach. The assumption that where hubs increase sales this would lead to greater worker security or new jobs was also not proven, because in the one case where sales increased, employment decreased due to mechanisation and there was no increase in worker wages.

7.2 Is a Modified Challenge Fund an effective and efficient way to deliver social and economic upgrading outcomes?

A more detailed discussion of the Catalytic Fund is provided in the Mid-Term Evaluation. The Modified Challenge Fund has supported the implementation or scaling of a diverse set of projects aimed at testing whether social upgrading can lead to economic upgrading. Given that the TGVCI was envisaged as experimental it is not surprising that several projects failed, while others have been more successful. However, an improved approach to the design of projects would have better enabled testing the theory and comparative analysis. Improved designs would have included advice to those designing the projects to include forms of implementation that would have enabled initial comparisons between different approaches to support learning and then uptake. Although several projects were based on earlier pilots, very few were based upon rigorous ‘proof of concept’ analysis.
A variety of coalitions were formed, but more innovative alliances could have been facilitated. NGOs tend to be viewed by retailers as training providers, rather than as potentially offering more transformative approaches. Similarly, the role of local researchers should be recognized, and their participation sought, especially in contexts where NGOs may lack research skills or have limited involvement in a specific industry, which limits their capacity to make meaningful inputs.

As justified in the DFID Business Case, the catalytic fund was intended to combine the in-country facilitation and technical assistance of a ‘making markets work for the poor’ (MP4) approach with the participant-led interventions of a challenge fund. Identifying and resolving the barriers to social (and economic) upgrading was assumed to require a process that should be driven by the value chain actors themselves. In the event, in Bangladesh, most of the interventions were driven by consultancy companies and NGOs rather than by the value chain actors, with minimal in-country facilitation and technical assistance by the fund manager. In South Africa and Kenya, UK retailers played a more central role.

Further, few of the coalitions involved combinations of diverse sets of actors. The projects were often led by individual retailers, and/or by service providers. In no cases were there sector-wide processes facilitated which could generate a range of responses to jointly identified problems. Pre-competitive collaboration for sustainable production and trade is now quite widely recognized as a necessary condition for successful interventions. This would require wider stakeholder engagement in problem characterization and solution development, prior to funding of catalytic projects.

The lack of a learning mechanism within the programme – despite the intention being to actively invest in the promotion of positive models of social upgrading leading to economic upgrading – was a key gap in the TGVCI design. As a result, there have been limits to which the lessons have been shared with other companies, which restricts opportunities for scaling. It is not in the interest of most retailers to share their approach with others in terms of capturing reputational advantage. Therefore, even with a learning mechanism in place it would have been difficult to facilitate learning, because of the challenges of access to private sector data.

There are differences in the target industries. The RMG sector context, in Bangladesh and elsewhere, is extremely challenging. The size of the sector, the number and scale of other initiatives, and, arguably, the systematically unsustainable conditions in the RMG industry mean that it is difficult to see how the initiatives implemented could have made a significant difference. Most of the fundamental challenges (e.g. wages, housing, environmental issues) were unaddressed by TGVCI; some issues (e.g. value chain pricing) are extremely difficult to address; and none of the initiatives supported have achieved significant scaling to date in that industry. In Kenya and South Africa there has been a longer history of ethical trade and corporate responsibility initiatives. The industries also face diverse sustainability challenges, but there is not the same degree of multiple initiatives being implemented compared with the RMG sector post-Rana Plaza. A small number of the Kenyan and South African horticulture initiatives are experiencing some scaling or there is the potential for further scaling to occur. However, many fundamental issues for workers and local communities also remain unaddressed such as living wage issues, housing, environmental issues. Several grantees suggested that it might have been better to have targeted other countries or sectors with fewer donor and corporate interventions.

None of the projects in any of the three countries which emerged through the demand-led process focused upon more challenging, but fundamental issues relating to social upgrading, such as living wages or housing. These have not been tackled yet remain central to achieving social upgrading and
sustainable, resilience supply chains and sectors. Some issues such as housing and environmental pollution were identified as priority issues, but these were not addressed in the programme and there were issues such as nutrition that were only tested in limited contexts. Such issues were not beyond the scope or scale of TGVCI. Living wages are a difficult issue to tackle, but they have been tackled in pilot projects elsewhere. Living wage issues did come in several cases as being fundamental to the success of the projects that were facilitated. TGVCI could have supported a pilot (as it did with health insurance). The fact that major issues like housing, living wages, and environmental impacts (which may also have consequences for worker and community health and well-being) does not mean that TGVCI was irrelevant, but it does mean that it was less relevant than it could have been. Ultimately, unless and until systemic issues are tackled, there is a limit to the contribution that can be made by programmes such as TGVCI. They can provide a contribution to social upgrading, but the fundamental problems will remain.

In Bangladesh value chain actors were and are investing in social upgrading, but only to the extent that it is in their business interest to do so. Most of the corporate social investment in the RMG sector is driven by reputational damage limitation, rather than by any serious attempt to address the fundamental, country- and sector-specific challenges of the RMG sector. Based upon the available evidence, TGVCI has not succeeded in making a significant contribution to social upgrading beyond individual factories or companies, nor has the project piloted models or produced reliable evidence that make such investment more likely in future. In Kenya and South Africa, TGVCI achieved more with respect to contributing to social upgrading, and in piloting plausible models (e.g. Joint Ventures, unemployed worker coaching), but failed to generate reliable evidence that would also support wider uptake in the future.

The underlying Capturing the Gains (CtG) research did not include environmental issues. As noted in the MTE, it is essential that all dimensions of sustainability are addressed in an integrated fashion.

7.3 How sustainable are the individual interventions (were any of the benefits realised expected to continue over time in the absence of further DFID, or other donor, intervention)?

There are evidence gaps, but the available evidence indicates the following (see also Annex 5.).:

**Worker Technical, Life and Leadership Skills training interventions** are likely to provide participants benefits, but continued investment is needed and, in some cases, additional training. Where unemployed workers achieved employment, it is very likely that they will continue to use their skills and accrue benefits from their new employment (Pinotage Youth Development). Robust evaluation evidence is lacking for Emerging Leaders in terms of sustained benefits for participants, although feedback is very positive in the short-term. For several of the other projects, while participants have gained new skills, it is highly uncertain that continuous training schemes will be instituted.

**Worker health and nutrition interventions** also lack robust evidence on the sustainability of benefits, but it is likely that for the HERfarm participants, they will continue to benefit from worker health improvements. Workers adopting new technologies from the Sustainable Agriculture and Nutrition Garden and eating in the canteen which has an improved supply of vegetables are also likely to continue to reap benefits.

**Management Skills, Social Dialogue and Worker Representation** interventions present mixed evidence. The Social Dialogue project and BBW both present evidence of benefits for workers which may be sustained, but further evidence is required. For the mission-driven employer which participated in the programme it is highly likely that workers will continue to benefit (e.g. recruitment
of disabled workers), but there is no evidence of additional positive changes in corporate behaviour. The training for managers and migrant workers in South Africa on their labour rights is likely to continue to provide benefits, but we lack robust evaluation data. The database has not been adopted by the industry to date and so cannot provide seasonal workers with benefits. The mass training platform on safety and compliance for factory workers (Upscale) does not provide robust evidence on the extent to which the benefits of the Upscale training are maintained, but the grantee reports that the technological and commercial development is continuing. Upskill, the e-learning system designed to help factories meet labour and safety standards quickly and effectively, has not assessed the sustainability of any increased ethical compliance knowledge, motivation and implementation within factories. The website is still supported by the grantee. We do not have evidence on the number of trainees continuing to use the platform, but there are 300 users in Bangladesh and India currently.

**Smallholder Value Chain Participation and Worker Equity:** Under Impact Pathway 4, the joint venture project is highly likely to deliver sustainable benefits to participating workers in the form of dividends, but the smallholder-hub-retailer linking project is unlikely to deliver sustained benefits. One of the participating smallholder/hub linkages was successful, but this was established prior to the start of the project and their venture capital financing arrangement was provided by a finance company, although project staff had advised on the business model and terms and conditions.

In sum, there are mixed results with respect to the sustainability of the benefits of the TGVCI interventions. The worker life, leadership and technical skills training and health related interventions are likely to provide participants benefits, but continued investment is needed and, in some cases, additional training with respect to the former. There is mixed evidence on the Management Skills, Social Dialogue and Worker Representation interventions with some presenting positive plausible evidence and others clearly not.

7.4 **Were firms or others participating in the programme convinced of the value of investing in social upgrading as a good business model and therefore willing to continue similar projects in future in the absence of donor intervention?**

In terms, of the adoption and mainstreaming of business models by project partners, the evidence is as follows (See Annex 6 which summarizes where there has been uptake amongst companies or others participating in the programme to date):

**Of the worker technical, life and leadership skills** approaches tested, the intensive coaching of the Pinotage Youth Development project and the consciousness-raising and empowerment training of the Emerging Leaders approach appear to have been most successful with respect to adoption and adaption by retailers and/or suppliers. While other training courses remain on offer, it is not certain that there will be widespread adoption/adaption in the absence of further donor funding. Life and leadership skills training for workers (permanent and seasonal) are particularly valued by companies as a relatively new focus in the industry. Attention to combined training for managers and workers in how to provide effective mentoring was also valued.

Of the **worker health and nutrition approaches** tested, 17 suppliers participated in the assessment of clinics and the training of peer health educator approach, during the project. It is not clear how many suppliers in Kenya have integrated and adopted the approach for the long-term, although one key supplier project participant has said it is continuing with the approach. According to the grantee a participating tea company has recently made a commitment to further scale HERhealth to an additional 40,000 women in their supply chain in Kenya.
The sustainable agriculture and nutrition garden approach has been adopted by the participating supplier, with further gardens being established in other sites and there is strong continued interest from the retailer.

Approaches clustered under the ‘Management Skills, Social Dialogue and Worker Representation’ which were successfully implemented, have had a mixed performance with respect to adoption/adaption by project partners in Bangladesh RMG. The training for middle managers in human resources and productivity approach (BBW) does show evidence of scaling amongst project partners and continued interest amongst participating brands. The Social Dialogue approach adoption/adaption is less certain, as yet, and depends upon pressure from brands being exerted upon suppliers. The one supplier working on recruitment of disabled workers has demonstrated it is possible to employ disabled workers effectively without significant additional cost, and it is likely to continue to support this as a corporate policy in its other factories, but the project did not involve other partners so there was no immediate route to further adoption/adaption. Whether Upscale will prove to be a sufficiently superior training product to become commercially successful as an alternative or addition to conventional methods is not yet known; the grantee has new users signed up post-TGVCI. Upskill saw a slow pace of uptake during the project, but there are currently 300+ users in Bangladesh and India, and 400 more anticipated in 2018. Whether there will be widespread uptake for the platform is not yet known. While the project that focused upon workplace safety and gender equality in Bangladesh did not meet all its targets, the UK brand is continuing factory engagement on this issue, both in Bangladesh and in India. In South Africa, SIZAVisa was implemented widely across many suppliers in the industry, but it is not clear whether the database will be adopted as few suppliers have submitted data on participating seasonal workers and the SIZA organisation has not adopted the database to date.

Of the smallholder value chain participation and worker equity approaches, a worker equity scheme has been adopted by the participating retailer and supplier (Joint Ventures), but the smallholder value chain participation has not been adopted by the retailer nor by alternative procurers who were approached during the project.

In sum, as might be expected in an experimental programme, there has been varying success with respect to whether new business models or strategies have been proven to have a business case in the eyes of participating brands/retailers and suppliers. There are instances of successful adoption/adaption across the target industries and impact pathways, however, in other cases this has not been demonstrated. For several projects, more time is still needed to see if the adoption/adaption is really embedded in corporate strategy or not. Some of the approaches represent the business of consultancy companies and NGOs and so they will continue to promote them in the relevant industries.

7.5 What was the demonstration effect in terms of changes in attitude and/or behaviour of other value chain actors that were not involved?

The extent to which a demonstration effect was achieved in TGVCI leading to attitudinal and behavioural change in value chain actors beyond the project partners is discussed in this section. See also Annex 6 for a summary per project. A key lesson identified in the Mid-Term Evaluation of the TGVCI, is that for a demonstration effect in market-based approaches, attention and investment is needed in a learning mechanism. Companies do not necessarily have strong incentives to share approaches. Brands/retailers are understandably keen to capture reputational benefits through market differentiation and to some extent this relies upon being associated with a specific ‘own-brand
initiative’. There are relatively few examples of retailer-to-retailer uptake associated with projects supported by TGVCI.

Only two of the **Worker Technical, Life and Leadership skills** approaches (Pinotage Youth Development, Emerging Leaders, Kenya and South Africa) show potential for scaling. It does not seem likely that the other courses, while generating positive feedback from management, will necessarily see a rapid uptake in the industry, unless subsidized or fully funded by retailers, and this is also unlikely at scale. The capacity of training providers can be a potential limit on scaling (as may be the case in the Pinotage Youth Development Agency, and with the closure of the local service provider NGO, which provided technical inputs for the nutrition garden in Kenya under Impact Pathway 2).

Of the **worker health and nutrition interventions**, there is a clear example of scaling via a partnership with a trade association and development bank, sharing training costs. This project was led by an international NGO. The lead grantee reports further uptake by 13 other companies in Kenyan horticulture, plus expansion into a new Kenyan sector – apparel and expansion and, also in Ethiopian horticulture. ETI also report interest from the Bangladesh RMG trade association (BGMEA) in rolling out their training approach to suppliers with trade unions. Again, this is an example of a non-corporate lead. Where a retailer is very convinced by an approach, they may roll it out in their supply chains in other countries (e.g. Emerging Leaders), but it is not certain that other retailers will see the same value in the approach as they increasingly look to gain ‘own brand’ reputational benefits. The Sustainable Agriculture and Nutrition garden is scalable and other suppliers have expressed interest in the technologies and demonstration farm approach.

Of the **management skills, social dialogue and worker representation** approaches, the BBW approach will require further brand/and or donor incentives to encourage factory participation and there is competition from other types of initiatives. The social dialogue approach is potentially scalable and has influenced other ILO programmes, there are pilots in other countries and the project implementer will continue (with donor and corporate membership funds) to promote it. For Upscale, the mass training programme on safety and compliance, more time is needed to establish if it is a commercially successful alternative or addition to existing training methods. It is not yet known whether there will be widespread uptake of the Upskill e-learning platform for management training on labour and safety standards. The SizaVisa seasonal worker database has not been adopted by the industry to date.

### 7.6 How effective was the programme at building coalitions and what role did they play in the interventions? What lessons were learned in how to successfully engage key supply chain actors such as government, local firms, civil society etc.?

The effectiveness of the programme in building coalitions was addressed in some depth in the Mid-Term Evaluation. At final evaluation, similar conclusions can be drawn with respect to the TGVCI’s ability to build effective coalitions.

The TGVCI was not very effective at building coalitions in Bangladesh. Few involved more than a narrow set of project implementation partnerships. Many of the projects in Bangladesh were led by consultancy companies, who demonstrated variable levels of practical knowledge of the sector. In South Africa, retailers played a much more significant role, leading or partnering in most of the

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36 The grantee reports that after the seventeen suppliers participated in Kenya through TGVCI, an additional thirteen firms have signed up to the project. The approach has also expanded to two garment factories in Kenya. In Ethiopia, forty horticulture farms are currently participating in HERproject.
projects, although development consultancy companies with experience of working with emerging markets and farmer support, and an NGO also led in some instances. In Kenya, only three projects were implemented. Two were driven by retailers, but a third was led by an international NGO. It is hard to draw out clear trends as to which are the most effective coalitions, but clearly, international NGOs can be effective and can offer more than service provision. They can be a source of innovation and experience, with respect to effective approaches for engaging with workers and communities, in facilitating learning and in terms of technical expertise (e.g. on sustainable agriculture and nutrition technologies and business models). There is also likely to be a more constructive role for civil society to work with businesses to upgrade their sustainability strategies into core business operations, particularly relevant in increasingly resource-constrained global economy. Such partnerships would rely upon more equal relationships between companies and external specialists to jointly identify problems and solutions. It is already widely recognized that responding to sustainability challenges requires engagement from different types of actors in a sector and for improved coordination and vision alignment. There were no incentives to expand coalitions once grants were awarded, and also, in fact, there was often a narrowing of participation once a project got underway compared with what was set out in the project proposal. The limited extent of in-country facilitation and any on-going technical assistance was noted in feedback from many TGVCI grantees in each country. The rapid timetable set for the Round 1 call for proposals (six weeks) clearly affected the quality of the proposals and the nature of the coalitions that could be created in the time available.

8. Lessons

Promising approaches to social-economic upgrading include intensive coaching for unemployed youth, worker equity schemes, social dialogue processes and health interventions. However, more fundamental issues, such as wages, housing and freedom of association also need to be tackled if sustainable, resilient global value chains are to be achieved. The evidence suggests that worker technical, life and skills training approaches require strong pedagogical approaches, such as intensive coaching for unemployed youth, and empowerment-oriented approaches, such as Emerging Leaders. The latter may, however, be more effective combined with other types of interventions. Worker equity schemes, social dialogue processes and health interventions proved to be some of the most promising for delivering improvements in measurable standards and enabling rights. Future initiatives pertaining to global value chains and sustainability need to address fundamental issues such as wages, housing and freedom of association more effectively. Such challenging problems will require pre-competitive collaboration across the industry and most likely, multi-stakeholder sector programmes and social learning with diverse coalition partners to find solutions.

Worker equity schemes and other enterprise ownership models offer the potential for long-term improvement in worker social upgrading. The worker equity scheme piloted in South Africa represents one of the more far reaching approaches tested under TGVCI, in terms of advancing worker’s rights and entitlements. More research is desirable on initiatives which enhance workers’ rights and entitlements by addressing the nature of the enterprise ownership and governance. For example, the Joint Venture worker equity schemes are highly promising in this regard. Similarly, the types of enterprise and value chain arrangements which simultaneously achieve greater environmental sustainability merit further research, given the nature of environmental challenges, such as climate change, land degradation and biodiversity loss and the fact that this issue was not a focus for the TGVCI.
Donors and researchers should continue to invest in efforts to understand which are the most promising approaches for achieving social (and environmental) upgrading that can create economic upgrading for both buyers/brands and suppliers and thereby incentivise competitors to act. TGVCI presents some initial insights into potentially promising avenues, but more robust evaluative learning is needed. It is not enough that buyers/brands benefit, suppliers also need to see clear incentives. Buyers/brands also need to adopt more responsible sourcing practices and to share in the costs of upgrading, as part of a longer-term business case, as well as seeking immediate business benefits, such as productivity improvements.

Environmental issues were identified in an initial study to inform the business case development as being pertinent to the programme, but only a few of the project applicants addressed environmental issues and one project was not implemented. Rather than seeking to address social and economic upgrading separately, supply chain sustainability issues of a social and environmental nature should be holistically addressed along the supply chain by buyers and suppliers. It is well known that global brands and retailers face increasing reputational risks as a result of the environmental impacts of their supply chains. There are linkages between worker and community health and supplier practices and impacts, however, few applicants addressed environmental sustainability issues in the demand driven call. Therefore, more work is needed to research how far initiatives for social upgrading, e.g. worker health or social dialogue, can lead to improved environmental and human health outcomes, which in turn increase worker productivity and reduce reputational risks for buyers etc.

Companies and donors should integrate and address supply chain environmental sustainability concerns in their business models as a core concern, but evidence to build the business case is important as are sector-wide approaches, including the necessary policy and legal levers to create a level playing field and drive change. Integrating and addressing supply chain environmental sustainability concerns in companies’ business models may bring potential business benefits such as cost savings, i.e. environmental upgrading may lead to business benefits, and there may be additional causal connections to social upgrading. However, realistically there will also be costs as well. More evidence is needed to incentivize companies to copy and crowd in. The issues are likely to be common sector-wide and therefore more likely to be addressed effectively in sector-based programming, as well as via the use of policy and legal levers to create a level playing field and to change the practices of laggards as well as leading companies. Specific verifiable environmental scientific targets (E.g. land use change, Greenhouse Gas Emissions, biodiversity loss) and social policy goals should be set which refer to the change needed, rather than referring to the year-on-year performance of companies or comparisons between peers etc.

There is an increasing demand from the public and from investors in global markets for companies to address their supply chain risks in a holistic manner, which creates risks for companies if they do not act. It would be more accurate to think of ‘sustainability upgrading’, thus incorporating both social and environmental upgrading issues, but also requiring more research on the specific causal linkages and return on investment studies. A key question is also how far supplier and brand/retailer ownership and governance models shape the nature and social and environmental impacts of the supply chain.

Donors, companies and the wider community of practice should be realistic about the scale and nature of the challenges faced by workers, communities and environments in many industries in developing countries and emerging markets and design programmes accordingly. Projects and programmes seeking to tackle social and economic upgrading need to recognise the magnitude and interlocking nature of the pressures on workers and suppliers and be designed to address priority
issues, and to have adequate time and resources to conduct experiments and make changes. While individual companies may be able to test out innovations, this should be grounded in a robust sector-based analysis. Ideally, sector-based programming is supported, because this means donors can support systemic types of changes, such as improved coordination in the sector on sustainability issues, sharing of lessons and monitoring, and identification of changes needed in policies, laws and regulations including their implementation. Coalition building should mean more than NGOs supporting a leading company, but instead involve multi-stakeholder collaboration focused on sector-wide issues and should pay attention to issues of accountability to local-level stakeholders, such as worker representative groups. An area-based, sector transformation approach would firstly analyse root causes prior to developing an intervention, including joint analysis and problem identification by sector stakeholders.

**Political and institutional contexts have a marked effect on the outcomes of supply chain initiatives, and this suggests a multi-stakeholder, sector-focused approach is required.** In some cases, suppliers are more powerful than buyers and therefore buyers/brands may not have enough leverage to encourage them to change their practices. At the same time, corporate sourcing practices affect suppliers’ capacity to improve working conditions, labour rights and environmental sustainability. Buyers and brands should invest in their suppliers and share the burden of the costs involved. Geographically focused efforts are desirable as way of ensuring that there is sufficient understanding of contextual factors and a process of building local ownership and collective action.

**Catalytic funds and sustainability upgrading interventions can only be effective if they ensure that grantees have a clear sector transformation plan for achieving scaling and systemic change.** Any future catalytic funds should also include appropriate and effective learning mechanisms, as companies do not have an incentive to share new innovations that give them a competitive edge over rivals. The TGVCI sought to catalyse change in a sector, transforming industries, but relied upon individual projects led mainly by individual brands/retailers or NGOs or consultancy companies, and no change was observed in any of the target sectors in terms of a sector-wide transition or transformational change. It is critical that programmes seeking to catalyse sector-wide change facilitate the development of a sector strategy articulating a clear vision amongst sector stakeholders, developing roadmaps for change at the sector level. The strategy would simultaneously support social and economic upgrading, and environmental sustainability, and also identify necessary enabling environment changes in policies and regulations, industry coordination, dialogue and social learning, access to new finance etc) and supporting advocacy work to achieve the required changes as well as building local ownership for collective action, creating necessary underpinning stakeholder relationships of trust. Without such support and such changes in the enabling environment it is much less likely that sector transformation will be achieved. In TGVCI there was a lack of incentives for companies to share new approaches or for others to crowd in in the absence of strong business case evidence and dissemination.

During design and implementation, programme managers and coalition partners should consider and actively support scaling mechanisms, such as multi-stakeholder platforms to share lessons and undertake monitoring, especially ensuring communication of potential solutions and new business models between companies. Donors should ensure that a learning mechanism is created and funded in catalyst programmes to support knowledge transfer and learning amongst competing actors in a sector (given that those who are developing innovations may not have incentives to share such information with competitors) and also with non-competing actors (e.g. public agencies that could make changes to relevant rules, regulations and policies) to promote scaling of new business strategies
delivering social, economic and environmental upgrading. Partners and grantees should individually also actively consider how they will achieve scaling and donors should consider what are the potential barriers to scaling.

**Sustainability in supply chain interventions requires there to be an adequate root cause analysis and an adequately systemic approach.** A demand driven fund for brands/retailers does not necessarily support initiatives which catalyse changes in more fundamental issues affecting companies and sectors or lead to systemic actions focused on sector coordination, policy and regulatory changes, enhanced accountability and worker voice. The demand-driven catalyst fund tested a certain set of interventions, but other, perhaps more far-reaching, business strategies and enabling environment interventions may be generated through multi-stakeholder joint analysis, solution identification and action research processes. Most of the projects that were identified through the demand driven catalytic fund did not address the fundamental business model of the participating value chain actors. Yet, this misses an important opportunity to shape industries with new business models, enterprise ownership and value chain arrangements to achieve sustainability performance improvements.

**Corporate grantees could seek to draw on the expertise of NGO partners more effectively, rather than treating them as service providers only.** Coalitions should recognize and draw upon the developmental expertise of international NGOs when seeking to improve their sustainability performance as a core business concern. Projects should be of adequate scale and duration, to provide partners with enough time to test appropriate approaches and to implement them. This is particularly important for partners seeking to penetrate markets with a new product, and for large, complex and controversial Global Value Chains (GVCs) such as ready-made garments. Organisations such as NGOs, should not be viewed only as a service provider (e.g. of training), they can provide technical inspiration and accompaniment (as in the sustainable agriculture and nutrition garden) and can offer a variety of innovations e.g. in pedagogical approach (as seen in Emerging Leaders and Pinotage Youth Development Agency). Government and trade industry associations can also represent important partners for facilitating scaling.

**Consider sector-wide trends and future scenarios at design stage.** Ensure a strong understanding of sector context and key trends during the design stage. Trends such as automation, mechanisation and casualisation will significantly affect outcomes for workers and communities in developing countries – social, environmental and economic upgrading interventions should not ignore such trends, but they should seek to understand them better given the potential implications, including exploring changes to business models for buyers/brands and suppliers. The analysis of work trajectories should integrate such trends, as job losses may be possible (i.e. social downgrading, not social upgrading) or the security of work may change (e.g. increased use of contract labour and labour brokers, more seasonal work positions compared with permanent jobs). Catalysing sector-wide change will be much more challenging without a sector-lens.

**The TGVCI programme supported coalitions involving relatively limited numbers of actors and did not generate multi-stakeholder coalitions.** Joint problem analysis and solution scoping by multiple stakeholders could be followed by action research that allows for rapid comparison of existing and new approaches in the target context. Programme managers require facilitation skills to support such a process, but the process itself can generate priority problems and solutions, which can then receive funding under a catalytic fund for testing and scaling. The TGVCI programme did not generate multi-stakeholder coalitions, but often involved individual companies leading a small grouping of collaborators. The Fund Manager had good contacts to value chain companies, but they
did not have a strong on the ground presence or local legitimacy. The process of identifying problems and solutions did not fully engage local stakeholders or generate local ownership. This undermined opportunities for copying, crowding in and indeed for testing of more transformative interventions – i.e. those that would tackle systemic, root cause issues. An alternative approach is feasible: Future catalyst funds should draw lessons from ‘Problem Driven Iterative Adaptation’ or ‘Social Learning’ approaches which centre upon joint problem identification and solution testing amongst a diverse set of industry stakeholders, especially local stakeholders, to mobilize collective action based on local ownership. If a priority problem is identified, then there should be support for projects which firstly test different possible approaches in rapid micro-comparisons. The latter would draw on existing evidence of what works elsewhere, but it would rapidly test and compare new and existing approaches in a specific context to inform decision-making. For example, if the identified need was for worker technical, life and leadership skills training for permanent, seasonal or unemployed workers, then different approaches should be compared in parallel in the same context, with close real-time monitoring in an action-research and adaptive management approach. Such an approach would add significant value to such a programme, building local ownership, mobilizing value chain actors drawing upon their distinct perspectives, sector knowledge and skillsets, but also potentially building momentum and pressure for change as well as offering scaling pathways. Such an approach includes the opportunity to draw upon the tacit political economy knowledge of industry stakeholders, as well as technical skills and insights.

Ensure that fund managers have adequate facilitation skills and resources – multi-stakeholder engagement processes, especially in highly unequal contexts such as global value chains require excellent facilitation skills and on the ground presence and strong local legitimacy of multi-stakeholder engagement processes. While the fund managers’ role was envisaged as fund management combined with the provision of technical advice, in fact what is required is a facilitator of a Problem Driven Iterative Adaptation (PDIA) or Social Learning type process – a stakeholder process which itself is the generator of ideas and which supports the selection of projects, rather than the fund manager. Facilitation skills are critical, but also on the ground presence and knowledge is important for credibility with the private sector in the supplier market, with global retailers and brands and with government and civil society. This could be followed by fund management of specific action research projects to test solutions. Fund managers should be based in or provide an adequate level of in-country facilitation and adaptive technical advice to such projects, which should address priority issues and have adequate implementation supports. Closer engagement with on-going processes and initiatives would likely enhance local ownership and impact and any facilitating agency should have good local legitimacy amongst stakeholders. Wider industry interventions should be the ambition.

Where donors have a strategic objective of generating evidence to stimulate change in business behaviour, it is essential that adequate provision is made for Monitoring and Evaluation in private-sector led development programmes and projects, including conditions placed upon project funding when private sector partners are contracted. Adequate provision for Monitoring and Evaluation by grantees, and support for independent external evaluation, is a clear condition of project funding when private sector partners are contracted. Fund managers should have performance targets which ensure that they give adequate priority to M&E provision and building the capacity of private sector actors to understand the M&E and what it can offer to them – i.e. informing their decisions and strategies, and providing a way of demonstrating impact in a context of increasing scrutiny of corporate impact in developing countries and emerging economies. This would enable companies to have a better understanding of what constitutes a Monitoring, Evaluation and Learning system that can improve their own practices, and if they commission independent evaluations, they develop a
better idea of what constitutes good quality evaluation. At the same time, donors should seek ways to reduce the administrative reporting burden upon private sector partners.
Bibliography
Bangladesh Economic Review 2016


Websites:

Bond principles for Evidence


USAID-KHCP Global Competitiveness Study https://pdf.usaid.gov/pdf_docs/PA00KC9R.pdf
Annex 1: Terms of Reference for TGVCI Final evaluation - Evaluation Management Unit. February 2017

1. Introduction

The TGVCI is a catalytic fund, which has been established by DFID to improve the lives and working conditions of workers in value chains, leading to poverty reduction and development outcomes, but also ensuring that better skilled, younger workers enter the sector and work more productively, thus ensuring the long-term profitability of supply chains for companies. The TGVCI is being implemented in three countries, within a specific sector per country: Bangladesh (Ready-Made Garments), Kenya (horticulture) and South Africa (horticulture).

The programme has been underway since October 2013 and a Mid-Term Evaluation (MTE) was undertaken in 2015, published in 2016. Twenty projects were selected for funding under the TGVCI, although one did not commence. The TGVCI project ended in 2016 and the EMU produced a Project Completion Review in November 2016. These terms of reference set out the scope of the Final Evaluation.

2. Purpose, Objectives and Evaluation Questions

The main purpose of the Final Evaluation is to undertake an independent, systematic and objective assessment of the programme. The intended outcome for the programme is social upgrading achieved in target regions/sectors through investment in skills, communities and government policy gaps. The users of the findings of the final evaluation will be DFID, PMU, the grantees and implementing partners, and external stakeholders including developing country beneficiaries. The Final Evaluation will focus on the extent to which the TGVCI and the projects it funds have managed to deliver results and will analyse the available evidence to assess whether and to what extent social upgrading can lead to economic upgrading, and if so, in which sectors and under what conditions. The implementation model will also be analysed to establish if a catalyst fund is an effective and efficient way to deliver social and economic upgrading outcomes. It will examine the effects and achievements of the TGVCI projects and review the available evidence on change at an industry level. The Final Evaluation will gather beneficiary feedback on any unintended and unexpected effects.

The specific objectives of the final evaluation are as follows:

- to examine the data and evidence collected by fund managers and grantees to demonstrate their achievements in relation to milestones, as part of the performance management system (designed by EMU);
- to consider adjustments that have been made to the programme in the light of the realities of implementation;
- to consider if the original design was robust and what changes have been made and why;
- to assess the theory of change and the log frame against the realities of the specific contexts in which the projects funded by the TGVCI operate, as well as lessons drawn from the realities of field implementation;
- to assess if the TGVCI model has facilitated social upgrading and if this social upgrading is leading to economic upgrading;
- to assess the effects (if any) of the TGVCI at a broader systemic, industry level.
• to assess the effectiveness and efficiency of the delivery model (catalytic fund) as a means of delivering social and economic upgrading in global value chains
• To assess the sustainability of individual interventions, the effectiveness of the programme at building coalitions, the extent to which companies intend to invest in social upgrading because they see this as a good business model, and to identify any demonstration effects.

The Final Evaluation will cover the period of the project from inception to project closure and the intervening period in which further outcomes and impacts may have been realized. The study will examine the overall achievements of the programme in terms of social upgrading and associated economic upgrading through review of monitoring data, independent project impact studies and additional data collected by the EMU (case studies, industry level). The data will be analysed using the theory of change to assess performance and distil lessons.

The key overall evaluation questions are: i) Does social upgrading lead to economic upgrading and if so in which sectors and under what conditions? ii) Is the implementation model of a modified challenge fund an effective and efficient way to deliver social and economic upgrading outcomes? Additional research questions are:

• How sustainable are the individual interventions (were any of the benefits realised expected to continue over time in the absence of further DFID, or other, donor intervention)?
• How effective was the programme at building coalitions and what role did they play in the interventions? What lessons were learned in how to successfully engage key supply chain actors such as government, local firms, civil society etc.?
• Were firms or others participating in the programme convinced of the value of investing in social upgrading as a good business model and therefore willing to continue similar projects in future in the absence of donor intervention?
• What was the demonstration effect in terms of changes in attitude and/or behaviour of other value chain actors that were not involved in the programme?

The OECD Development Assistance Committee (DAC) criteria for development effectiveness are relevance, efficiency, effectiveness, impact and sustainability. These will be explored in the final evaluation. The relationship between each of these and the TGVCI evaluation questions are shown in table 1 (as were set out in the MTE Terms of Reference.) The Final Evaluation will provide an update on these assessments, referring to the MTE where relevant. The TGVCI performance evaluation employs a theory-based approach and hence the evaluation is guided by the overall programme theory of change.

**Table 1: Evaluation Questions and OECD Criteria relevant to evaluation question**

<table>
<thead>
<tr>
<th>Evaluation Question</th>
<th>OECD criteria of relevance to evaluation question</th>
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<tbody>
<tr>
<td>Does social upgrading lead to economic upgrading and if so in which sectors and under what conditions?</td>
<td>Relevance, Effectiveness, Impact &amp; Sustainability of TGVCI (of different impact pathways)</td>
</tr>
<tr>
<td>Is the implementation model of a modified challenge fund an effective and efficient way to deliver social and economic upgrading outcomes?</td>
<td>Efficiency of PMU Effectiveness of PMU; Relevance of projects emerging from catalyst fund</td>
</tr>
</tbody>
</table>
How sustainable are the individual interventions (were any of the benefits realised expected to continue over time in the absence of further DFID, or other donor intervention)?

**Sustainability (of projects, of different impact pathways)**

How effective was the programme at building coalitions and what role did they play in the interventions? What lessons were learned in how to successfully engage key supply chain actors such as government, local firms, civil society etc.?

**Effectiveness of PMU; Nature of catalytic funds**

Were firms or others participating in the programme convinced of the value of investing in social upgrading as a good business model and therefore willing to continue similar projects in future in the absence of donor intervention?

**Impact of different impact pathways) & Sustainability**

What was the demonstration effect in terms of changes in attitude and/or behaviour of other value chain actors that were not involved in the programme?

**Impact of different impact pathways) & Sustainability**

3. Methods

The review will assess the implementation of the TGVCI using theory-based evaluation. The overall approach to the evaluation has been set out in the Evaluation Plan in early 2014. The logframe has been revised for the TGVCI Programme and a Performance Evaluation Framework developed. The Theory of Change (TOC) and programme logframe underpin the analysis and mixed methods are employed to answer the key research questions, including quantifying the extent to which outcomes (and where possible impacts) can be attributed to the programme. By collecting data at input and output level, as well as outcome and impact level, a theory-based evaluation allows for the tracing of impact pathways to establish if intended outcomes and impacts have been achieved, and, also to explore other contributing factors and unintended and unexpected impacts. The description of our approach and methodology given in this sub-section broadly follows the steps in the DCED Standard for Results Management37, with adaptations for performance evaluation. The Final Evaluation is similar in nature to the Mid-Term Evaluation (MTE) and employs the same approach – see the MTE report for more details on the theory of change, methodology and specific methods employed. The Final Evaluation will focus on specific areas of new potential evidence and existing case studies.

Key activities will include: Systematically mine the data from the monitoring system; Finalising case studies (where access is possible); Synthesis of evidence emerging from the case studies; Analysis of new independent project evaluation evidence including assessment of quality; Conduct stakeholder and key informant interviews; Stakeholder workshops focused on the overall achievements of the programme, sector challenges and lessons for private sector engagement; Review process with grantees on draft findings; Writing final report and dissemination.

Key sources of data include: i) Monitoring System Data (e.g. Project Completion Reports, Cardno Reports) and PMU Documentation; ii) EMU case study data; iii) Independent project evaluation reports and any additional project evaluation data; and iv) Stakeholder and Key Informant Semi-Structured Interviews.

4. Risks and challenges

The challenges outlined in the MTE TOR and final report remain the same. Access to companies and data remains a significant challenge. The evaluation team have already taken steps, in agreement with DFID, to set out a clear review process with the grantees at an earlier stage so that they can comment on draft findings. The stakeholder workshops will focus upon identifying strategic lessons for the relevant sectors and potential pathways for future effective donor engagement in private sector development to facilitate social and economic upgrading. While data access and access to suppliers will remain limited, the evaluation team will continue to make all efforts to gain access and provide reassurance, with a specific focus on the case study projects.

5. Proposed process and timeline

<table>
<thead>
<tr>
<th>Plans and preparatory work</th>
<th>Feb-March 2017</th>
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<tbody>
<tr>
<td>Fieldwork and Stakeholder workshop in South Africa</td>
<td>March 2017</td>
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<tr>
<td>Fieldwork and Stakeholder workshop in Bangladesh</td>
<td>April-May 2017</td>
</tr>
<tr>
<td>Fieldwork and Stakeholder workshop in Kenya</td>
<td>April-May 2017</td>
</tr>
<tr>
<td>Sharing of draft project summaries with grantees</td>
<td>By end May 2017</td>
</tr>
<tr>
<td>Comments received from all grantees on project summaries</td>
<td>By end May 2017</td>
</tr>
<tr>
<td>Draft report submitted to DFID and grantees for comment</td>
<td>End June 2017</td>
</tr>
<tr>
<td>Comments received from DFID</td>
<td>By mid-June 2017</td>
</tr>
<tr>
<td>Final report submitted</td>
<td>End July 2017</td>
</tr>
<tr>
<td>Report dissemination</td>
<td>By end of August 2017</td>
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</table>

6. Reporting, Deliverables and Roles

The Final Evaluation will be guided by the Terms of Reference and the evaluation plan. A proposed outline for the Final Evaluation report is included in annex 1. All data will be reported in a confidential fashion with data anonymized. A process has been agreed for sharing findings with the grantees at both project summary and draft report stage. The draft report will be shared with DFID for review, as well as being subjected to a peer-review process. DFID will provide comments in time to enable the final report to be prepared according to the agreed timetable.

The Final Report will present the findings of the evaluation team. It is DFID’s intention that the Final Evaluation will be published, and it will be made publicly available on DFID websites and through other electronic means. EMU will organise dissemination of the Final Evaluation findings in the UK and programme countries as appropriate, to be agreed with DFID. Stakeholder workshops will be held as part of the final evaluation process and involve sharing of preliminary findings. A seminar or policy brief for DFID is also envisaged.

The Evaluation Management Unit (EMU) is responsible for conducting the Final Evaluation. The EMU is contracted to provide DFID with an independent report and is accountable to DFID for the work. The EMU is led by Valerie Nelson at the NRI, working in close collaboration with Adrienne Martin, advisor, and the three country leads – Joachim Ewert (South Africa), Abu Ala Hasan (Bangladesh), and Maggie Opondo (Kenya). Michael Flint will be engaged, as per the MTE, to cover Bangladesh.
Annex: Report Outline

The draft outline for the final report of the mid-term review is set out below. However, there may be modifications during the report writing stage.

The main report will be approximately 30 pages long, with limited additional information included in annexes as appropriate.

<table>
<thead>
<tr>
<th><strong>Executive Summary</strong></th>
<th><strong>2-4 pages</strong></th>
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<tbody>
<tr>
<td>Introduction</td>
<td>0.5 pages</td>
</tr>
<tr>
<td>Purpose, Scope and Objectives</td>
<td>1 page</td>
</tr>
<tr>
<td>Methodology</td>
<td>2 (including TOC)</td>
</tr>
<tr>
<td>Findings</td>
<td>18 -20 pages approx.</td>
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<tr>
<td>Impact pathway findings</td>
<td>Discussion (including relevance,</td>
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<tr>
<td>Country-sector findings</td>
<td>sustainability, cost-effectiveness</td>
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<tr>
<td>Discussion (including relevance,</td>
<td>etc)</td>
</tr>
<tr>
<td>Conclusions</td>
<td>4 pages</td>
</tr>
<tr>
<td>Lessons for future private sector engagement</td>
<td>4 pages</td>
</tr>
<tr>
<td>References</td>
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<tr>
<td>Annex 1: Terms of Reference</td>
<td></td>
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<tr>
<td>Annex 2: List of Persons Consulted</td>
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</table>
Annex 2: The Evaluation Methodology and Process

1. Introduction

The TGVCI is a catalyst fund, which has been established by DFID to improve the lives and working conditions of workers in value chains, leading to poverty reduction and development outcomes, but also ensuring that better skilled, younger workers enter the sector and work more productively, thus ensuring the long-term profitability of supply chains for companies.

The main mechanism for achieving this is through social upgrading - defined as the process of improvement in the rights and entitlements of workers as social actors and enhancement of the quality of their employment. This includes access to better work as well as better conditions at work, contributing towards sustainable development and poverty reduction. Social upgrading is expected to contribute to economic upgrading, a process by which firms improve profitability and move from low-value to relatively high-value activities in the value chain, and both social and economic upgrading are expected to contribute to supply chain resilience and sustainability. A key element of the project approach is the funding of firms or other actors in supply chains to implement such initiatives, based on the building of coalitions around the interventions that consist of government and civil society groups where appropriate, as well as the private sector firms to promote sustainability of interventions after projects are completed.

2. Evaluation purpose and scope

The purpose of the evaluation was to answer two main evaluation questions as well as assessing sustainability over time and replicability of the programme interventions.

The overall evaluation questions are:

I. Does social upgrading lead to economic upgrading and if so in which sectors and under what conditions?
II. Is the implementation model of a modified challenge fund an effective and efficient way to deliver social and economic upgrading outcomes?

Additional evaluation questions included:

- How sustainable are the individual interventions (were any of the benefits realised expected to continue over time in the absence of further DFID, or other, donor intervention)?
- How effective was the programme at building coalitions and what role did they play in the interventions? What lessons were learned in how to successfully engage key supply chain actors such as government, local firms, civil society etc.?
- Were firms or others participating in the programme convinced of the value of investing in social upgrading as a good business model and therefore willing to continue similar projects in future in the absence of donor intervention?
- What was the demonstration effect in terms of changes in attitude and/or behaviour of other value chain actors that were not involved in the programme?

The questions are considered in combination with the OECD Development Assistance Committee (DAC) criteria for development effectiveness, which are relevance, efficiency, effectiveness, impact and sustainability (see the Terms of Reference).
The evaluation was intended to ‘gather further evidence on the relationship between social and economic upgrading and disseminate findings to raise awareness and encourage interventions on a larger scale in future’ (DFID, TOR, 2013, p 4). Thus, the primary purpose of the evaluation was learning oriented – i.e. informing DFID, other donor cooperation programmes and the wider community of practice about what works in terms of developing win-win partnerships for sustainable, global supply chains and in appropriate programming and practices.

The DFID TOR (2013) for the Evaluation Management Unit (EMU) state that the ‘evaluation will make recommendations on whether the programme should be scaled up/rolled out and how this scale up should happen. It should make recommendations on which sectors and countries should be the focus of the scale up. The recommendation on scaling up will be made in a mid-term rather than final evaluation report to allow for continuity in the case that a second phase of the programme is recommended’. The Mid-Term Evaluation report included recommendations for the remainder of the TGVCI programme in its initial incarnation, as well as a recommendation on follow up.

There are three scales at which change will be considered (Figure 1):

**Figure 1 Scope and scale of the Evaluation**

3. **Intended Users and Uses**

The primary intended user of the evaluation outputs was DFID (DFID, TOR, 2013), although it was anticipated that the results would be of use to a wide range of stakeholders, including transnational corporations that act as lead firms in global value chains, domestic private sector firms in developing countries, labour unions, civil society, governments and academia.

To share the evidence and lessons from the study more widely, the evaluation reports will be published on the DFID website (the Mid-Term Evaluation has already been made available on DevTracker and on the NRI’s website). Further efforts will be made to publish the findings in a peer reviewed academic journal as per the Terms of Reference. Three stakeholder workshops were held – in Bangladesh, Kenya and South Africa in 2017 to share initial findings and generate new lessons.
The findings are intended to be of use to the grantees. Where possible we have built upon their data collection needs and to support their thinking on this, by sharing a draft of the Performance Management Framework (PMF) based on their proposals, and by holding introductory discussions with them. During the study we will seek to feedback findings to grantees, as well as to the Project Management Unit (PMU) and DFID, to support lesson learning – although PMU has a lead role in terms of learning and these activities should not undermine the perceived rigour and credibility of the evidence to be gathered by EMU.

The findings are intended to inform the wider international development and research community in terms of the relationship between social and economic upgrading in global value chains.

4. Overall evaluation process

An evaluation plan was developed by the NRI and agreed with DFID in February 2014. The key elements of the methodology are described below, as well as information on the implementation of the evaluation. Figure 2 below summarizes the overall final evaluation process undertaken:

**Figure 2: Final Evaluation Process**

- Preparatory
  - Developing Terms of Reference with DFID

- Initial Data Collection
  - Interviews with Project Grantees & Partners
  - Review of literature and secondary statistics
  - Industry Key Informant Interviews
  - Detailed Case studies were designed, and completed where access was granted and sustained.

- Individual Project Analyses
  - Individual project analyses produced for each TGVCI project against project theory of change and indicators, systematically mining the data in grantees and PMU reports.
  - Detailed case study reports for case study projects,
  - Consultation with grantees for refinement

- Logframe Review and Contribution Assessment
  - Assembling of evidence to assess performance vis-a-vis the logframe and performance management framework and to assess contribution (as far as evidence is available) in individual industries, effectiveness of mechanisms as per impact pathway
  - Stakeholder workshops focused on the overall achievements
  - Report shared with grantees for comment
  - Production of draft report, review by DFID
5. Changes in implementation compared with the original TOR

There were no major deviations from the DFID original Terms of Reference (DFID, June, 2013). See Table 1 below.

Table 1: Evaluation Terms of Reference and the Evaluation Management Unit activities and approach

<table>
<thead>
<tr>
<th>Evaluation Methodology and Data Sources</th>
<th>EMU activities and approach</th>
</tr>
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<tbody>
<tr>
<td>Refinement of Business Case Version of Theory of Change and analysis of detailed evidence gaps (Capturing the Gains research). Refinements to evaluation questions. Identify risks and challenges.</td>
<td>✓ Theory of Change refined significantly, including development of Impact Pathways — all based upon analyses of and consultations with projects. No significant changes to evaluation questions. Risks and challenges identified in evaluation plan (NRI, March 2014).</td>
</tr>
<tr>
<td>Development of sufficiently rigorous methodology to allow for clear identification of outcomes and impacts, and to quantify extent of outcomes and (where possible, that of impacts) as attributable to the programme.</td>
<td>✓ Theory based evaluation chosen as most appropriate method given complexity attributes of the programme. Chosen design sought to maximize rigour, but the evaluation plan notes the inherent challenges of accessing private sector data and cooperation. The limitations on data access are set out in section 12 below. These affected the ability to trace the linkage between social upgrading and economic upgrading as information on the latter was particularly restricted.</td>
</tr>
<tr>
<td>The EMU is encouraged to consider making use of impact evaluation methods if feasible, but case studies or mixed methods may also be used.</td>
<td>✓ Use of case studies and mixed methods. The evaluation plan sets out the intended theory-based evaluation and comparative case-oriented methodology. Impact evaluation (as defined by RCTs) was not feasible as randomisation of treatments was not possible nor were the resources required to do RCTs available. Quasi experimental methods were challenging, particularly the construction of counterfactuals where there was a risk of selection bias. Where feasible, comparison groups were included as part of the case studies. Case studies were selected from projects in the four identified impact pathways and combined qualitative and quantitative techniques, including baseline and endline surveys. Case studies were completed for Bangladesh (BBW project), Kenya (HerFarm) and South Africa (Youth Engagement and Vocational Skills, Top of the Class and Farmer Support and Linkages Project). The Upscale Case study Bangladesh did not proceed after the baseline. Contextual factors in the sector and supply chains in each country were analysed at baseline, midterm and final evaluation.</td>
</tr>
<tr>
<td>Analysis of PMU monitoring data and additional data collection by EMU.</td>
<td>✓ Challenges occurred in implementation due to the quality and scope of data collection by partners. EMU made extensive efforts to build upon the monitoring indicators contained in the project proposals and summarised by PMU for management and accountability purposes. Data collected by grantees was primarily for reporting on implementation progress and output delivery, whereas EMU’s development of the Performance Management Frameworks for each project extended evidence collection to consider outcomes. Plans were made for additional data collection by EMU from comparison non-intervention companies for case study projects. However, the analysis depended on the quality of the treatment data collected by the project itself. Many grantees had not known about or taken seriously the M&amp;E requirements prior to contracting and budgeting and were reluctant to invest in M&amp;E. Hence the quality of the monitoring data was very weak in many instances. Further, the variation among the projects in terms of their</td>
</tr>
</tbody>
</table>
approach to data collection and analysis for monitoring and evaluation, meant significant transaction costs for EMU. Changes within the case study value chains also undermined case study data collection and in one case the grantee did not agree to continue post-baseline. Evidence emerging from the case studies and from project analyses was collated, triangulated and analysed and used to test the four impact pathways and to draw programme-wide conclusions to the extent feasible.

Collection of qualitative and quantitative data

- A diverse set of quantitative and qualitative methods were planned, instruments designed and employed, but some challenges beyond the control of the evaluators were encountered in implementation. Methods included interviews with PMU, Project Lead and Partner Interviews, Intended Beneficiaries; Key Informant Interviews, Focus Group Discussions; Questionnaire surveys (particularly for the case studies), Industry Surveys, and analysis of secondary statistics. Quantifying business benefits proved challenging as few companies were willing to share data even on a confidential basis. Three in-country stakeholder workshops were held, focusing on the overall achievements of the programme, sector challenges and lessons for private sector engagement.

Baseline Data for Evaluation on Agreed Programme Outcome Indicators

- Monitoring data from PMU and grantees was mined and additional data generated and analysed to assess programme outcomes, although there were study limitations.

Subsequent Data collection

- Data was collected by EMU as part of the annual reviews over the course of the project.

Use of other data sources (e.g. logframe, theory of change, national statistics, independent project evaluations, data from other projects in same sectors).

- The evaluation team drew upon all these data sources in conducting the evaluation (see evaluation plan). Where third party evaluations were commissioned by the projects themselves, the data was analysed for quality of methodology and to draw upon the findings. The data was triangulated with other material in the project-based analyses.

Mid-Term Evaluation (MTE) Submission October 2015 (deadline moved to January 2016)

- Submitted December 2015. The deadline was shifted due to contracting delays for projects, and delayed reporting from first round completed project, meaning that more time was needed to allow projects to implement and for meaningful evaluation to occur.

Final Evaluation Submission October 2017, brought forward to August 2017

- Submitted September 2017. Emerging findings from the final evaluation were shared and discussed with the project partners and a limited number of key informants. Individual project analyses were shared so that any errors could be rectified. Project partners were also given space to share their perspectives on their project achievements. The analyses formed the basis for drafting the overall report, which was also shared with grantees and project partners.

### 6. Theory of change

Our approach to evaluation and evaluation design is based on a theory of change as this provides a clear analysis of how the challenge fund activities and inputs will lead to outputs, outcomes and impacts. The theory of change also makes explicit the assumptions made in programme design which can be tested through evaluation activities. Theory of change thinking is important in revealing the complexities involved in any development process, but it provides a systematic framework for

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discussing and debating this complexity through the mapping of context, actors and capacities for impact and in identifying and eliminating different causal factors.

An indicative theory of change was developed for TGVCI (Hellyer and Whitwell, 2012). This was refined drawing upon our analysis of the project proposals in terms of their goals and narrative statements on pathways to impact; discussions with the PMU; feedback from grantees (particularly in the first round). Individual project theories of change were developed for each project and used in the project case studies and analyses.

The refined programme Theory of Change (page 4 of the main Evaluation report) is critical for our approach, because, it is from this theory - of how inputs and outputs are intended to lead to outcomes and impacts and the assumptions upon which this is based - that the indicators flow, in combination with the evaluation questions outlined above. The theory of change thus addresses the different levels of anticipated impact, tracing in more depth the causal relationships between social upgrading and commercial benefits from worker/farmer, household, enterprise through to market levels and identifying key assumptions and the increasing influence of context. The TOC was modified over time, for example, with the funding of Round 2 projects, a new impact pathway was included to capture new types of projects that had emerged.

7. Defining indicators of change

Based on the theory of change, indicators were specified at worker level, enterprise and sector levels. These included wage rates and other benefits, rates of employment, working conditions, skill levels, worker satisfaction etc., with gender disaggregation. Indicators at firm or enterprise level track evidence of economic upgrading; processes, workforce composition, products, costs and revenues, productivity, market access, innovation and investment. Both qualitative and quantitative indicators will be utilized. At national/sector level – productivity, volume and value of exports, profitability, investment, wage rates and employment, improved labour standards, poverty levels, etc.

Indicators were also developed on the performance of the coalition partnerships (Output 1) and the management of the Challenge Fund (output 6). These covered basic quantitative indicators on implementation (e.g. the number of project applications received, projects implemented per year, and numbers of beneficiaries of different types, the number and stakeholder composition of coalitions) and on quality of management including grant recipient satisfaction with the challenge fund, application and approval processes, levels and efficiency of disbursement etc. and the quality of technical assistance and advice received.

8. Data collection and analysis

8.1 Data collection methods

To measure changes in the economy and efficiency of implementing the programme several methods and sources of data were used.

- Semi-structured key informant interviews were conducted using agreed checklists and participatory techniques where appropriate. These methods were selected to provide an in-depth understanding of the programme management performance. Interviews were held regularly with the PMU, grant recipients across the coalition and other key informants and beneficiaries relating to the industry or value chain in question, including within the Annual Review process.
• A periodic light touch, online survey was conducted to collect additional quantified data from grant recipients and project partners, covering their views on the modified challenge (‘catalytic’) fund, quality of implementation and suggestions on potential improvements. The findings were fed back to PMU, DFID and the grantees via the Annual Review process and in skype meetings. The survey was integrated with key informant interviews allowing for the triangulation of data and more in-depth probing of the sensitive issues.

• The EMU director and country coordinators had planned participant observation in the meetings and country clinics to be run by the PMU during the programme’s call stage, (depending on timing and permission to access). The meetings were for PMU to inform and support potential applicants to apply. However, in the event, this was not possible as the PMU did not hold country clinics, but instead held bilateral meetings with prospective applicants.

• PMU’s quarterly progress reports were checked for quality to ensure that appropriate indicators and data collection was included to measure programme implementation, economy and effectiveness. Complementary data collection measures by EMU were planned and conducted for project case studies in both rounds.

To measure the impact of the programme, further data-gathering and analysis was undertaken, including data collection from programme beneficiaries, as well as a broader set of stakeholders beyond the coalition partners. The survey activities outlined above (key informant interviews and questionnaire survey) also included questions about the perceived outcomes and impact of the programme.

• Data generated in the baseline studies at (differentiated) worker/community and enterprise and sector levels were intended to form the basis for later comparison and assessment of change. The EMU initially intended to collect baseline data for three in-depth cases (Round 1), and additional two case studies in Round 2.

• The EMU also sought out the most recent sets of national statistics (e.g. household living standards surveys, employment data) for the horticulture and garments sectors. Literature and other studies on the relevant sectors were identified through websearches and snowball approaches using our research networks. These were drawn together and analysed to inform the country level contextual analyses. Industry statistics were gathered where available (e.g. on market share, export statistics).

• Prior to the implementation of Round 1 projects, grantees were encouraged to conduct a project baseline and EMU worked closely with the grantees to ensure that as far as possible their data gathering was complementary and supported the EMU in answering the evaluation questions. However, the grantees had limited budgets and applicants were not clearly informed that they needed to share certain data with PMU and EMU, as an expectation of participating in the TGVCI. EMU’s involvement began after projects contracting processes were completed and it was challenging for EMU to persuade the grantees and their suppliers to collect certain data at this stage. Many of the grantees either did not have adequate leverage to make such requests of their suppliers, or they were unwilling to do so. Many retailers and suppliers were not willing to share commercially sensitive data even on an anonymous basis. Nevertheless, some of the Round 1 grantees did collect some data specific to their target groups of workers and communities and enterprises, either themselves or via independent evaluators.

• Prior to the second-round call, EMU requested that PMU clearly indicate the importance of data collection for M&E purposes by projects, however, projects still did not include adequate
budgets and plans for M&E. The EMU provided overall guidance to the PMU and coalition grant recipients, sharing the Performance Management Framework (PMF) specifying core indicators to include in project baselines which would facilitate later impact evaluation. These were discussed in Skype calls and by email. The PMF set out the data required including **disaggregation by gender and social difference**. However, in the event, few grantees collected disaggregated data.

- The EMU invested heavily in advising PMU and the projects on how to design and review the monitoring data to ensure it was robust, accurate and suitable for evaluation purposes. However, the extent of control of EMU was limited as indicated above, and PMU had no available funds to support data collection to fill gaps as DFID had initially envisaged in the TOR. There were also limitations in several of the independent evaluations commissioned in terms of their methodological rigour and very limited gender-disaggregation of data.
- The Annual Review involved the synthesis and analysis of qualitative and quantitative data collected which informed DFID’s Annual Review reports on the project.
- Where possible the EMU identified counterfactuals for the case study projects (or for grantees’ own evaluators). The EMU encouraged them to share terms of reference they were developing for engaging third party independent evaluators and we requested that they at least consider counterfactuals – e.g. controlled statistical comparisons or at minimum, interviews with managers and workers on non-participating match farms. However, in practice, this was not always done, and the commissioning grantees lacked budget and capacity to facilitate robust evaluations. A further source of complexity was that at the start of their projects, many of the grantees had not finalized the participating suppliers and were recruiting new firms as participants. Therefore, the EMU could not easily map the implementation of each project and identify areas of intervention, non-intervention or overlapping interventions – although several emerged in Kenya. As the projects started in a staggered manner the scoping of potential overlap became even more difficult.
- Case studies were selected to evaluate project outcomes and impacts, and to test the overall impact pathway as a mechanism to catalyse social and economic upgrading. Although case studies do not provide a statistically representative sample, in situations of complexity they can be a rich source of data on plausible outcomes. Each case study employed theory-based evaluation, with data collected on a key set of theory of change indicators to test the inherent assumptions and to analyse the contribution of the project to outcomes and impacts. Each case study was written up as a project analysis and/or detailed research report which was shared with the grantees for comment. Careful matching of target groups (at community level or enterprises) within the treatment and comparison group was explored for each of the case studies. In one case – Bangladesh – the grantee decided to scope the overlap for us as they obtain data about who will participate in their own programme and where the many other large-scale initiatives being implemented in the RMG sector are happening. This is because the level of duplication is significant in Bangladesh. The grantee requested a non-Disclosure Agreement with DFID, which took a year to establish, delaying the case study.
- Evaluation studies from other projects in the same sector or precursors to the current TGCVI projects (e.g. Responsible and Accountable Garments Sector Programme in Bangladesh) were identified and analysed, although none provided data that could be directly used and integrated into the TGCVI evaluation system.
8.2 Key sources of data

Table 2 below, shows the research questions and associated sources of data.

Triangulation has been a focus of the evaluation. Data has been collected from diverse sources, but also different types of data have been collected using a variety of methods – both qualitative and quantitative. All questionnaires e.g. the online survey of grantees, industry survey and in-country surveys were pre-tested. Checklists were drawn up for key informant interviews and semi-structured interviews with workers and for managers/owners. These are available on request.

The data was brought together within an individual project analysis against the theory of change for each individual project, including a Contribution Analysis, where the level of evidence was supportive. The data was used at impact pathway level to establish the extent to which the mechanisms are effective in achieving desired outcomes and to interrogate key assumptions (See Annex 5 for the Impact Pathway diagrams and Annex 7 for an analysis of assumptions). Industry wide surveys and key informant interviews were used to explore programme contribution at the industry level.

Table 2: Research Questions and Data Sources

<table>
<thead>
<tr>
<th>Research question</th>
<th>Sources of Data</th>
</tr>
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<tbody>
<tr>
<td>Does social upgrading lead to economic upgrading, and if so in which sectors and under what conditions?</td>
<td>Impact-relevant data within Baseline &amp; Monitoring reports; Annual reviews, mid-term reviews, independent project evaluation reports and final evaluation. Case studies and additional data collection (e.g. additional questions and limited original data collection for example, with comparison groups). Variety of methods to be designed (e.g. online survey, KIIs, field surveys with (different groups of) workers &amp; wider population, data gathering at company level &amp; market level. National Statistics &amp; Data from other relevant programmes. Stakeholder workshop – process tracing &amp; elimination of alternative causal pathways &amp; outcome mapping data</td>
</tr>
<tr>
<td>Is the implementation model of a modified challenge fund an effective and efficient way to deliver social and economic upgrading outcomes?</td>
<td>Programme performance relevant data within Baseline &amp; Monitoring reports; Annual reviews, mid-term reviews and final evaluation. Additional data gathering (qualitative and quantitative) via regular semi-structured interviews and online survey, including questions to assess effectiveness and efficiency (e.g. grantee, PMU) perceptions quantified. Use of management performance monitoring to assess whether planned investment led to expected results or whether adjustments were needed, and lessons learned.</td>
</tr>
<tr>
<td>Sustainability of individual interventions</td>
<td>Monitoring reports; Annual reviews, mid-term reviews and final evaluation. Case studies and additional data collection from interviews and online survey with grant recipients (e.g. scoring of sustainability without further donor funding, overall views on the value of the interventions and identification of other priorities and obstacles etc.</td>
</tr>
<tr>
<td>Effectiveness at building coalitions; Lesson learning on engaging supply chain actors</td>
<td>Baseline &amp; Monitoring reports; Annual reviews, mid-term reviews and final evaluation. Case studies and additional data collection – views on coalition effectiveness and relationships. SSIs with PMU, grant recipients and key informants across the supply chain.</td>
</tr>
<tr>
<td>Value of investment in social upgrading in eyes of firms or other participating actors as good business model &amp; willingness to invest in the</td>
<td>Baseline &amp; Monitoring reports; Annual reviews, mid-term reviews and final evaluation data. Online survey to quantify how key actors, value social upgrading as good business model and future willingness to invest plus SSIs with PMU, grant recipients &amp; KIIs.</td>
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</table>
8.3 Approach to Contribution Analysis in the TGCVI Evaluation

There are considerable methodological challenges in evaluating a demand-led challenge fund programme which produced a wide diversity of projects with limited internal coherence and which did not require grantees or their private sector partners to provide access to data and to factories. This has required some modifications to planned evaluation methods and sources of data.

The table below sets out the Contribution Analysis steps articulated by J Mayne in his article ‘Contribution Analysis: Coming of Age?’ (2012) and explains how the approach has been utilized in this evaluation.

Table 3: Contribution Analysis in this evaluation

<table>
<thead>
<tr>
<th>Contribution Analysis</th>
<th>CA in this evaluation</th>
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<tbody>
<tr>
<td>Step 1: Set out the cause-effect issue to be addressed • Acknowledge the causal problem. • Scope the problem: determine the specific causal question being addressed; determine the level of confidence needed in answering the question • Explore the nature and extent of the contribution expected • Determine the other key influencing factors • Assess the plausibility of the expected contribution given the intervention size and reach</td>
<td>A theory of change for the programme was developed including four impact pathways in consultation with the programme implementers and DFID as well as feedback gathered with individual grantees on their own project theories of change drafted by the evaluation team. The nature and extent of the contribution expected was delineated in the Performance Management Framework in consultation with DFID and grantees. Other key influencing factors were explored through contextual research and discussions with grantees. The plausibility of the contribution given the intervention size and reach was not assessed explicitly at baseline (two rounds of projects with staggered start times meant that there was not clean programme baseline and individual projects, or clusters of projects had very variable levels of plausibility).</td>
</tr>
<tr>
<td>Step 2: Develop the postulated theory of change and risks to it, including rival explanations • Set out the postulated theory of change of the intervention, including identify the risks and assumptions and links in the theory of change, •</td>
<td>The discussions with grantees and stakeholders combined with contextual research found that there were other potential influencing factors linked to each IP. For each project and IP the contribution of individual projects was not seen as</td>
</tr>
<tr>
<td>Identify the roles of the other influencing factors and rival explanations • Determine how contested is the postulated theory of change</td>
<td>particularly contested but the overall impact on the industry in the target country was more challenging to foresee given the scale of those industries and the expected magnitude of changes to be achieved and the design and limited scale of the projects. The lack of a learning and communications function to share new business models based on social and economic upgrading was also seen as potential contributor to this lack of wider success from the outset.</td>
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| Step 3: Gather the existing evidence on the theory of change • Assess the strengths and weaknesses of the links in the theory of change • Gather the evidence that exists from previous measurement, past evaluations, and relevant research (1) for the observed results, (2) for each of the links in the results chain, (3) for the other influencing factors, and (4) for rival explanations. | Data was collected on case study projects although in some cases permissions from grantees or participating companies to sustain the project study, or the project was ended due to slow implementation and/or a participating company changed its strategy. This reduced the number of project cases we could draw upon to generalize findings at the Impact Pathway level. Data provided by the project or their independent evaluators was also analysed, but there were issues relating to the quality of much of the data provided and a lack of access to private sector data. Each project case study had a bespoke design. Industry surveys and qualitative interviews with stakeholders were also planned however poor response rates at Mid-Term evaluation meant that the industry surveys could not be repeated. Contextual research and stakeholder interviews, identification and analysis of secondary data and industry surveys were also undertaken as part of data collection. |

| Step 4: Assemble and assess the contribution claim, and challenges to it • Set out the contribution ‘story’: the causal claim based on the analysis so far • Assess the strengths and weaknesses in the postulated theory of change in light of the available evidence, the relevance of the other influencing factors, and the evidence gathered to support rival explanations • If needed, refine or update the theory of change | All the data was assembled to assess the individual Impact Pathways and to develop the ‘contribution’ story. The findings from each Impact Pathway have been used to test the overall theory of change and associated assumptions. |

| Step 5: Seek out additional evidence • Determine what kind of additional evidence is needed to enhance the credibility of the contribution claim. • Gather new evidence | The above assessment of the contribution claim was undertaken at Mid-Term Evaluation and minor modifications made to the Theory of Change. This was then repeated at Final Evaluation [See Theory of Change/Impact Pathways – Annex 5, Evidence Gathered – Annex 6, and Assumptions table analysis in Annex 7]. Many interviews with stakeholders and additional
Step 6: Revise and strengthen the contribution story • Build the more credible contribution story • Reassess its strengths and weaknesses

In-country stakeholder workshops were held to validate the findings of the contribution story at IP level primarily and to review its strengths and weaknesses. Project grantees also had extended opportunities to comment on the individual project analyses and the final evaluation report to provide feedback and inputs. An evaluative scale has been developed as part of producing the Final Evaluation Report to communicate the judgement of the evaluators on the Impact Pathways and Theory of Change.

9. Case studies selection and design

Initially, a typology was created of Round 1 projects (later updated with Round 2 projects), which characterized the individual projects and provided a basis for guiding overall data collection on the programme, clustering for the impact pathways and theory of change development, and for transparent selection of case studies, based upon clear criteria. Three impact pathways were identified in Round 1, with modifications made to these and a fourth added when the Round 2 projects were approved. The criteria forming the typology of projects were: Impact Pathway, Country of implementation, Size (funding & beneficiaries) and Grantees’ plans for M&E (see table 3 below). This typology was used to transparently select case studies.

Each case study had a bespoke design, depending upon the plans of the grantee to collect M&E data, which in some cases included commissioning of third-party evaluations, and the nature of the project itself and the extent to which a feasible counterfactual existed in practice. The case study designs set out the objectives, theory of change and relevant indicators, sampling and selection strategy, data collection and analysis methods and approaches. The case studies will allow more insights to be garnered on how and why change is occurring. Comparative analysis between the cases will enable us to generalize beyond individual cases to the configurations of actors and conditions in which the intervention is likely to be effective, but not to universalize. The cases are analysed against the specific Impact Pathway in question and its associated assumptions, using the available evidence to generate findings on whether social and economic upgrading has occurred, and whether scaling and systemic change has been catalysed at an industry level.

10. Estimating attributable changes

The TOR called for an estimation of attributable change, where feasible. Attribution of impact is a major challenge in the evaluation of complex interventions. Programme attributes need to be considered in developing evaluation questions and in impact design.39 (Stern et al, 2012). The TGVCI scoping study40 and NRI evaluation plan (2014) both highlight the complexity inherent within the TGVCI programme attributes, which has implications for impact evaluation. A further source of complexity is the focus of

the programme on private sector actors. Securing access is not a given - particularly when trying to construct a counterfactual, which requires approaching companies or enterprises which are not participating in the programme. Similarly, companies do not necessarily provide free and open access to a random sample of workers and workers may not feel able to speak freely to researchers without fear of retribution. The country coordinators participating in the EMU were selected based upon their long-standing experience of the industries targeted by the TGVCI, including previous projects interviewing workers and exploring labour issues. This enabled them to judge the extent to which workers were able to speak freely and to facilitate this where possible.

A range of methods for constructing comparisons were considered to assess how changes could be attributed to the intervention. Controlled comparisons were difficult to establish because in several approved TGVCI interventions the same suppliers were participating in multiple projects. Secondly, some projects were scaling up initiatives, having already implemented pilots in the same country, and this made it difficult to identify groups without confounding factors. However, such cases provided the opportunity to build on previous M&E data where this was of reasonable quality. Thirdly, in each of the industries there were also other interventions underway, particularly in Bangladesh where the ACCORD, Alliance, ETI and Better Work initiatives were major programmes run in parallel with the TGVCI. A further difficulty was that the projects were implemented at different speeds, meaning overlaps could emerge over time. As well as assessing the scope for quasi experimental approaches for each approved project, we have carefully designed qualitative enquiry with focus groups and key informants to complement the quantitative data collection. Care was taken in the process of theory of change analysis, to establish if any other influences, projects or policies which could account for observed changes.

11. Capturing wider changes in the system or market

EMU sought to capture wider systemic change at different levels, by ensuring that M&E data gathering included relevant data at industry level, with analysis of changes in the overall market and comparisons between grantees and those not participating in the intervention. It was necessary to gather and triangulate different sources of data to both identify where there are changes in practices and the reasons for those changes occurring. These included;

i) Online surveys across the sector – to explore where social and economic upgrading was happening and why (conceivable linkages to TGVCI or from direct observation of benefits derived by the companies implementing the project). An online survey was run in 2015 in each of the three target countries. It included questions on the characteristics of and changes within their specific company relevant to social and economic upgrading, and knowledge and views on the TGVCI. In each country, a list of companies was obtained from relevant trade industry association(s) and this was used to circulate the online survey. Response levels were poor in Bangladesh and Kenya, but better in South Africa and the data was used in the analysis. Given the challenges encountered, it was decided not to re-run the industry survey during the final evaluation, but instead to rely on the industry key informant interviews, several of which were conducted in each country.

ii) Key informant interviews to understand the reasons for change within the industry and the contribution of the TGVCI to those changes.

For evaluation purposes it was necessary to link back any measured change within the market system with the specific intervention of the coalition – changes could include practical demonstrations of social
upgrading bringing economic benefits, or indeed a change in the discourse such that influential actors create change by creating a new culture within the industry.

12. Unintended and unexpected findings

We did not find any major unintended or highly significant unexpected findings. In a couple of the South African cases we did identify a potential risk that social upgrading investments in low paid, relatively unskilled workers, could lead to them leaving agriculture completely, using new skills in a different industry perceived as involving less arduous work or being more remunerative than farm work which would not support the ultimate goal of the project to achieve resilient global value chains. However, from a development perspective and for the individual concerned this may represent positive social mobility. More research would be required over the longer-term and if the initiatives are more widely scaled up than at present to see if this effect occurs in practice.

*There were no differences within the evaluation team or amongst stakeholders consulted. The project grantees were intensively consulted on the draft Evaluation Report and on the individual project studies.*

“Gender and social difference issues: Such issues were analysed as part of each project analysis (see confidential annexes), but no generic lessons emerged on the most effective interventions which engage workers of differing work status (e.g. permanent or temporary/unemployed) or by gender. This is due to the diversity of interventions tested, as well as the limitations on the evidence generated”.

*The evaluation team worked under the guidance of DFID and was required to consult intensively with the grantees.*
### Table 4: Selection of case studies

<table>
<thead>
<tr>
<th>Projects</th>
<th>Country</th>
<th>Size (Total Funding)</th>
<th>Intended beneficiaries</th>
<th>M&amp;E plans/strength of evidence likely to be generated</th>
<th>Willingness to collaborate</th>
<th>Reasons for selection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact pathway 1</strong> Workers’ life skills, technical skills and leadership skills enhanced in South Africa and Kenya export fruit and horticulture industry**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Youth Engagement and Vocational Skills</td>
<td>South Africa</td>
<td>£451,939 large</td>
<td>500 workers for Youth Engagement Workshops plus 300 for the Vocational skills training &amp; job placement</td>
<td>Medium – independent evaluator but no counterfactual</td>
<td>√</td>
<td>Large size; large number of intended beneficiaries, willingness to collaborate</td>
</tr>
<tr>
<td>Top of the Class</td>
<td>South Africa</td>
<td>£141,112 Small</td>
<td>150 workers (and managers) 50% female</td>
<td>Medium – independent evaluator unlikely to have counterfactual</td>
<td>√</td>
<td>Small size; willingness to collaborate</td>
</tr>
<tr>
<td>Emerging Leaders</td>
<td>Kenya</td>
<td>£272,925 Medium</td>
<td>30 trainers, 4,500 workers, 15,000 workers trained by trainers (not funded by project)</td>
<td>Weak (basic telephone survey of participants)</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Emerging Leaders Bangladesh</td>
<td>South Africa</td>
<td>£265,700 Medium</td>
<td>15 trainers; 3000 smallholders and workers; 8000 workers (trained by trainer)</td>
<td>Weak – no plans for M&amp;E</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Leadership &amp; Mentorship</td>
<td>South Africa</td>
<td>£80,000 Very Small</td>
<td>15-20 workers, 20 mentors trained</td>
<td>Medium – independent evaluator but no counterfactual</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Pinotage Youth Development</td>
<td>South Africa</td>
<td>£70,000 Very small</td>
<td>25 unemployed youths (female, male) trained</td>
<td>Weak – no plans for M&amp;E</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td><strong>Impact pathway 2</strong> Improved workers’ health awareness, access to health services and nutrition in Kenya horticulture and Bangladesh RMG**</td>
<td></td>
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</tr>
<tr>
<td>Her Project</td>
<td>Kenya</td>
<td>£346,200 Medium</td>
<td>500 men and women workers; 8000 workers at additional buyers’ sites; 5000 tea smallholders, plus 11 nurses and 150 peer health educators</td>
<td>Medium – independent evaluator but counterfactual unlikely due to limited funds</td>
<td>√</td>
<td>Medium size; Large number of intended beneficiaries; Own M&amp;E plans we can build upon, but also groups where their M&amp;E will not cover</td>
</tr>
<tr>
<td>Her Project</td>
<td>Bangladesh</td>
<td>£472,154 Large, but reduced to small later</td>
<td>Estimated 300,000 workers; 1,200,000 indirect HH beneficiaries, plus 15 nurses from 15 factories</td>
<td>Medium – independent evaluator planned, but project ended early</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Worker Education &amp; Nutrition</td>
<td>Kenya</td>
<td>£298,090 Medium</td>
<td>800 workers and smallholders trained at nutrition demonstration farm. 3,000 rural people listen to educational broadcasts</td>
<td>Weak-Medium independent evaluator, but limited funds &amp; no counterfactual</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Reducing Charcoal Use for Improved health and livelihoods</td>
<td>Kenya</td>
<td>£77,040 Very small</td>
<td>2,900 workers obtain subsidised improved stoves. 1000 workers purchase on credit</td>
<td>Weak – no plans made</td>
<td>√</td>
<td>Small size; Initially chosen as a case study and preliminary work done, but project was not approved hence case study did not proceed.</td>
</tr>
<tr>
<td>Projects</td>
<td>Country</td>
<td>Size (Total Funding)</td>
<td>Intended beneficiaries</td>
<td>M&amp;E plans/strength of evidence likely to be generated</td>
<td>Willingness to collaborate</td>
<td>Reasons for selection</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
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<tr>
<td>Health insurance for all Bangladesh</td>
<td>£182,420 Small</td>
<td>2000 workers and 6000 family members</td>
<td></td>
<td>Medium independent evaluator, but no counterfactual</td>
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<tr>
<td><strong>Impact pathway 3 Manager &amp; worker skills training on better management for mature industrial relations and ethical compliance</strong></td>
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<tr>
<td>Benefits for Business and Workers (BBW) Bangladesh</td>
<td>£1,288,623 Very large</td>
<td>1,188 managers 250,000 to 500,000 workers, 50% are women</td>
<td>Medium/weak - no independent evaluator, but they will collect robust data themselves from participants, no counterfactual</td>
<td>v* subject to waiting until July 2015</td>
<td>V Large size; large number of intended beneficiaries; Medium M&amp;E - no independent evaluator involved, but good data collection internally; Willingness to collaborate</td>
<td></td>
</tr>
<tr>
<td>UpSkill Bangladesh</td>
<td>£351.824 Medium</td>
<td>1,500 factory managers: 300,000 workers 1,200,000 indirect HH Beneficiaries</td>
<td>Medium/weak - no independent evaluator</td>
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<tr>
<td>Upscale Bangladesh</td>
<td>£510,488.00 Large (actual budget lower)</td>
<td>22,500 workers trained.</td>
<td>Medium - independent evaluator, but no counterfactual</td>
<td></td>
<td>V Large size; large number of intended beneficiaries. The case study did not proceed after the baseline due to the grantee deciding not to continue</td>
<td></td>
</tr>
<tr>
<td>Migrant workers registration system South Africa</td>
<td>£90 000 Very small</td>
<td>100,000 seasonal workers trained and received Visa. 1000 managers trained.</td>
<td>Weak - some support for M&amp;E</td>
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<tr>
<td>Count Me Too. Disabled workers access Bangladesh</td>
<td>£100,000 Small</td>
<td>150 disabled workers</td>
<td>Medium – independent evaluator, but no counterfactual</td>
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<tr>
<td>Safe work places through gender equality Bangladesh</td>
<td>£396,840 Medium</td>
<td>5 trainers, 10 managers, 20 worker champions trained; 1500 workers indirectly benefit</td>
<td>Medium/weak – internal M&amp;E baseline planned</td>
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<tr>
<td>Social Dialogue project Bangladesh</td>
<td>£128,319.07 Small</td>
<td>200 worker representatives representing approximately 5,000 workers</td>
<td>Medium/weak – independent evaluator, but no counterfactual</td>
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<tr>
<td><strong>Impact pathway 4 Improving models for engaging smallholders and workers in more productive and resilient horticulture supply chains</strong></td>
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<tr>
<td>Farmer support and linkages programme South Africa</td>
<td>£370 Medium 225</td>
<td>40 smallholder farmers receiving technical and administrative training.</td>
<td>Medium – support for M&amp;E</td>
<td></td>
<td>V Medium size, small number of beneficiaries. Comparison group identified. Cooperation from grantee.</td>
<td></td>
</tr>
<tr>
<td>Creation of joint venture small farmer groups, South Africa</td>
<td>£637,669 Large (revised to £237,595)</td>
<td>Farmer/workers and farm owners trained.</td>
<td>Medium/weak – internal monitoring, no independent evaluator</td>
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</tbody>
</table>

*Size classifications: Very Small – Less than £100,000; Small £100,000 to £200,000; Medium £200,000 to £400,000; Large £400,000 - £800,000; Very Large: £800,000+*

**NB** The Funding listed represents the initial budgets on which the selection was made, not the final expenditure of the project.
13. Addressing cross-cutting issues of gender, poverty and environment

Gender and social difference issues were fully integrated in the PMF. Gender and social difference issues were addressed in a similarly holistic way in each of the case study designs in terms of the tools and methods employed and the indicators covered. This supports data gathering and analysis of the differences amongst workers (e.g. as well as gender, other issues such as age, origin etc), as well as within the communities from which workers may be drawn. Gender sensitive methods were used in field research. For example, separate women’s and men’s Focus Group Discussions were held to ensure that women have a chance to speak freely in contexts where this is not always possible. Similarly, individual case histories in some of the case studies allowed for the evaluation team to understand specific gender related factors influencing individual work and livelihood trajectories for participants, sometimes compared with non-participants. Given the dominance of women in the target industries in the TGVCI, particularly in lower paid jobs, gender issues were given prominence within the design and in data collection by EMU. In practice much of the monitoring and evaluation data on their interventions, collected by projects themselves (on which EMU had to rely) did not actually disaggregate along gender lines.

In terms of poverty issues, the case studies explored issues pertaining to the drivers of poverty and the ways in which workers and communities are affected and considered how the different pilots and initiatives sought to address such issues and how effective they might be. Power relations were part of the overall analysis, for example in contextual analysis and within individual projects. Our focus on environmental issues led to the evaluation finding that there had been a weakness in the underlying CtG research which in its focus on social upgrading, which extended thinking on economic upgrading, there was an obvious omission with respect to environmental trajectories and changes. In a gap analysis, we indicated early on during the TGVCI evaluation process that although environmental issues were mentioned in the design document, they were not prioritized by many applicants nor by the selectors.

14. Limitations

Several major limitations were encountered:

➢ There were challenges with respect to the designs of the projects which have not supported the generation of evidence (e.g. suppliers and retailers participating in multiple projects making attribution impossible, the number of external initiatives complicating attribution etc).

➢ Data access was limited to what companies were willing to share. In addition to the inherent challenges in obtaining private sector data, the fact that the grantee contracts did not explicitly require grantees to invest in M&E and provide adequate data to serve the strategic goal undermined the extent to which robust evidence could be generated.

➢ The Evaluation Management Unit did not have access to applicants during the design phase, but even where grantees were supportive of data collection, permission to cooperate on M&E and access business data, was in the hands of the supplier companies, not the grantees. In some cases, for the non-case study projects the number of field visits and stakeholder interviews has been limited by the project managers.

➢ The timing of programme implementation, the evaluation and DFID’s future programming decision-making were not well-aligned in practice. Programme implementation was slower than anticipated (e.g. delays were encountered when contracts reached the legal departments of partner retailers). At the time of the mid-term evaluation, many of the Round 1 projects were very well advanced and Round 2 projects had not started. By the final evaluation, The Round 2 projects had completed, but many complained of insufficient implementation time.
Annex 3: Trade & Global Value Chains Initiative: Extract from the Performance Management Framework

The framework for Impact, Outcome and Outputs 1 and 2 is fully included, but for outputs 3 to 6 (specific impact pathways) only one project for each is included as an example. Details of companies are anonymised.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit of Measure (Disaggregation)</th>
<th>Baseline value</th>
<th>Target</th>
<th>Data Sources</th>
<th>Data Collection Method</th>
<th>Responsible</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPACT: Socially and economically resilient value chains in target countries/sectors</td>
<td></td>
<td></td>
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<tr>
<td>1. Average monthly income of workers/smallholders in garment and horticultural sectors in Bangladesh, Kenya and South Africa.</td>
<td>1. Average monthly income of workers/smallholders – male and female (USD equivalent) in garment and horticultural sectors</td>
<td>Bangladesh garment sector 8,200 takas/month South Africa horticulture sector? Kenya Horticulture sector: average 5980 Ksh/month</td>
<td>Average take home pay per month increased by 7% by 2017 and meets or exceeds the living wage.</td>
<td>National labour statistics Poverty indices Industry/sector surveys Evaluation reports</td>
<td>Analysis of reports Evaluation survey</td>
<td>EMU</td>
<td>There is no massive disruption in political or economic conditions relating to trade and production. Long-term social and commercial sustainability of value chains are directly linked to income and poverty levels. Desired behavioural change in commercial value chains takes place and there is willingness to invest in upscaling after TGVCI Coalition partners willing to effectively promote and disseminate results</td>
</tr>
<tr>
<td>2. Rates of return to investment in social upgrading</td>
<td>2. Profitability of investment - productivity, efficiency, costs and revenue for garment and horticultural sectors and levels of investment.</td>
<td></td>
<td>15% average rate of return by 2017 Business case for investment in social upgrading articulated.</td>
<td>Industry sector survey; project evaluation</td>
<td>Industry survey Interviews with companies.</td>
<td>EMU</td>
<td></td>
</tr>
<tr>
<td>3. No. and value of new investment in social upgrading by companies in the sectors</td>
<td>3. Number of firms investing and value of investment in social upgrading in sector</td>
<td>Current value of investment to be determined</td>
<td>10 new or additional investments in social upgrading from farms/businesses by 2016 valued at EY X new initiatives for investment by global companies in social upgrading in other countries.</td>
<td>Industry /sector survey; Project evaluation</td>
<td>Industry survey Interviews with companies.</td>
<td>EMU</td>
<td></td>
</tr>
<tr>
<td>Indicator</td>
<td>Unit of Measure</td>
<td>Baseline value</td>
<td>Target</td>
<td>Data Sources</td>
<td>Data Collection</td>
<td>Responsible</td>
<td>Assumptions</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
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<td>-------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1. Stability of the labour force among grantees businesses in South Africa Kenya and Bangladesh</td>
<td>Days per month of worker absenteeism</td>
<td>Permanent staff monthly turnover rates</td>
<td>Rate of absenteeism &amp; staff turnover:&lt;br&gt; Bangladesh turnover 9.72% per month. 7.9% of workers taking unplanned leave per month,<em>&lt;br&gt; Kenya labour turnover – 7%** per month absenteeism – 1.9 days per worker /6 months</em>&lt;br&gt; South Africa labour turnover Absenteeism 7% per month*</td>
<td>Rates of absenteeism and staff turnover reduced by 25% by 2015 (Bangladesh) 40% reduction in absenteeism. 40% reduction in turnover per month (Kenya) X % reduction in absenteeism; x % reduction in labour turnover per month (South Africa) x% reduction in absenteeism x% reduction in labour turnover per month</td>
<td>Grantee and EMU evaluations, PMU reports. Industry survey</td>
<td>Interviews &amp; companies data collected at AR, MTR and evaluation</td>
<td>Project evaluators. EMU</td>
</tr>
<tr>
<td>2. Level of workers satisfaction at workplace among grantees in South Africa Kenya and Bangladesh</td>
<td>% distribution of levels of workers satisfaction</td>
<td>% of worker satisfaction</td>
<td>78.1% of workers in treatment group feel management cares about their health (Kenya)</td>
<td>10% increase in workers satisfaction</td>
<td>EMU reports Project evaluation reports</td>
<td>Worker satisfaction survey</td>
<td>–</td>
</tr>
<tr>
<td>3. Level of productivity in grantees farms/businesses in South Africa, Kenya and Bangladesh</td>
<td>Managers’ assessments and business data on quality, efficiency and profitability of trained workers</td>
<td>Level of productivity at baseline to be determined for Kenya South Africa: 920 kg/day for pickers @ 0.12 R/kg, 1000 kg/day for packers @0.11 R/kg 95.55% cut to ship ratio in Bangladesh 47% average daily efficiency in Bangladesh</td>
<td>% increase in productivity among participating farms/businesses in Kenya and South Africa 0.9% increase in cut to ship ratio, 12% increase in daily efficiency in Bangladesh 15 % increase in production among health insured workers in Bangladesh</td>
<td>Industry survey, Grantee evaluations, PMU reports, EMU evaluation</td>
<td>Industry survey Manager interviews Grantee return on investment study</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>4. Employment levels, incidence of worker sickness, and health &amp; safety compliance associated with country/sector specific social upgrading interventions</td>
<td>No. of trainees, (male &amp; female) working as permanent employees and seasonal employees, by location &amp; job</td>
<td>No. of sick days per month by men and women workers and smallholders</td>
<td>No. of sick days per month by men and women workers Kenyan agriculture:&lt;br&gt; Bangladesh RMG – to be determined Number of health and safety non-compliances (Bangladesh) 286 hours monthly average working hours (basic +OT hours) in Bangladesh</td>
<td>30% of skills and leadership trainees in permanent worker employment at the end of the project*43&lt;br&gt; X % reduction in sick days of men and women workers Y % reduction in number of health and safety non-compliances Reduction of 1% in monthly average working hours in Bangladesh X% increase in workers accessing health care through the workplace</td>
<td>Trainee survey, Grantee monitoring data, EMU evaluation, Industry survey</td>
<td>Trainee survey Monitoring data from project evaluators Interviews at AR, MTR and Evaluation</td>
<td>–</td>
</tr>
</tbody>
</table>

41 Text in bold are the key indicators included in the logframe
42 Indicative figure – to be confirmed
43 Indicative figure – to be confirmed
## Output 1. Stakeholder coalitions/partnerships made up of related actors are formed and invest jointly in effective social upgrading initiatives.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit of Measure</th>
<th>Measure (Disaggregation)</th>
<th>Baseline value</th>
<th>Target</th>
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<th>Data Collection Method</th>
<th>Responsible</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1. Number and type of coalitions of value chain actors co-financed by TGVCI for social upgrading initiatives.</td>
<td>No. of coalition applications; No. of coalitions co-financed. % of interventions of different types of innovation</td>
<td>1. Concept notes from X coalitions received by October 2013 10 coalitions for social upgrading initiatives to be approved and contracted by February 2014. A further 6 coalitions for social upgrading initiatives contracted by December 2014 80% of coalitions are innovative – i.e. new approach, existing approach in a new sector, significantly extending an existing approach.</td>
<td>-</td>
<td>-</td>
<td>Project proposals – successful and unsuccessful</td>
<td>TGVCI</td>
<td>PMU Relevant commercial actors are aware of the TGVCI opportunity There is demand amongst commercial actors for funding such activities</td>
<td></td>
</tr>
<tr>
<td>1.2. Levels of coalitions’ investment of resources (time, skills, money) and expertise in innovative social upgrading initiatives.</td>
<td>Monetary value and % of investments from coalition partners</td>
<td>2. Coalitions invest 50% of cost of social upgrading initiatives</td>
<td>-</td>
<td>-</td>
<td>Successful proposals and contracts</td>
<td>PMU</td>
<td>Coaliton partners able to contribute monies for cost share funds</td>
<td></td>
</tr>
<tr>
<td>1.3. Coalitions involve partnerships including participation of different stakeholder types.</td>
<td>No. and sectoral origin of coalition members – public, private civil society etc. No. of multi stakeholder design workshops/meetings No. and description of different coalition arrangements</td>
<td>3. Each coalition includes at least one new partner to participate in social upgrading initiatives. X meetings for proposal development held by mid Nov 2013. Coalition arrangements include provision for joint design, implementation and review of initiatives by coalition partners.</td>
<td>-</td>
<td>-</td>
<td>Successful proposals and contracts</td>
<td>PMU</td>
<td>PMU PMU has strong networks, in-depth understanding of local political context, the influence and time to ensure applicants involve an appropriate range of stakeholders.</td>
<td></td>
</tr>
<tr>
<td>1.4 Coalition investment enables the establishment of sustainable provision of social upgrading support to the sectors.</td>
<td>No. of established service providers supporting social upgrading activities.</td>
<td>4. X service providers in Bangladesh, Kenya and South Africa supporting social upgrading activities in the relevant sectors by July 2016.</td>
<td>-</td>
<td>-</td>
<td>Project reports</td>
<td>EMU</td>
<td>Management interviews. Industry survey</td>
<td></td>
</tr>
</tbody>
</table>

## Output 2. Measurement and Dissemination of evidence on successful linkages between social upgrading investments and commercial benefits.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit of Measure</th>
<th>Measure (Disaggregation)</th>
<th>Baseline value</th>
<th>Target</th>
<th>Data Sources</th>
<th>Data Collection Method</th>
<th>Responsible</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 High quality reports and body of evidence demonstrating linkages between social upgrading and economic upgrading disseminated and influencing further projects.</td>
<td>Number and types of reports delivered</td>
<td>1. Monitoring and evaluation draft framework produced by February 2014 Theory of change and monitoring plans developed for funded projects by February 2014 Baseline studies conducted for each project Annual reviews conducted Mid-term review in 2015. Final evaluation in 2017</td>
<td>-</td>
<td>-</td>
<td>PMU monitoring data Baseline reports Annual reviews MTR report Evaluation report Reports on training outcomes</td>
<td>EMU &amp; PMU</td>
<td>Coalition partners and control groups are willing to share information which may include commercial/profit information</td>
<td></td>
</tr>
<tr>
<td>2.2 Lessons shared and consolidated</td>
<td>Lessons shared in annual reviews, the mid-term review and final evaluation</td>
<td>2. Lessons from programme implementation in 3 countries shared in annual reviews (2014, 2015, 2106) the mid-term review (2015) and final evaluation 2017.</td>
<td>-</td>
<td>-</td>
<td>Annual review reports Mid-term review Lessons learnt summary sheets.</td>
<td>EMU &amp; PMU</td>
<td></td>
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</tr>
<tr>
<td>2.3 Better informed businesses and value chain actors on the benefits of investing in social upgrading.</td>
<td>No. of workshops and dissemination events</td>
<td>3. One stakeholder workshops or event to present lessons and evidence on the business benefits from social upgrading held in each country by 2016</td>
<td>-</td>
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</tbody>
</table>
### Output 3. Workers’ life skills, technical skills and leadership skills enhanced in South Africa and Kenya export fruit and horticulture industry

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit of Measure (Disaggregation)</th>
<th>Baseline value</th>
<th>Target</th>
<th>Data Sources</th>
<th>Data Collection Method</th>
<th>Responsible</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Youth engagement and vocational skills – South Africa. Grant £227,315.09  Total £451,939.52</td>
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<tr>
<td>3.1.1 Number of unemployed and seasonal worker South African youth completing accredited training in technical (NFQ 1-3) and life skills</td>
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<tr>
<td>3.1.2 Levels of seasonal and permanent employment for trained and certified participants at place of training or elsewhere.</td>
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<tr>
<td>3.1.3 Levels of youth self-confidence and aspiration, communication skills and knowledge relevant to job seeking and transitioning to work.</td>
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<td>3.1.4 Level of Investments in training funded by farms themselves.</td>
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<td>3.1.5 Levels of productivity per trained worker, quality and enterprise profitability</td>
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<tr>
<td>3.1.6 Levels of workers’ remuneration (wages and bonuses).</td>
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<td>3.1.7 Level of workers satisfaction (training experience, career progression, working conditions, dignity, job security etc.)</td>
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<tr>
<td>1. No. and % of applicants for training (all data on applicants and trainees, disaggregated by sex and initial employment status and compared to selection criteria)</td>
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<tr>
<td>- No. of applicants for training</td>
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<tr>
<td>- No. of farms involved in training</td>
<td></td>
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<tr>
<td>- No. trained, type of training /modules</td>
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<tr>
<td>- No. of trainees receiving a nationally accredited certificate in each topic</td>
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<td>- No. and reasons for drop out of trainees.</td>
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<td>2. No. of certified trainees, working as permanent employees and seasonal employees, by location &amp; job.</td>
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<tr>
<td>3. Levels and % distribution of trainees (men and women) levels of confidence, job seeking skills and business understanding.</td>
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<td>4. % of farm turnover invested in training per annum.</td>
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<td>5. Managers’ assessments (and business data) on quality, efficiency, profitability of trained workers</td>
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<td>6. Wage rates and other payments to trained certified workers</td>
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<td>7. % distribution of workers levels of satisfaction</td>
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<tr>
<td>1. 500 seasonal and unemployed South African youths aged 18-28 (with grade 9/standard 7) completing youth engagement workshops/life skills training in the programme by 2015.300 seasonal and unemployed South African youths aged 18-28 (with grade 9/standard 7) completing accredited technical training in the programme by 2015</td>
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<tr>
<td>2. 80% of trainees employed at place of training or elsewhere within 6 months of completing programme.</td>
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<td>3. X% of trained youth with higher levels of self-confidence, skills relating to job seeking and understanding of the business/ work ethic</td>
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<td>4. X% of participating farms increase their investment in training by at least y%</td>
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<tr>
<td>5. Managers assessments (and business data) show improvements in quality, efficiency and profitability of trained workers</td>
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<tr>
<td>6. X% increase in wage rates for trained workers</td>
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<td>7. X% of trained workers are more satisfied with their work situation by 2016.</td>
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</table>

44 Blue text are indicators which the grantees are not monitoring
### Output 4. Improved workers’ health awareness, access to health services and nutrition and reduced exposure to health hazards in Kenya horticulture and Bangladesh RMG.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit of Measure (Disaggregation)</th>
<th>Baseline</th>
<th>Target</th>
<th>Data Sources</th>
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<th>Responsib le</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 HER Project FARM SCALE UP Kenya. Grant £171,108.9 Total £356,201.5</td>
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<tr>
<td>4.1.1 Number of sites with health management policies and plans in place.</td>
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<td>4.1.2 Number of clinic sites assessed, and recommendations made for upgrading.</td>
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<td>4.1.3 No. of sites where HERfarm project health programmes designed and implemented in all three workstreams</td>
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<td>4.1.4 Number of health workers trained (Company nurses and peer health educators)</td>
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<td>4.1.5 Number of workers receiving information on health and health services</td>
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<td>4.1.6 Number of clinics providing relevant client-centred care and products to workers and community</td>
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<td>4.1.7 Rate of return on investment in workforce well-being and women’s health</td>
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<td>4.1.8 Levels of productivity,</td>
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<tr>
<td>4.1.9 Sickness incidence and staff turnover rates.</td>
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<td>4.1.10 Level of awareness of key health messages among workforce and smallholders</td>
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<tr>
<td>4.1.11 Level of worker and smallholder satisfaction with health services.</td>
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<td>4.1.12 Communication and engagement with companies and public</td>
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<td>4.1.13 Community outreach strategy implemented at target sites</td>
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<tr>
<td>4.1.14 Value of investment in workforce health by private sector and suppliers.</td>
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</tbody>
</table>

1. Health management policies and plans in place at 11 company sites, 20 additional buyers’ sites and 2 tea cooperatives, defining internal health systems and roles and responsibilities of workplace staff and commitment to provide a healthy workplace.

2. Clinic assessments completed at 11 company sites and recommendations made by July 2014.

3. HERfarm project health programmes designed and implemented for 11 company sites (including male workers), 20 sites of 3 additional buyers’ and 2 tea cooperatives based on health needs assessment study.

4. 11 nurses at company sites, X nurses at additional buyers’ sites and 120 PHEs trained to deliver quality health services, management of health supplies and monitoring of workers’ health by Jan 2015 and a total of 600 PHEs trained by the end of the project.

5. 5000 men and women workers at 11 company sites; 8000 men and women workers at 20 additional buyers’ sites and 5000 smallholders at tea cooperatives, receive on-site information on health and health services through the HER Farm programme by 2015.

6. x clinics providing services for Y clients (men and women workers, smallholders, family members and community members). Numbers of workers and smallholders utilising different health services and products.

7. Return on investment studies conducted at 2 HER farm sites demonstrating business case for private sector and supplier investment in workers’ health.

8. X% increase in quantity and value of farm output per worker per day/ smallholder per season.

9. X% reduction in sick days per month for men and women over project period. Y% reduction in average monthly staff turnover.

10. X% improvement in trained workers knowledge of key health messages compared to untrained workers.

11. X% of men and women target workers and smallholders are more satisfied with health services by 2016.

12. Communication and engagement with companies and wider public events on health issues in agriculture in Africa.

13. A) Community health outreach strategy and dissemination plan designed and implemented at 11 company sites by trained personnel. B) Strategy developed to replicate HER Farm in 3 additional tea cooperatives.

14. X% increase in value of private sector investment in worker health by 2017.

Reports from previous pilot project. Clinic assessment reports. Working papers, web site material. Social media Baseline data and HNA reports Training reports Project monitoring data Return on investment study report Baseline and end of project assessment data and report Worker satisfaction survey Community disseminatio n workshop report Report on communicati ons and engagement. Strategy document Reports from grantee Baseline survey End of project survey On-site observatio n interviews, focus group discussions Return on investment studies Distributio n of communic ation materials; meetings webinars, teleconfer ence, workshops

Proje ct evalu ators EMU Project M&E Access to suppliers is not seriously comprom ised by international buyers sourcing practices. Farm management do not interfere with programm e content. Farm management provides time for worker participati on. Health services are available for trained workers to access. Industry Associa tion and international companies are receptive to scaling up.
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit of Measure (Disaggregation)</th>
<th>Baseline value</th>
<th>Target</th>
<th>Data Sources</th>
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</tr>
</thead>
<tbody>
<tr>
<td>5.2.1 Curriculum materials developed in liaison with related initiatives Better Work Programme, Accord, Alliance.</td>
<td></td>
<td></td>
<td>Updated and complementary training materials produced.</td>
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<tr>
<td>5.2.2 Recruitment and marketing events held for factories</td>
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<td>No. of factories attending recruitment and marketing meetings. No. of recruitment and meeting meetings held. No of sign up brands.</td>
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<tr>
<td>5.2.3 Number of participating factories investing in training course</td>
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<td></td>
<td>No. of factories investing in training course. Levels of investment in other staff development initiatives</td>
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<tr>
<td>5.2.4 Number of managers completing training</td>
<td></td>
<td></td>
<td>No. and % of managers (by role and sex) completing training and obtaining certificates</td>
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<tr>
<td>5.2.5 Level of managers’ satisfaction with training.</td>
<td></td>
<td></td>
<td>% of trained managers expressing satisfaction with the training.</td>
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<tr>
<td>5.2.6 Participants assessment of their management capability, knowledge, problem solving, team work, decision making, social dialogue</td>
<td></td>
<td></td>
<td>% of trained managers expressing improved capabilities (and for comparison group of managers in non-investing companies who attended the recruitment meetings if feasible)</td>
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<tr>
<td>5.2.7 Worker productivity and efficiency</td>
<td></td>
<td></td>
<td>Average daily efficiency (line efficiency and SMV%).</td>
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<tr>
<td>5.2.8 Product quality and demand</td>
<td></td>
<td></td>
<td>Cut-to-ship ratio (total pieces cut/total pieces shipped to buyer).</td>
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<tr>
<td>5.2.9 Return on investment in training</td>
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<td>Return on investment calculation.</td>
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<tr>
<td>5.2.10 Average take home pay</td>
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<td></td>
<td>Average monthly take home pay per month.</td>
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<tr>
<td>5.2.11 Health and safety record</td>
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<td>Average monthly take home pay per hour.</td>
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<tr>
<td>5.2.12 Skill levels and access to promotion</td>
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<td></td>
<td>% labour turnover per month.</td>
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<tr>
<td>5.2.13 Staff turnover rates</td>
<td></td>
<td></td>
<td>% of workers taking unplanned leave per month (unauthorized)</td>
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<tr>
<td>5.2.14 Incidence of worker absenteeism</td>
<td></td>
<td></td>
<td>Monthly average working hours and % workers working more than 60 hours per week</td>
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<tr>
<td>5.2.15 Average working hours</td>
<td></td>
<td></td>
<td>% of workers expressing satisfaction with job conditions</td>
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<tr>
<td>5.2.16 Level of workers satisfaction with job conditions</td>
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<td>Rating by workers of their confidence to approach their manager</td>
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<tr>
<td>5.2.17 Workers confidence to approach their manager</td>
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</tbody>
</table>

7. 47% average daily efficiency
8. 95.55% cut to ship ratio
10. 8,200 taka average monthly take home pay, 28.67 taka take home pay per hour
13. 9.72% labour turnover per month
14. 7.9% of workers taking unplanned leave per month
15. Average working hours 286
16. 11% work more than 60hrs per week

7. 47% average daily efficiency
8. 95.55% cut to ship ratio
10. 8,200 taka average monthly take home pay, 28.67 taka take home pay per hour
13. 9.72% labour turnover per month
14. 7.9% of workers taking unplanned leave per month
15. Average working hours 286
16. 11% work more than 60hrs per week

45 Standard Minute Value (SMV) the time in minutes that it takes a worker to complete a specific operation or produce a specific garment.
## 6.2. Farmer support and linkages project. Grant £184,017. Total £270,211.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit of Measure (Disaggregation)</th>
<th>Baseline Value</th>
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</tr>
</thead>
<tbody>
<tr>
<td>6.2.1</td>
<td>The number of agricultural hubs participating in the programme</td>
<td>1. Number of agricultural hubs agreeing to participate and registered on the Company supplier database</td>
<td>1. 4 agricultural hubs participating in the project by month x 2015.</td>
<td>Project records</td>
<td>Stakeholder consultation: observani company records</td>
<td>Project farmer coordinator</td>
<td>Buy-in from agricultural hubs</td>
</tr>
<tr>
<td>6.2.2</td>
<td>The number of agricultural hub employees completing training</td>
<td>2. Number of hub employees (male and female) and number of trainings completed</td>
<td>2. x employees (male and female) of participating hubs attending y training events</td>
<td>Hub records &amp; interviews</td>
<td>Baseline survey (hubs)</td>
<td>Company records</td>
<td>Buy-in from smallholder producers</td>
</tr>
<tr>
<td>6.2.3</td>
<td>Number of smallholder farmers and agricultural hubs participating in mutually agreed cropping programmes</td>
<td>3. Number of smallholder farmers (male and female) and agricultural hubs participating in mutually agreed cropping programmes</td>
<td>3. 4 mutually agreed cropping programmes for hubs; 40 mutually agreed cropping programmes for smallholders</td>
<td>Post-training and endline survey feedback sheets from service provider</td>
<td>Baseline survey: smallholders</td>
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<tr>
<td>6.2.4</td>
<td>Number of smallholder farmers completing training in administrative, technical and agricultural practices</td>
<td>4. Number of smallholder farmers (male and female) completing training in quality and volume requirements</td>
<td>4. 4 hubs and 40 smallholder farmers accessing administrative training; 40 smallholder farmers and 4 hubs accessing technical training from service providers, by June 2016</td>
<td>Stakeholder interviews</td>
<td>Endline survey: smallholders</td>
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<tr>
<td>6.2.5</td>
<td>Number of smallholders and agricultural hubs implementing lessons drawn from training</td>
<td>5. Number of smallholders (male and female) and agricultural hubs adopting lessons from training</td>
<td>5. 40 smallholder farmers and 4 hubs using good agricultural practices and adopting lessons learnt from training</td>
<td>Stakeholder interviews</td>
<td>Endline survey: smallholders</td>
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<tr>
<td>6.2.6</td>
<td>Level of agricultural productivity per hectare of agricultural hubs and participating smallholders</td>
<td>6. Level of agricultural productivity per hectare of participating hubs and smallholder farmers (male, female)</td>
<td>6. 15% increase in per hectare productivity (yield) at hub and smallholder farmer level</td>
<td>Stakeholder interviews</td>
<td>Endline survey: smallholders</td>
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<tr>
<td>6.2.7</td>
<td>Level of post-harvest losses of hubs and smallholders</td>
<td>7. Level of post-harvest losses at hub and farmer level</td>
<td>7. 5% reduction in post-harvest losses at hub and 10% at smallholder farmer level</td>
<td>Stakeholder interviews</td>
<td>Endline survey: smallholders</td>
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<tr>
<td>6.2.8</td>
<td>Number of smallholder farmers delivering quality produce at required volume to hubs</td>
<td>8. No. of smallholders (male, female) reaching volume targets and quality targets;</td>
<td>8. 40 smallholder farmers deliver quality produce at required volumes to hubs. At least x% of smallholder produce accepted for sale by agricultural hubs.</td>
<td>Stakeholder interviews</td>
<td>Endline survey: smallholders</td>
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<tr>
<td>6.2.9</td>
<td>Volume and value of produce from smallholders sold to agricultural hubs</td>
<td>9. Total tonnage supplied to agricultural hubs; rand value of produce from smallholders sold to agricultural hubs</td>
<td>9. 20% increase in tonnage and value of produce supplied to hubs by smallholders by June 2016</td>
<td>Stakeholder interviews</td>
<td>Endline survey: smallholders</td>
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<tr>
<td>6.2.10</td>
<td>Volume and value of produce from agricultural hubs supplying the Company</td>
<td>10. Total tonnage and rand value of produce supplied from agricultural hubs to the Company</td>
<td>10. 50% increase in tonnage supplied to the Company by hubs</td>
<td>Stakeholder interviews</td>
<td>Endline survey: smallholders</td>
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<tr>
<td>6.2.11</td>
<td>Level of hubs and smallholders use of transport and packaging services to supply the Company</td>
<td>11. Number of hubs and number of smallholders (male and female) using transport and packaging services; Total rand value of transport services facilitated per hub</td>
<td>11. 4 hubs and 40 smallholder farmers use provided packaging and transport services with value of x rand, to supply Company.</td>
<td>Stakeholder interviews</td>
<td>Endline survey: smallholders</td>
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<tr>
<td>6.2.12</td>
<td>Level of agricultural hub enterprise turnover</td>
<td>12. Total and average rand value of turn-over for hub enterprises from selling to the company</td>
<td>12. x% increase in turnover (volume and value) among 4 participating hubs by 2016.</td>
<td>Stakeholder interviews</td>
<td>Endline survey: smallholders</td>
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<tr>
<td>6.2.13</td>
<td>Level and value of produce supplied by hubs and smallholders to alternative markets</td>
<td>13. Total volume (tons/kg) and value (rand) of produce supplied to other identified wholesale and retail markets by smallholders and hubs</td>
<td>13. x% increase in volume and value of produce supplied to other identified wholesale and retail markets by hubs and smallholders</td>
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<tr>
<td>6.2.14</td>
<td>Number of workers employed at agricultural hubs</td>
<td>14. No. of full time and part-time workers (male and female, temporary, permanent) employed at agricultural hubs</td>
<td>14. x% increase in numbers of male and female agricultural workers, employed in full time and part time work.</td>
<td>Stakeholder interviews</td>
<td>Endline survey: smallholders</td>
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<tr>
<td>6.2.15</td>
<td>Level of smallholder income from sales of product</td>
<td>15. Rand value income of participating smallholder farmers from sales of produce.</td>
<td>15. 40 smallholder farmers increase their farm income by x% from sale of produce</td>
<td></td>
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<td>Smallholder farmers</td>
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<tr>
<td>6.2.16</td>
<td>Average farm worker wages</td>
<td>16. Average wages (Total rand value of salary role of permanent and temporary workers divided by number of employees)</td>
<td>16. x% increase in farm workers’ wages</td>
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<tr>
<td>6.2.17</td>
<td>Level of smallholder and farm worker livelihood security</td>
<td>17. Smallholder and farm workers perception of change in their livelihood status (income, well-being, saving and investment, risk etc.)</td>
<td>17. 80% of smallholders and farm workers consider their livelihood status has improved as a result of the project.</td>
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<td>Indicator</td>
<td>Unit of Measure (Disaggregation)</td>
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<tr>
<td><strong>Project Management</strong></td>
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<tr>
<td>1. Call for proposals targeting the objectives of the programme disseminated to wide audience in relevant sectors.</td>
<td>No. of applications received. No and type of different applicants</td>
<td>Number and range of stakeholders responding to the call with relevant proposals. Proposals and implementation are based on sound knowledge &amp; local understanding</td>
<td>PMU reports</td>
<td>PMU project monitoring</td>
<td>PMU</td>
<td>Country facilitators/ PMU staff and advisers have sound understanding of the relevant field and local political and environmental context</td>
<td></td>
</tr>
<tr>
<td>2. Project management activities implemented according to the project implementation schedule.</td>
<td>Actual v. planned timing of execution of activities Dates of submission of reports</td>
<td>Launch of Catalyst fund and call for proposals 2013 Successful proposals approved by the Committee by end Dec 2013 (round 1) Grant agreements in place and 1st tranche of Funding disbursed by February 2014. Second call for proposals 2014 Successful proposals approved by the Committee by end Dec 2014 Grant agreements in place and 2nd tranche of funding disbursed by February 2015. Number and value of contracts in round 1 and round 2.</td>
<td>PMU reports EMU annual reviews</td>
<td>PMU project monitoring</td>
<td>PMU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Value for money of approved grants</td>
<td>Comparative costs and scale of benefits</td>
<td>Value for money analysed in annual reviews, Mid Term Review and evaluation</td>
<td>PMU reports Project reports</td>
<td></td>
<td>PMU EMU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Quality of support and advice provided by PMU and local technical experts</td>
<td>No. of meetings during proposal development and implementation</td>
<td>X meetings held to provide technical assistance and advice to grantees during proposal development and implementation Comments on draft proposals provided</td>
<td>PMU reports Final proposals Interviews with providers of support during implementation</td>
<td></td>
<td>EMU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Grantees satisfaction with catalytic fund (application and approval processes, levels and efficiency of disbursement and response to request for technical and advisory support)</td>
<td>Grantees assessment of the relevance, timeliness, appropriateness and innovativeness of support provided</td>
<td>Grantees assessment of the relevance, timeliness, appropriateness and innovativeness of support provided</td>
<td>Grantees survey EMU reports</td>
<td></td>
<td>EMU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Information from experience with first grants used to improve design for second round</td>
<td>Lessons and recommendations summarised, and changes made in 2nd call</td>
<td>Strategy, design and management of second call informed by learning from the first round.</td>
<td>PMU reports EMU reports</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Annex 4: Quality Assurance, Principles and Ethics

Research ethics

NRI is committed to operating all aspects of their work in an ethical manner, including respecting the rights of employees, promoting non-discriminatory practices and acting in accordance with the laws of the countries we work in. We observe the following principles, given the particular sensitivities relating to responsible business engagement and issues: a) Maintaining anonymity/confidentiality, b) Individual responsibilities, c) Participation / privacy: Evaluators should provide maximum notice, minimise demands on time, and respect people’s right to privacy, d) Respect of cultural values, e) Integrity: Evaluators have an overriding responsibility to ensure that the evaluation is independent, impartial, and accurate. This principle should not be compromised, f) Omissions and wrongdoing: The evaluation team should consult with DFID when there is any doubt about if and how issues, such as evidence of wrongdoing, should be reported, g) DFID has zero tolerance on Fraud, Bribery and Corruption (FBC) any instances of, or threats of, FBC against DFID funds must be reported to DFID immediately, h) Disclosure: Responsibility for distribution of published material normally rests with DFID or its delegated agent.

All NRI research involving staff and students is covered by the NRI Research Ethics work instruction and the University of Greenwich Research Ethics Policy46. NRI has a “Code of Practice” on Research with People” which is guided by the requirements of the University of Greenwich Research Ethics Policy. It covers all research carried out by NRI staff or sub-contractors, or on projects led by NRI, that involve interaction with people, particularly poor, vulnerable or marginalised people. People are hereafter referred to as the “participants” in or of the research.

The Code of Practice on Working with People refers to item ii of section 3.1 (Definition of Human-Related Research) of the Research Ethics Policy, ’Direct involvement through non-invasive procedures, such as laboratory-based experiments, interviews, questionnaires, surveys, observation’. For the remaining items in section 3.1, the research must be referred to the University Research Ethics Committee. The following Codes of Practice covered by these policies are of specific relevance to RATE and the approach adopted is explained below:

- **Voluntary Informed Consent**
  Regular discussions were held with grantees on the telephone and by skype to keep them updated on the evaluation plans and progress. An email was circulated explaining the final evaluation process including opportunities for consultation that would be afforded. Specific requests for information for the final evaluation was made via email. The TOR were shared with the grantees. Grantees were all officially invited to the stakeholder workshops via email as well. Grantees were consulted on the project analyses and invited to give their comments, sometimes with several rounds required before agreement was obtained. The final evaluation report draft was also circulated to grantees. During interviews in the field, Voluntary Informed Consent forms were used as per NRI and UoG Guidance.

- **Confidentiality, anonymity and acknowledgement of participants’ contributions**
  Reports and data shared in the public domain have not attributed views to individual, named grantees (except with the individual’s permission). Data is held securely according to the University of Greenwich guidelines on data protection. The contribution of the grantees is recognized in the acknowledgements.

46 [https://docs.gre.ac.uk/__data/assets/pdf_file/0004/1550470/University-Research-Ethics-Policy-January-2018.pdf]
**Overall Conduct of Research**

Following the University and NRI policies, researchers seek to conduct their work in a respectful manner. Researchers avoid undue intrusiveness: “the advancement of knowledge and the pursuit of information are not themselves justifications for overriding other social and cultural values” - Social Research Association Ethical Guidelines 2003:26. For example researchers avoid raising expectations where it is not likely that these will be met, seek to avoid exacerbating conflicts etc. Where appropriate, research findings are shared with participants and partners as a key part of the research process. Attention is paid to issues of safety, harm and risk to participants, research assistants, researchers and future researchers in the same locality. NRI researchers are also expected to observe the highest ethical standards in their dealings with co-workers, sponsors, funders and users of the research and the wider public in the UK and in developing countries, and in their analysis, interpretation and dissemination of findings. Where personal data and videos, recordings and photos are collected, this is handled according to University guidelines.

**Conflicts of Interest and Impartiality:**

NRI is extremely careful to identify where conflicts of interests may arise within our own work portfolio (or for subcontracted consultants) and where necessary we raise this with potential or actual clients. There are no known conflicts of interest in this case. NRI consultants are committed to conducting impartial analyses. Quality assurance processes also help to identify any sources of bias. In TGVCI, as well as providing TGVCI partners with opportunity to comment on evaluation reports and project analyses, the practice leader for NRI on Monitoring and Evaluation has reviewed the report. The final evaluation report details and is transparent about data availability and reliability.

The NRI ensures that these principles are adhered to by staff, through its management and quality assurance oversight of research processes and outputs.

**Evidence Principles**

EMU sought to follow the BOND principles for evidence\(^\text{47}\). Table 1 below summarizes the key principles, the overall approach within the TGVCI evaluation and the specific approach taken in this final evaluation:

<table>
<thead>
<tr>
<th>BOND Principles</th>
<th>Details</th>
<th>EM approach</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Voice and Inclusion</strong></td>
<td>Perspectives of beneficiaries and most excluded groups included and integrated, and the active participation of beneficiaries facilitated. Disaggregation of findings.</td>
<td>The TGVCI grantees and partners have been consulted and engaged through skype and telephone interviews and face-to-face meetings for some partners in the target countries. Beneficiary feedback was obtained in annual monitoring visits to each country and in case study field research. The individual project analyses and overall final evaluation report draw extensively upon beneficiary and industry stakeholder perspectives. Where evidence was made available by grantees and third-party evaluators, disaggregation of data has occurred.</td>
</tr>
<tr>
<td><strong>Appropriateness</strong></td>
<td>Appropriate data collection methods,</td>
<td>The design (theory-based evaluation, contribution analysis, etc) has been developed based upon a programme that demonstrates dimensions of</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>BOND Principles</strong></th>
<th><strong>Details</strong></th>
<th><strong>EM approach</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>appropriate sampling, team skills for data collection/analysis, systematic data analysis leading to convincing complexity (e.g. in its inherent attributes and in the context of implementation). The specific choice of methods is explained in the main text, but they are appropriate for the attributes of the programme evaluation. The sampling and selection strategies are outlined in the methodology section of the main report and described in detail in the Evaluation methodology annex. The report structure follows the impact pathways (i.e. these are sub-levels within the theory of change), but the conclusions are structured around the evaluation questions. The analysis follows a clear evaluation framework and theory of change.</td>
<td></td>
</tr>
<tr>
<td>Triangulation</td>
<td>Use of different data collection methods and different types of data. Comparison of different stakeholder perspectives. Explanation of areas of conflicting findings and divergent perspectives. Validation of findings by a range of key stakeholders.</td>
<td>A range of data collection methods and types of data have been employed, including manager/owner interviews, focus group discussions with workers, questionnaire surveys, key informant interviews, stakeholder workshops. The latter allowed for discussion and debate amongst the grantees and industry stakeholders, allowing diverging and converging views to be heard. These were integrated into the analysis. The individual project analyses and case study reports carefully take account of the views of different stakeholders who had been interviewed and whose perspectives had been gathered. The opportunity to comment on the individual project analyses allowed grantees to indicate where they may have had diverging perspectives on their achievements and challenges.</td>
</tr>
<tr>
<td>Contribution</td>
<td>Points of comparison, exploration of how an intervention contributes to change, alternative factors considered, unintended and unexpected changes considered.</td>
<td>For each project analysis, the key comparison is between the situations ‘before and after’ the project. In some cases, feasible counterfactuals and comparisons of intervention and non-intervention groups were identified and included in the project case studies, allowing for ‘with and without’ project analyses to be made. These then fed into the overall impact pathway analysis. Unfortunately, few such situations arose. The extent to which other factors have played a role was specifically explored in key informant interviews, focus group discussions, manager interviews etc. Unintended and unexpected impacts were also explored through questions included in all the qualitative research for each case study and in the project, beneficiary and industry interviews for other projects. These were included in the analysis for each project and detailed case studies.</td>
</tr>
<tr>
<td>Transparency</td>
<td>Size and composition of group from which data collected, adequate explanation of methodology including limitations, potential biases addressed and made explicit, clear link between data and conclusions.</td>
<td>Sampling and selection strategies are explained in the Evaluation methodology annex, including limitations. The risk of bias in evidence is discussed. Companies have a commercial incentive to over-emphasize the benefits of their projects and to underplay any negative impacts. This bias also exists for partner organisations delivering training and other such services. Independent, advocacy NGOs have the opposite incentive: to over-play the negative social and environmental impacts of business, and to under-play the positive progress made by companies. The EMU has sought to balance the bias in these different sources by drawing on evidence from a wide range of documentary and primary sources. Evidence obtained from these multiple sources has been triangulated with other sources where available in the project analyses. A small number of independent studies were commissioned by projects, but these were found to be of variable methodological quality. Clear linkages are made between the conclusions presented and the data (including cross-referencing in the report).</td>
</tr>
</tbody>
</table>
Paris Declaration on Aid Effectiveness

The evaluation was conducted in accordance with the 2005 Paris Declaration on Aid Effectiveness Principles, as follows:

- **Ownership**: The evaluation team included leading researchers with experience in each target sector. The extent to which the programme consulted with and build upon locally owned processes was considered as part of the evaluation by the evaluation team.

- **Alignment**: The extent to which the programme aligns with national development strategies, institutions and procedures was not a specific focus for this private-sector led development programme, but the evaluation considered the interests of different stakeholder groups within each industry in each country, as well as national policy environments as part of the contextual analysis.

- **Harmonisation**: The extent to which this initiative was harmonized with other development initiatives was considered – questions were included in the evaluation to understand how far the DFID supported initiative aligned with or duplicated other initiatives, particularly during the Mid-Term Evaluation where innovation levels for individual projects were assessed.

- **Managing for results**: The evaluation managed the resources available to generate results and learning on what are effective approaches, in order to contribute to decision-making.

- **Mutual accountability**: The evaluation itself is designed to support mutual accountability, through the commissioning of the EMU as independent evaluators of the effectiveness of the implementation mechanism, as well as to evaluate the outcomes and impact of the programme and to share these results publicly, holding the donor and partners, in this case corporate partners, to account.

Programme Theory of Change
Workers' life skills, technical skills and leadership skills enhanced in South Africa and Kenya export fruit and horticulture sector
Training in life skills, technical skills for unemployed and casual workers
Leadership training and mentorship for junior managers

Labour force has improved technical and life skills

Unemployed & Farm workers have improved confidence, employability, work satisfaction

Unemployed workers obtain employment; Seasonal workers obtain promotion; Workers & communities have improved well-being, income, environment

Business benefit from lower labour turnover; better qualified workforce & labour pool, improved productivity, more loyal workforce

More companies invest in social upgrading

Retailers benefit from stronger suppliers and less risk

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

More companies invest in social upgrading

More companies invest in social upgrading

Socially & economically resilient value chains in target countries/sectors

Increasing influence of context
Project Sphere of Control……………………………………………..Project Sphere of Influence………………………………………Project Sphere of Concern

Inputs

Outputs

Outcomes

Impact (Social & Economic Upgrading)

Systemic Impact

Theory of Change for Impact Pathway 1
Improved health awareness, increased and timely uptake of health services, healthier eating, reduced smoke inhalation

Workers have resources and incentives to act upon new knowledge

Improved health for workers, especially women workers.

Worker health is a key driver affecting worker performance; Worker performance is a key driver of corporate performance

Less sickness related absence. More contented & productive workforce

More companies invest in social upgrading

Retailers benefit from stronger suppliers and less risk

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

Workers’ health awareness, access to health services and reduced exposure to health hazards in Kenyan horticulture and Bangladeshi Ready Made Garment (RMG) sectors improved

Actions targeting worker health & nutrition – trained workplace nurses, health facilities upgrade, nutritional awareness/food access; Worker health insurance; Actions to provide workers’ with access to improved stoves

Outputs

Impacts (Social & Economic Upgrading)

Systemic Impact

Increasing influence of context

Project Sphere of Control

Project Sphere of Influence

Project Sphere of Concern

Theory of Change for Impact Pathway 2

Inputs

Outcomes

Workers health awareness, access to health services and reduced exposure to health hazards in Kenyan horticulture and Bangladeshi Ready Made Garment (RMG) sectors improved

Actions targeting worker health & nutrition – trained workplace nurses, health facilities upgrade, nutritional awareness/food access; Worker health insurance; Actions to provide workers’ with access to improved stoves

Workers have resources and incentives to act upon new knowledge

Improved health for workers, especially women workers.

Worker health is a key driver affecting worker performance; Worker performance is a key driver of corporate performance

Less sickness related absence. More contented & productive workforce

More companies invest in social upgrading

Retailers benefit from stronger suppliers and less risk

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

Increasing influence of context

Project Sphere of Control

Project Sphere of Influence

Project Sphere of Concern

Effective implementation of relevant interventions/approaches
Socially & economically resilient value chains in target countries/sectors

Better health, wellbeing, personal security & equality for workers, more satisfied & stable workforce

Increased worker productivity, reduced staff turnover, reduced absenteeism, reduced costs of auditing, fewer disputes, enhanced reputation.

More companies (retailers/brands & suppliers) invest in social upgrading

Retailers, brands count upon stronger suppliers and reduced risk

Decreasing influence of context
Project Sphere of Concern
Project Sphere of Influence
Project Sphere of Control

Root causes & interventions of social and economic Upgrading

Managers & Workers have resources & are enabled by owners & supply chain relationships to make changes

Managers and worker skills training on better management for mature industrial relations and ethical compliance
Middle managers’ training in ethical compliance
Training in management skills for managers
Training in factory safety for workers
Social dialogue training
Actions to tackle sexual harassment
Actions to tackle seasonal worker labour rights;
Actions to improve disabled workers’ access to work

Improved management skills, increased managers’ awareness of ethical compliance, improved manager-worker relations

Improved working conditions, especially for women e.g. improved health & safety record, observance of labour standards on workplace non-discrimination etc.

Working conditions are a key driver of worker health, well-being and security

Outputs

Outcomes

Impact (Social & Economic Upgrading)

Inputs

Systemic Impact

Theory of Change for Impact Pathway 3

Increased influence of context

Effective implementation of relevant interventions/approaches

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

More companies (retailers/brands & suppliers) invest in social upgrading

Socially & economically resilient value chains in target countries/sectors

Improved working conditions, especially for women e.g. Improved health & safety record, observance of labour standards on workplace non-discrimination etc.

Better health, wellbeing, personal security & equality for workers, more satisfied & stable workforce

Increased worker productivity, reduced staff turnover, reduced absenteeism, reduced costs of auditing, fewer disputes, enhanced reputation.

More companies (retailers/brands & suppliers) invest in social upgrading

Retailers, brands count upon stronger suppliers and reduced risk

Increasing influence of context

Effective implementation of relevant interventions/approaches

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

More companies (retailers/brands & suppliers) invest in social upgrading

Retailers, brands count upon stronger suppliers and reduced risk

Increasing influence of context

Effective implementation of relevant interventions/approaches

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

More companies (retailers/brands & suppliers) invest in social upgrading

Retailers, brands count upon stronger suppliers and reduced risk
Acquired skills & participation process are sufficient to enable worker empowerment; Market demand exists & returns sufficiently high

More companies (retailers/brands & suppliers) invest in social upgrading

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

Theory of Change for impact
Pathway 4

Increased smallholder incomes & livelihoods

Retailer & emerging commercial hubs benefit from expanded supply from smallholders and/or meeting government policy objectives (demonstration of disadvantaged worker empowerment (BEE schemes – a strategic agenda) & reputational benefits

More socially & economically resilient value chains in target countries/sectors

Improved worker income, job security & livelihoods

Improved smallholder incomes & livelihoods

Retailer & emerging commercial hubs benefit from expanded supply from smallholders and/or meeting government policy objectives (demonstration of disadvantaged worker empowerment (BEE schemes – a strategic agenda) & reputational benefits

More companies (retailers/brands & suppliers) invest in social upgrading

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

Theory of Change for impact
Pathway 4

Increased smallholder participation in retailer value chains (improved quality and volumes, linkages and higher sales to emerging hubs) who sell to the retailer

Increased smallholder participation in retailer value chains (improved quality and volumes, linkages and higher sales to emerging hubs) who sell to the retailer

Improved worker equity share, governance, management & technical skills

Improved worker equity share, governance, management & technical skills

Outputs

Increasing influence of context

Increasing influence of context

Inputs

Outputs

Systemic Impact

Models for engaging smallholders and workers in more equitable & productive horticulture supply chains in South Africa

Actions to link smallholders to retailer supply chains including technical training

Actions to facilitate joint ventures including training on governance, management and technical skills

Effective implementation of relevant interventions/approaches

Acquired skills & participation process are sufficient to enable worker empowerment; Market demand exists & returns sufficiently high

Increased production according to retailers’ farming & BEE standards

Improved worker equity share, governance, management & technical skills

Impacted demand exists; Returns to smallholders are of sufficient scale & benefits outweigh risks;

Project Sphere of Control.................................Project Sphere of Influence..................................Project Sphere of Concern

Increased smallholder incomes & livelihoods

Retailer & emerging commercial hubs benefit from expanded supply from smallholders and/or meeting government policy objectives (demonstration of disadvantaged worker empowerment (BEE schemes – a strategic agenda) & reputational benefits

More socially & economically resilient value chains in target countries/sectors

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

Theory of Change for impact
Pathway 4

Improved worker income, job security & livelihoods

Improved smallholder incomes & livelihoods

Output

Inputs

Outcomes

Impact (Social & Economic Upgrading)

Socially & economically resilient value chains in target countries/sectors

More companies (retailers/brands & suppliers) invest in social upgrading

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

Theory of Change for impact
Pathway 4

Increasing influence of context

Increasing influence of context

Inputs

Outputs

Systemic Impact

Models for engaging smallholders and workers in more equitable & productive horticulture supply chains in South Africa

Actions to link smallholders to retailer supply chains including technical training

Actions to facilitate joint ventures including training on governance, management and technical skills

Effective implementation of relevant interventions/approaches

Acquired skills & participation process are sufficient to enable worker empowerment; Market demand exists & returns sufficiently high

Increased production according to retailers’ farming & BEE standards

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Project Sphere of Control.................................Project Sphere of Influence..................................Project Sphere of Concern

Increased smallholder incomes & livelihoods

Retailer & emerging commercial hubs benefit from expanded supply from smallholders and/or meeting government policy objectives (demonstration of disadvantaged worker empowerment (BEE schemes – a strategic agenda) & reputational benefits

More socially & economically resilient value chains in target countries/sectors

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

Theory of Change for impact
Pathway 4

Improved worker income, job security & livelihoods

Improved smallholder incomes & livelihoods

Outputs

Inputs

Outcomes

Impact (Social & Economic Upgrading)

Socially & economically resilient value chains in target countries/sectors

More companies (retailers/brands & suppliers) invest in social upgrading

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

Theory of Change for impact
Pathway 4

Increasing influence of context

Increasing influence of context

Inputs

Outputs

Systemic Impact

Models for engaging smallholders and workers in more equitable & productive horticulture supply chains in South Africa

Actions to link smallholders to retailer supply chains including technical training

Actions to facilitate joint ventures including training on governance, management and technical skills

Effective implementation of relevant interventions/approaches

Acquired skills & participation process are sufficient to enable worker empowerment; Market demand exists & returns sufficiently high

Increased production according to retailers’ farming & BEE standards

Impacted demand exists; Returns to smallholders are of sufficient scale & benefits outweigh risks;

Project Sphere of Control.................................Project Sphere of Influence..................................Project Sphere of Concern

Increased smallholder incomes & livelihoods

Retailer & emerging commercial hubs benefit from expanded supply from smallholders and/or meeting government policy objectives (demonstration of disadvantaged worker empowerment (BEE schemes – a strategic agenda) & reputational benefits

More socially & economically resilient value chains in target countries/sectors

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

Theory of Change for impact
Pathway 4

Improved worker income, job security & livelihoods

Improved smallholder incomes & livelihoods

Outputs

Inputs

Outcomes

Impact (Social & Economic Upgrading)

Socially & economically resilient value chains in target countries/sectors

More companies (retailers/brands & suppliers) invest in social upgrading

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

Theory of Change for impact
Pathway 4

Increasing influence of context

Increasing influence of context

Inputs

Outputs

Systemic Impact

Models for engaging smallholders and workers in more equitable & productive horticulture supply chains in South Africa

Actions to link smallholders to retailer supply chains including technical training

Actions to facilitate joint ventures including training on governance, management and technical skills

Effective implementation of relevant interventions/approaches

Acquired skills & participation process are sufficient to enable worker empowerment; Market demand exists & returns sufficiently high

Increased production according to retailers’ farming & BEE standards

Impacted demand exists; Returns to smallholders are of sufficient scale & benefits outweigh risks;

Project Sphere of Control.................................Project Sphere of Influence..................................Project Sphere of Concern

Increased smallholder incomes & livelihoods

Retailer & emerging commercial hubs benefit from expanded supply from smallholders and/or meeting government policy objectives (demonstration of disadvantaged worker empowerment (BEE schemes – a strategic agenda) & reputational benefits

More socially & economically resilient value chains in target countries/sectors

Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest

Theory of Change for impact
Pathway 4

Improved worker income, job security & livelihoods

Improved smallholder incomes & livelihoods

Outputs

Inputs
### Annex 6: Evidence Collected or Available Per Case Study

<table>
<thead>
<tr>
<th>Case Study</th>
<th>Planned</th>
<th>Undertaken</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Pathway 1: Workers’ life skill, technical skills and leadership skills enhanced in South Africa and Kenya export fruit and horticulture industry.</td>
<td></td>
<td></td>
<td>Some issues with independent third-party evaluation. No counterfactual survey feasible, except for qualitative interviews.</td>
</tr>
<tr>
<td>Youth engagement and vocational skills, South Africa</td>
<td>EMU qualitative, longitudinal case study of comparison group, building on third party evaluation of project participants. Individual worker interviews and manager/owner interviews.</td>
<td>2014; 2015; 2016 fieldwork – visits to farms, interviews with workers and manager/owner. Analysis of theory of change and contribution in project analysis document.</td>
<td></td>
</tr>
<tr>
<td>Top of the Class, South Africa</td>
<td>EMU qualitative, longitudinal case study of comparison group, building on third party evaluation of project participants. Individual worker interviews and manager/owner interviews.</td>
<td>2014; 2015; 2016 fieldwork – visits to farms, interviews with workers and manager/owner and key informants. Analysis of theory of change and contribution in project analysis document.</td>
<td>Before and after study of worker trainees showed positive responses in terms of skills acquired. 3rd party evaluation is ambiguous on the extent of worker promotion</td>
</tr>
<tr>
<td>Impact Pathway 2: Improved workers’ health awareness, access to health services and reduced exposure to health hazards in Kenya horticulture and Bangladesh RMG</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Her project, Kenya</td>
<td>Questionnaire survey of control group, comparing with project’s treatment group survey. EMU FGDs with separate women’s and men’s groups of workers.</td>
<td>2014, 2015 and 2017 fieldwork at treatment and control farms Analysis of theory of change and contribution in project analysis document.</td>
<td>Limitations on access – no interviews with managers at control farm. EMU analysis of change in knowledge and awareness of women on key health messages shows significantly greater improvement for treatment group</td>
</tr>
<tr>
<td>Kenya Worker Education and Nutrition Project</td>
<td>EMU qualitative study through focus group discussions with workers, and interviews with project staff Grantee commissioned independent evaluation</td>
<td>2014, MTE 2016, and final evaluation 2017 Analysis of theory of change and contribution in project analysis document</td>
<td>Difficult to separate impacts of the WTS project from that of other projects implemented by the suppliers</td>
</tr>
<tr>
<td>Reducing Charcoal Use for Improved health and livelihoods in Naivasha</td>
<td>EMU Questionnaire survey of treatment and control groups, FGDs with workers (separate women’s and men’s groups), management interviews</td>
<td>Project was approved, and baseline fieldwork began, but project was not then implemented.</td>
<td>N/A</td>
</tr>
</tbody>
</table>


### Impact Pathway 3: Managers and workers trained in skills on better management and social dialogue for mature industrial relations and ethical compliance

| Benefits for Business and Workers (BBW) Bangladesh | Analysis of project tracking data. Baseline and control group factory questionnaire survey by EMU. Comparison of workers on pilot production line versus workers in rest of factory. | Delay in completion of baseline while NDA agreed (1 year). Baseline data collection was undertaken in 2015 and the final evaluation in 2017. Analysis of theory of change and contribution in project analysis document. | Limitations with selection of control factory (access issues to appropriately matched companies) Issues with ability of workers to speak freely Overlapping initiatives may influence results. |
| Upscale, Bangladesh | Survey of treatment and control factory workers, manager interviews, separate FGDs with women and men. | Baseline completed, but grantee then withdrew collaboration. Grantee commissioned evaluation Analysis of theory of change and contribution in project analysis document. | Not completed due to lack of cooperation from grantee/suppliers Issues with the 3rd party evaluation — sample selection, ‘contamination’ etc. |

### Impact Pathway 4: Managers and workers trained in skills on better management and social dialogue for mature industrial relations and ethical compliance

| Small-scale, high quality fruit and vegetable production for a South African retailers’ supply chain | EMU qualitative interviews with management and workers at periodic intervals | EMU qualitative interviews with management and workers at periodic intervals. Analysis of theory of change and contribution in project analysis document. | Timescale for achievement of benefits runs far beyond evaluation timeframe. Therefore, the assessment is largely looking at the plausibility of future outcomes. |
| Farmer support and linkages programme, South Africa | EMU survey of treatment and control hubs. Interviews with smallholders and hub managers. FGDs with farm workers. Grantee M&E of participating farms | Data collection in 2015 (baseline), 2016 (MTE) and 2017 (evaluation), Data from Grantees M&E, 2015, Analysis of theory of change and contribution in project analysis document. | Small numbers of participants (3 hub farms & 3 smallholders), and short time frame (18 months) led to inconclusive findings Retailer changed strategy which affected the implementation of the project and its evaluation. |
### Annex 7: Assumptions and Key Evaluation Findings Analysis by Impact Pathway

<table>
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<tr>
<th>Causal Pathway and Activities</th>
<th>Key Assumptions</th>
<th>Evaluation Findings</th>
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</thead>
</table>
| **Coalition formed and investing in social upgrading** | • Effective implementation of the Catalyst Fund  
• Targeting and reach of implementers is effective and of Catalyst Fund applicants  
• Potential applicants (global companies, consultancy companies, NGOs, and some buyers) willing to respond and actively participate. | • Short time frame for marketing of Round 1 restricted opportunities largely to invited UK retailers and a few international NGOs/consultancy companies. Round 2 was more widely marketed, with more diverse partnerships emerging. Some grantees lacked adequate on the ground presence.  
• Make-up of coalitions relatively limited compared with the 'broad based coalitions envisaged' and no groupings of companies or industry-wide initiatives, which might support scaling. NGOs engaged only as service providers rather than also as critical friends.  
• Opportunities not proactively sought out to build on existing industry, multi-stakeholder partnerships. More in-depth initial consultations with stakeholders and joint design and commissioning of projects by them might deliver projects with greater systemic potential.  
• A wider variety of target countries and sectors would have generated more comparative findings on what works under which conditions. |

| **Outputs & Outcomes (Social & Economic Upgrading)** | IP 1: Worker Life Skills, Technical Skills, and Leadership Skills Enhanced in South Africa and Kenya export fruit and horticulture sector | • Pedagogical approaches chosen are attractive and relevant to target groups  
• Buyers can exert adequate pressure to encourage suppliers to collaborate in project  
• Workers have adequate resources and incentives to engage in training and capacity strengthening activities  
• Workers have adequate resources and opportunity to implement new skills and leadership skills group motivation approaches and more traditional training approaches and coaching/mentoring on life and technical skills all gained positive feedback from participants and managers.  
• Not all buyers able to exert adequate pressures to persuade suppliers to fully participate in projects. Time taken to recruit suppliers was time consuming for buyers.  
• Grantees indicated that more adaptive technical advice provided on a continuous basis would have been desirable.  
• Currently employed workers were selected by managers to participate and generally feedback was positive about the training experience. Unemployed workers given coaching training were carefully selected and given resources and support to enable them to participate. In the group-based leadership skills approach, the grantee adapted the approach to reduce the time required of large numbers of workers and managers which could be costly.  
• Different pedagogical approaches were employed. The group-led approach of Emerging Leaders was popular with managers and participants immediately post-exercise (although some managers said the time required was too long and so the approach had to be modified and reduced in length). It is not clear how far the benefits are sustained over time, however, once the initial euphoria has dissipated. |
sufficient practical skills to apply them.
- Employment and promotion opportunities exist in growing industry.
- Leadership skills gained are sufficient to enable target groups to overcome structural challenges in a sustained manner.

nor if workers have resources to invest. Similarly, the PYDA training was positively received by the unemployed participants and by management and is an in-depth approach taking unemployed workers through intensive coaching to achieving a job. However, it is time/resource intensive and so may be more difficult to scale. The technical and life skills training included modifications, but they were essentially based on existing approaches known in the industry already and while there was relatively positive feedback, they did not generate a lot of excitement amongst supplier managers.
- The case studies indicate variable opportunities exist for better trained workers to put these into practice in new work responsibilities, which might be attached to a pay rise, or to achieve promotion or even a completely new job.

| **IP 2: Worker’s health awareness, access to health services, and reduced exposure to health hazards in Kenyan horticulture and Bangladesh Ready Made Garment sectors improved** | **Approaches adopted are attractive and relevant to target groups**
- Buyers can exert adequate pressure to encourage suppliers to collaborate in project
- Health service providers have adequate skills and capacity to deliver
- Workers have adequate resources and opportunity to act upon new health advice, information and to take up new services.

| **In Kenya, training and awareness building approaches were appropriate for and attractive to the target group.**
- EMU analysis of change in knowledge and awareness of women on key health messages shows significantly greater improvement for treatment group compared to control for Kenya project.
- Suppliers are interested in extending the training to other areas, but not clear that this is related to pressure from buyers (Kenya).
- 1 project in Bangladesh not fully implemented.
- Health Insurance project implemented by mission driven supplier, but not clear that it is financed on a sustainable basis. |

| **IP3 Manager and worker skills training on better management for mature industrial relations and** |
| **Pedagogical approaches are attractive to managers and workers in training and capacity strengthening. Other approaches are also relevant and attractive to key target groups.**
- Buyers can exert adequate pressure to encourage |
| **Benefits for Business and Workers: Productivity training attractive to owners/managers — useful training to managers and workers, but not met all targets. Some improvements in working conditions and stability of workforce. Workers benefited on average, but not all workers to the same extent. Very limited financial benefits for workers. Real wages declined across the sector and are well below living wage estimates.**
- **Count Me Too: 138 people recruited (just below target), but not clear if additional sales. Demonstrated that disabled worker productivity same as that of able-bodied workers.**
- **Social Dialogue: Positive attitude changes amongst the managers, workers and trade unionists following training. Industrial relations have improved. No instances of labour unrest in the Social Dialogue** |
### Ethical Compliance

- Suppliers to collaborate in project
  - Workers have adequate resources and incentives to engage in training and capacity strengthening activities
  - Managers and workers have adequate influence and opportunity to implement new skills and knowledge. Owners of factories are supportive.
  - Buyers are supportive of changes (e.g. sourcing practices enable uptake by suppliers)

- Project-supported factories since the Participation Committees or PCs were in place. But ‘lack of appropriate commitment and attitude’ of some selected management PC members was noted in a few factories. Views on the utility and effectiveness of PCs among workers were mixed, the overall impact of the project on attitudes and behaviour has been positive. Some workers voiced the wider concern that PC’s were, by law, confined to discussing relatively ‘trivial’ issues. PCs are a platform where management and workers can discuss how to improve the factory. PCs are joint management-worker committees and cannot engage in collective bargaining and negotiation. Despite this, the grantee reports feedback that in one pilot factory, workers were able to sign a collective bargaining agreement and that some PC discussions have gone beyond the narrow confines of the PC remit to discuss childcare, festival holiday arrangements and wage increases that have led to positive outcomes for workers and their families (Grantee PCR p.3). No further details of the outcomes are available. Not clear that business benefits achieved.

- Safer Workplaces: Not fully implemented.

- Migrant Worker Registration: Worker training although far below target. Larger number of cards distributed for worker registration but only a small number of managers have completed for workers. Manager training positive, but slightly under target. Lack of evaluation data on outcomes.

- Upscale: Partially successful but did not meet targets. Limited evidence on whether it would led to worker knowledge and awareness raising over long term.

- Upskill: Did not meet targets for user training. Project evaluation indicated positive impacts on ethical compliance knowledge and benefits, but the information presented is limited.

### IP4 Models for Engaging Smallholders and Workers in More Productive and Resilient Horticulture Supply Chains in South Africa

- Acquired skills & participation process are sufficient to enable worker empowerment; Market demand exists & returns sufficiently high.
- Business impacts are visible & attributable, & other companies learn of impacts & willing/able to invest.

- One JV established. Overall, positive worker feedback on the training. Workers obtained new governance, leadership and agronomic skills. Farm manager-owners report positive progress on the mango development, although they had a few concerns over the original negotiation with the retailer.
- 3 high potential farms each selected 1 smallholder for cropping programmes and linkages. All farmers received training. No observed impact on livelihoods of smallholder or farm workers, except in one case. Retailer retracted partnership participation which undermined the project, due to a strategy change.

### Impacts
<table>
<thead>
<tr>
<th>IP1: Worker Life Skills, Technical Skills, and Leadership Skills Enhanced in South Africa and Kenya</th>
<th>Employment and promotion opportunities exist, and industries are growing • Leadership skills adequate to overcome poverty</th>
<th>It is not clear that there were substantial employment and promotion opportunities in the South African horticulture industry – many of the jobs in pack houses increasingly require strong technical skills for example and there is significant competition for new posts where these are created, both from within the packhouse but also from external applicants. Amongst South African youth, there is limited appetite for a career in agriculture, especially in more unskilled work. • While a change in mindset is possible and motivation is clearly enhanced by the Emerging Leaders approach to leadership skills development, additional support (e.g. mentoring, access to finance and technical advice, opportunities for promotion) appears to be needed to enable workers and community members to implement sustained new income generating and livelihood activities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>IP2: Workers’ health awareness, access to health services, and reduced exposure to health hazards in Kenyan horticulture and Bangladeshi Ready-Made Garment sectors improved</td>
<td>Working conditions are a key driver of worker health, wellbeing and security and other enabling contextual factors are supportive</td>
<td>The projects demonstrate that worker health is a key driver of worker wellbeing and security, but other factors also play a role, such as wages and housing. • For workers being shown how to farm sustainably via a demonstration farm, it is not clear that this is the most effective approach to agricultural extension, and workers reported a lack of time/capital to implement some of the measures. However, for some, other members of their family may be able to implement some of the practices, or the whole household when the worker retires. But, more evaluation over a longer period would be needed to know if this is the case. Thus, additional access to finance is needed to enable workers to invest.</td>
</tr>
<tr>
<td>IP3: Manager and worker skills training on better management for mature industrial relations and ethical compliance</td>
<td>Enabling conditions are supportive of the development of mature industrial relations and improvements in working conditions (E.g. there is supportive government, trade unions have capacity and space to operate etc].</td>
<td>Limited evidence of changes in the quality of employment and work conditions due to TGVCI interventions. Social dialogue can deliver positive changes in worker and management knowledge, dialogue and attitudes, but no concrete business benefits identified. Novel projects focused on training managers and workers on safety and compliance not accompanied by reliable information on learning outcomes and behavioural change and insignificant impact on business productivity. BBW project did provide reliable evidence that manager training on human resources and productivity is associated with improvements in working conditions and workforce stability. Disabled worker recruitment and training project did not demonstrate business benefits, but it did demonstrate disabled workers achieved equal productivity to able-bodied workers. Migrant worker registration system not adopted by industry as lack of business benefits data.</td>
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</tbody>
</table>
Challenges in Bangladesh RMG sector are systemic in terms of measurable standards and enabling rights. Interventions were relevant, but designs were often over-ambitious, and none adequately addressed key issues such as living wage, worker housing or environmental pollution, all of which significantly affect workers.

Need for more robust regulation and legislation to drive and enforce change?

IP4: Models for engaging smallholders and workers I more productive and resilient horticulture supply chains in South Africa

- Acquired skills and participation facilitated is adequate to empower workers and smallholders. Risks for smallholders are not too high.
- Adequate market demand for supply from smallholders/and linked commercial hubs and workers in South Africa by buyers
- Smallholder suppliers can meet demands of buyers

- In the Joint Ventures (JV) case, it is not possible to know whether the enabling environment will remain favourable over the longer-term timescale over which outcomes will be achieved. However, the project clearly demonstrated a workable model for integrating workers on fair terms into global value chains in ways that deliver both social upgrading, although benefits for business are slightly less certain, being linked more to sustaining market access rather than being incentives-driven, with the latter being more likely to stimulate investment by management in the success of the JV. Future scaling is highly feasible, and probable given the BEE policy in South Africa which will shape national retailer strategies.

- There are risks for commercial hubs and smallholders in being incorporated into national supermarket value chains – such companies can change strategy suddenly and are unlikely to provide assured markets. The benefits can be lucrative but this possibility of a change of sourcing strategy by buyers in response to changes in consumer demand presents a clear risk to their suppliers, especially the most vulnerable – smallholders and especially poorer smallholders. Even where there is demand, the case study of commercial smallholder integration did not manage to demonstrate the smallholder capacity strengthening was enough enable smallholders to meet the volume and quality requirements of the buyers, despite project support to do so. Wider evidence also shows that this can be very difficult.

Sector Change

<table>
<thead>
<tr>
<th>Resilient global value chains in horticulture in South Africa and Kenya and Ready Made Garments in Bangladesh.</th>
<th>Sector Change</th>
</tr>
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<tbody>
<tr>
<td>• Business Impacts are sufficiently visible and attributable to other companies in the sector.</td>
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<tr>
<td>• Participating companies have incentives to share new approaches with competitors.</td>
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<tr>
<td>• Business case is strong enough such that participating companies adopt/adapt and other</td>
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<tr>
<td>• Adoption/adaptation by partners: Some suppliers expressed interest in re-running training courses, and buyers/brands were supportive in some cases, but in others there is clearly limited interest. Roll out across the supply base may retailer support/vision and positive feedback from supplier managers, but this was not always observed. For smaller retailers, DFID support is important in enabling experimentation, which can then be used by sustainability staff to demonstrate business benefits to management.</td>
<td>• Adoption/adaptation by partners: Some suppliers expressed interest in re-running training courses, and buyers/brands were supportive in some cases, but in others there is clearly limited interest. Roll out across the supply base may retailer support/vision and positive feedback from supplier managers, but this was not always observed. For smaller retailers, DFID support is important in enabling experimentation, which can then be used by sustainability staff to demonstrate business benefits to management.</td>
</tr>
<tr>
<td>• Expansion/crowding in: Insufficient magnitude of impacts (scale and scope) to be visible to other companies in the same industry (often linked to design of the project or to size of suppliers). Limited sharing of evidence by companies with their competitors. Transaction costs involved in reaching and convincing suppliers. Suppliers not necessarily driven by buyer/brand requests, where there are diverse end markets. No learning mechanism funded by DFID to support collaboration and learning between grantees or wider industry stakeholders. No clear incentives for participating companies</td>
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</table>
companies crowd in (expansion)
• Initiatives facilitated by catalyst fund tackle root causes through systemic changes or enabling environment is sufficiently favourable to enable institutionalization of change (buyers/brands or suppliers) to share with competitors. Scaling only occurred where project was led by an NGO without a vested interest or where a consultancy company held the intellectual property and was selling its new model as a service to buyers.
• Limited attempts to engage government actors. The engagement of a trade association in Kenya has been more successful in supporting roll-out, but it may not be sufficient on its own to achieve wider mainstreaming. Access to finance is important and has not always been in place, to support scaling – impact investment has been supportive in one case [impact evidence required by the development bank appeared limited]. More coordination and social learning in a sector may be needed to achieve broader systemic change, combined with policy reforms and access to finance.
• Many companies derive reputational benefits from implementing innovative approaches, but this does not necessarily mean that there is robust evidence that they have led to social and/or economic upgrading. Reputational benefits can be enough to drive corporate decision-making.
• Constraints on evidence that could be collected due to limits on private sector data access. Design of fund should include requirements on private sector companies to share data if they receive public funds to enable generation of robust evidence on the business and impact case.
• The TGVCI sought to catalyse change in a sector, transforming industries, but relied upon individual projects led mainly by individual brands/retailers or NGOs or consultancy companies. There was a lack of incentives for companies to share new approaches or for others to crowd in in the absence of strong business case evidence and dissemination. There was not a clear strategy for sector transformation for the target sectors at a sectoral level and no change was observed in any of the target sectors in terms of a sector-wide transition or transformational change. To catalyse such changes most likely requires a clearer sector strategy, which engages simultaneously with supporting social and economic upgrading, but also identifies and seeks to achieve necessary changes in policies and regulations, industry coordination, dialogue and social learning, access to new finance etc) which enable much wider uptake of new business models by the mainstream of companies and/or different forms of enterprise for far-reaching benefits and impacts.
Annex 8: The sustainability of benefits of the TGVCI projects in the absence of further donor funding.

<table>
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<tr>
<th>Impact Pathway</th>
<th>Sustainability</th>
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| Worker Technical, Life and Leadership Skills| • **Top of the Class:** highly likely that some of the benefits for participating workers and businesses will continue in the future. The workers are putting their new skills into practice and this has some benefits for participating businesses. If the permanent workers trained are not promoted the social and economic upgrading benefits might not be sustained. Where workers are more empowered, it is feasible that some may seek work elsewhere which is less positive for individual companies, although they might remain within the sector.  
  • **Pinotage Youth Development:** Trained participants are highly likely to use their new skills in their newly obtained employment. If the retailer withdrew support, the organisation is confident it could continue to find other sponsors.  
  • **Leadership & Mentorship:** Trained workers are likely to continue to use the benefits of the training in their work, but without further investment new recruits may not receive the same kind of skills upgrading.  
  • **Youth Engagement & Vocational Skills:** Seasonal and unemployed workers have benefited from the training (especially the combination of life and technical skills training) and will continue to put their new skills and knowledge into practice at work, also benefiting the company, but the evidence on workers’ promotion is less clear cut. If workers do not obtain meaningful promotion and merely obtain increased tasks without additional remuneration it is not clear if upgrading benefits will be sustained. Further, training is needed for participating workers.  
  • **Emerging Leaders (Kenya, South Africa):** There is positive feedback from managers and workers/community members, but robust evidence of sustained benefits for workers is lacking. EL organisations have been established in both countries and trainers trained, providing capacity to scale up if sustained demand materializes in the horticulture sector from suppliers and other retailers (i.e. not only from NGOs, the supporting retailer and donors). |
| Worker Health and Nutrition                 | • **HERProject, Bangladesh:** The project was not fully implemented, and sustainable benefits will be very limited in extent.  
  • **HERfarm, Kenya:** Likely that benefits will continue for workers, but continued investment from suppliers is necessary as well to ensure this and to ensure refresher and new staff training of and by Peer Health Educations. The lead grantee (NGO) worked with suppliers on integrating the approach into their business strategies, but more time is needed to establish if these are fully embedded.  
  • **Worker Education & Nutrition:** Lack of robust evidence on sustainability of benefits. Unlike radio programme/written materials have generated sustainable benefits. The Sustainable Agriculture and Nutrition garden has been more successful, and workers will continue to benefit from the adopted technologies, but site maintenance and continuation of training relies upon supplier commitment. The NGO providing technical advice has closed representing a sustainability issue. A sustainable business plan is being developed for the garden scheme (e.g. sale of inputs and outputs).  
  • **Health Insurance for All:** the immediate and long-term sustainability was uncertain at the time of the evaluation. This depends on the extent to which the company and workers are willing to share the cost of the premiums, and the financial viability of the scheme as currently designed. A better assessment will be possible in late 2017. |
| Management Skills, Social Dialogue and …   | • **BBW:** It is not known how far factories will continue to implement the BBW management improvements. Turnover of managers can be high, but they tend to remain in the sector, so the benefits will continue to accrue. While there is evidence of continued brand interest, factory owners are not as committed as factory managers, and the former decide upon investment in manager training |
### Worker Representation

- **Count Me Too:** The supplier was already an enlightened employer (‘mission-driven’). No evidence of further positive changes in attitudes and behaviour within the company. The project looks like being sustained within the supplier group.

- **Social Dialogue:** Lack of an on-going M&E system to track longer-term benefits of social dialogue in factories and few factories have clear plans for maintaining the programming and providing on-going training. Lack of factory commitment/perceived ‘brand-driven’ nature of the approach is a potential issue as is turnover of Participation Committee members.

- **Safer Work Spaces and Anti-Sexual Harassment:** The project was not completed and so did not produce the benefits envisaged. According to the grantee, the awareness and capacity created among the 75 factory managers and 5+ local trainers is likely to have ‘sustained impact’

- **Migrant Worker Registration System:** Lack of evaluation to establish sustainability of benefits to those trained (managers and workers). The grantee reports improved understanding amongst managers and workers across the industry, but it is not clear how future training for new entrants would be provided etc.

- **Upscale:** Lack of robust evidence on the extent to which the benefits of the Upscale training are maintained, but the grantee reports that the technological and commercial development is continuing. The technology is being extended and commercialized and several UK and US based retailers and Bangladeshi suppliers have expressed interest and the grantee reports that they have also placed orders, although EMU cannot validate this. New users have signed up.

- **Upskill:** The sustainability of any increased ethical compliance knowledge, motivation and implementation within factories was not assessed by the project evaluation and so is unknown. The Upskill website is still supported by the grantee which offers access to the platform free of charge to suppliers, but information is not available from the grantee on the numbers of users trained who continue to use the platform. There are currently, an estimated, 300 users in Bangladesh and India according to the grantee.

### Smallholder Value Chain Participation and Worker Equity

- **Joint Venture:** Yes, benefits likely to continue in the form of dividends for participating worker-owners.

- **Farmer Support & Linkages Project:** Some capacity and value chain relationships strengthened, but access of smallholders to retailers via hubs not achieved.
### Annex 9: Adoption/Adaptation by Project Partners & Wider Scaling

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<tr>
<th>Impact Pathway</th>
<th>Adoption/Adaption Project Partners</th>
<th>Wider Scaling</th>
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</table>
| Worker Health and Nutrition | **Top of the Class**: Yes, UK retailer says it plans to fund further course, but modified and targeted at less skilled workers, but uncertain extent of further roll-out.  
**Pinotage Youth Development**: Yes. UK retailer planning already funding second year.  
**Leadership & Mentorship**: Second course run at same participating suppliers, but no evidence of further uptake, although course remains on offer.  
**Youth Engagement & Vocational Skills**: Unlikely that further training will be funded if suppliers bear the cost and the training has already reached many of the participating retailers’ suppliers.  
**Emerging Leaders (Kenya, South Africa)**: UK retailer continues to support. Kenyan participating supplier has rolled out approach across its sites. Unclear extent of uptake amongst other suppliers/retailers. Collaboration with international NGOs, local training providers, Government of Kenya. | **Top of the Class**: Course still available. No evidence of further uptake.  
**Pinotage Youth Development**: Likely yes, but PYDA has limited capacity to expand.  
**Leadership & Mentorship**: Course still available, but. Limited evidence of wider uptake by non-participating suppliers.  
**Youth Engagement & Vocational Skills**: No evidence of wider scaling amongst other suppliers.  
**Emerging Leaders (Kenya, South Africa)** – Supporting UK retailer is rolling out the EL approach in other parts of Africa and Asia. Uncertain if other brands/retailers buying in. |
| Worker Technical, Life and Leadership Skills | **HERProject, Bangladesh**: Not tested due to partial implementation  
**HERfarm, Kenya**: A key supplier has integrated the approach in its strategy, but uptake amongst other buyers and suppliers initially slow, but ultimately 17 suppliers participated.  
**Worker Education & Nutrition**: Main participating supplier is rolling out nutrition gardens across sites. No further support for radio programmes/written materials from retailer/supplier. Retailer keen to facilitate more sustainable agriculture/nutrition technology uptake amongst smallholder suppliers. | **HERProject, Bangladesh**: Lessons used by international NGO in other countries, but no evidence of scaling.  
**HERfarm, Kenya**: Substantial evidence of scaling via partnership with industry trade association and a Development Bank. NGO using lessons globally.  
**Worker Education and Nutrition**: Interest expressed by some other suppliers in Kenya in establishing nutrition gardens. |
| Management Skills, Social Dialogue and Worker Representation | **BBW**: Positive evidence of scaling amongst project partners & continued interest of participating brands. All the consortium members are interested in continuing this or a similar programme in their supply chain.  
**Count Me Too**: Participating supplier is also the lead grantee and wants to extend project to other factories in the group. Although not part of a coalition, the supplier has developed good relations with government organisations and NGOs working with disability.  
**Social Dialogue**: Participating factories lack a clear plan for continuation. Approach seen as driven by brands, so commitment from factories uncertain.  
**Safer Work Spaces and Anti-Sexual Harassment**: The UK brand may continue its factory engagement on this issue outside the project.  
**Migrant Worker Registration System**: Suppliers have only submitted data on limited number  
**Upscale**: Recommended for consideration in other factories in the group, but uncertain. | **BBW**: Potential for scaling in Bangladesh may be limited without further brand and/or donor incentives to encourage factory participation. Given multiple other initiatives, it is uncertain whether BBW will be adopted more widely/across the sector.  
**Count Me Too**: No evidence of wider scaling.  
**Social Dialogue**: Potentially scalable model, taken up more widely. ILO recognizes its contribution in several of their programmes. Pilots occurring in other countries. Response from the industry association (BGMEA) – in discussions to roll out the training to factories with trade unions. Despite presence of 3 other, larger social dialogue programmes in the Bangladesh RMG sector, potential to reach further 345,000 workers in the project implementer’s member supplier factories.  
**Safer Work Spaces and Gender Equality**: No evidence of further scaling. |
<table>
<thead>
<tr>
<th>Smallholder Value Chain Participation and Worker Equity</th>
<th>Upscale: Recommended for consideration in other factories in the group, but uncertain.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Upskill: Slow pace of uptake for the UpSkill platform from factories &amp; brands during the project suggests demand may be limited, but any new product requires time to penetrate markets. 300+ users in Bangladesh and India currently (2017).</td>
</tr>
<tr>
<td></td>
<td>Migrant Worker Registration System: Database not adopted by the industry, as yet, via the SIZA organisation and suppliers. Too early to know if the database/cards will be rolled out as institutional and resource issues involved.</td>
</tr>
<tr>
<td></td>
<td>Upscale: Several new users have signed up post-TGVCI. More time needed to see if commercially successful alternative or supplement to conventional methods. Interest reported from UK retailers and Bangladesh factories. The grantee also reports that a safety organisation has piloted Upscale at 30 factories in Bangladesh in 2017. The platform is being adapted for clients in the Indian market.</td>
</tr>
<tr>
<td></td>
<td>Upskill: Whether there will be a widespread uptake for this platform is not yet known. 400 more users will be added in 2018 according to the grantee.</td>
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<tr>
<td>Joint Venture:</td>
<td>Interest from participating retailer to scale up in other commodities</td>
</tr>
<tr>
<td>Farmer Support &amp; Linkages Project:</td>
<td>Anticipated value chain relationships with alternative procurers, after retailer dropped out, not established during project</td>
</tr>
<tr>
<td>Joint Venture:</td>
<td>Future scaling highly feasible.</td>
</tr>
<tr>
<td>Farmer Support &amp; Linkages Project:</td>
<td>No evidence that scaling will occur without change in procurement policies of retailers to reflect B-BBEE imperatives.</td>
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</table>
Annex 10: Overall Assessment of Theory of Change Achievement by Projects and by IP, plus other contributing factors

Evaluative scales enable evaluators to make clear and transparent assessments of change and the contribution of a specific intervention vis-à-vis other interventions and contextual factors (i.e. contributing factors). They include clear criteria and are based upon the combined evidence which has been assembled to test the Theory of Change and the overall Contribution Analysis conducted. The scales detailed below include an overall scale to assess the programme overall (A), a scale to assess a cluster of projects (B), and a set of sub-scales (C) to assess the individual performance of a project on social upgrading, economic upgrading, sustainability of benefits, adoption/adaptation by partners, and scaling (expansion and response by governments).

A. Overall Scale of Change Achieved on Desired Outcomes and Impacts by the Programme

<table>
<thead>
<tr>
<th>Scale</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Very Strong</strong></td>
<td>Very strong evidence of social upgrading achieved leading to economic upgrading, plus emerging evidence of adoption/adaptation by partner companies and wider scaling</td>
</tr>
<tr>
<td><strong>Strong</strong></td>
<td>Strong evidence of social upgrading achieved, leading to some economic upgrading in target factories, farms or communities</td>
</tr>
<tr>
<td><strong>Moderate</strong></td>
<td>Some evidence of social upgrading achieved, but limited economic upgrading in target factories, farms or communities</td>
</tr>
<tr>
<td><strong>Weak</strong></td>
<td>Limited or no evidence of social upgrading achieved with no evidence of economic upgrading in target factories, farms or communities</td>
</tr>
</tbody>
</table>

B. Impact Pathway Assessments

<table>
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<tr>
<th>Scale</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Very Strong</strong></td>
<td>Very strong evidence of social upgrading achieved leading to economic upgrading, plus emerging evidence of adoption/adaptation by partner companies and wider scaling for this cluster of projects and type of intervention</td>
</tr>
<tr>
<td><strong>Strong</strong></td>
<td>Strong evidence of social upgrading achieved, leading to some economic upgrading in target factories, farms or communities for this cluster of projects and type of intervention, and some adoption/adaptation by partners</td>
</tr>
<tr>
<td><strong>Moderate</strong></td>
<td>Some evidence of social upgrading achieved, but limited economic upgrading in target factories, farms or communities for this cluster of projects and type of intervention</td>
</tr>
<tr>
<td><strong>Weak</strong></td>
<td>Limited or no evidence of social upgrading achieved with no evidence of economic upgrading in target factories, farms or communities for this cluster of projects and type of intervention</td>
</tr>
</tbody>
</table>
C. Sub-Scales for Individual Project Assessments

### Social Upgrading

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Strong</td>
<td>Very strong evidence of social upgrading achieved (i.e. workers quality of employment and working conditions, plus access to better work)</td>
<td><img src="#" alt="Green" /></td>
</tr>
<tr>
<td>Strong</td>
<td>Strong evidence of social upgrading achieved (i.e. workers quality of employment and working conditions, plus access to better work)</td>
<td><img src="#" alt="Green" /></td>
</tr>
<tr>
<td>Moderate</td>
<td>Some evidence of social upgrading achieved (i.e. workers quality of employment and working conditions, plus access to better work)</td>
<td><img src="#" alt="Orange" /></td>
</tr>
<tr>
<td>Weak</td>
<td>Limited or no evidence of social upgrading achieved (i.e. workers quality of employment and working conditions, plus access to better work)</td>
<td><img src="#" alt="Red" /></td>
</tr>
</tbody>
</table>

### Economic Upgrading

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Strong</td>
<td>Very strong evidence of economic upgrading achieved (i.e. improved profitability and move from low value to high value activities in value chains, contributing in the longer term to supply chain resilience and sustainability)</td>
<td><img src="#" alt="Green" /></td>
</tr>
<tr>
<td>Strong</td>
<td>Strong evidence of economic upgrading achieved (i.e. improved profitability and move from low value to high value activities in value chains, contributing in the longer term to supply chain resilience and sustainability)</td>
<td><img src="#" alt="Green" /></td>
</tr>
<tr>
<td>Moderate</td>
<td>Some evidence of economic upgrading achieved (i.e. improved profitability and move from low value to high value activities in value chains, contributing in the longer term to supply chain resilience and sustainability)</td>
<td><img src="#" alt="Orange" /></td>
</tr>
<tr>
<td>Weak</td>
<td>Limited or no evidence of economic upgrading achieved (i.e. improved profitability and move from low value to high value activities in value chains, contributing in the longer term to supply chain resilience and sustainability)</td>
<td><img src="#" alt="Red" /></td>
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</tbody>
</table>

### Sustainability of benefits

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Strong</td>
<td>Very strong evidence of benefits to workers being sustained</td>
<td><img src="#" alt="Green" /></td>
</tr>
<tr>
<td>Strong</td>
<td>Strong evidence of benefits to workers being sustained</td>
<td><img src="#" alt="Green" /></td>
</tr>
<tr>
<td>Moderate</td>
<td>Some evidence of benefits to workers being sustained</td>
<td><img src="#" alt="Orange" /></td>
</tr>
<tr>
<td>Weak</td>
<td>Limited or no evidence of benefits to workers being sustained.</td>
<td><img src="#" alt="Red" /></td>
</tr>
</tbody>
</table>

### Adoption/Adaptation by project partners

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Strong</td>
<td>Very strong evidence of adoption and/or adaptation by project partners (enterprises)</td>
<td><img src="#" alt="Green" /></td>
</tr>
<tr>
<td>Strong</td>
<td>Strong evidence of adoption and/or adaptation by project partners (enterprises)</td>
<td><img src="#" alt="Green" /></td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Symbol</td>
</tr>
<tr>
<td>----------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td><strong>Moderate</strong></td>
<td>Some evidence of adoption and/or adaptation by project partners (enterprises)</td>
<td>⬤</td>
</tr>
<tr>
<td><strong>Weak</strong></td>
<td>Limited or no evidence of adoption and/or adaptation by project partners</td>
<td>⬤</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Scaling</strong></th>
<th>Description</th>
<th>Symbol</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Very Strong</strong></td>
<td>Very strong evidence of scaling (i.e. expansion i.e. ‘crowding in’ by competitors and/or responses from government and other stakeholders in support of mainstreaming)</td>
<td>⬤</td>
</tr>
<tr>
<td><strong>Strong</strong></td>
<td>Strong evidence of scaling (i.e. expansion i.e. ‘crowding in’ by competitors and/or responses from government and other stakeholders in support of mainstreaming)</td>
<td>⬤</td>
</tr>
<tr>
<td><strong>Moderate</strong></td>
<td>Some evidence of scaling (i.e. expansion i.e. ‘crowding in’ by competitors and/or responses from government and other stakeholders in support of mainstreaming)</td>
<td>⬤</td>
</tr>
<tr>
<td><strong>Weak</strong></td>
<td>Limited or no evidence of scaling (i.e. expansion i.e. ‘crowding in’ by competitors and/or responses from government and other stakeholders in support of mainstreaming)</td>
<td>⬤</td>
</tr>
</tbody>
</table>
Table 1: Rating per Impact Pathway

<table>
<thead>
<tr>
<th>TGVCI Catalyst Fund Portfolio</th>
<th>Impact Pathway</th>
<th>Evaluative Scales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Social Upgrading</td>
</tr>
<tr>
<td>Worker Health and Nutrition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Skills, Social Dialogue and Worker Representation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smallholder Value Chain Participation and Worker Equity</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Rating per project
<table>
<thead>
<tr>
<th>TGVCI Catalyst Fund Portfolio</th>
<th>Project</th>
<th>Evaluative Scales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Social Upgrading</td>
<td>Economic Upgrading</td>
</tr>
<tr>
<td>Worker Technical, Life and Leadership Skills</td>
<td>Top of the Class</td>
<td></td>
</tr>
<tr>
<td>Pinotage Youth Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership &amp; Mentorship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Youth Engagement &amp; Vocational Skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging Leaders (Kenya)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging Leaders (South Africa)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worker Health and Nutrition</td>
<td>HERProject, Bangladesh</td>
<td>Not fully implemented</td>
</tr>
<tr>
<td>HERfarm, Kenya</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worker Education &amp; Nutrition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Insurance for All</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Skills, Social Dialogue and</td>
<td>BBW</td>
<td></td>
</tr>
<tr>
<td>Count Me Too</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worker Representation</td>
<td>Social Dialogue</td>
<td>Safer Work Spaces and Anti-Sexual Harassment</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not fully implemented</td>
</tr>
</tbody>
</table>


Annex 11: Use and Influence Plan

The key target audience for this study is DFID (DFID, TOR, 2013). Additional target audiences include: grantees; the wider private sector with global supply chains (buyers and suppliers) potentially interested in social and economic upgrading as part of their core sustainability strategy; domestic private sector firms in developing countries, labour unions and civil society; governments and the broader community of practice and academic researchers investigating responsible business and sustainable trade.

Table 1: Use and Influence Plan

<table>
<thead>
<tr>
<th>Target Audience</th>
<th>Use &amp; Influence Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>On-going engagement in study &amp; review opportunities</td>
</tr>
<tr>
<td>DFID</td>
<td>√</td>
</tr>
<tr>
<td>Grantees (companies, consultancy companies &amp; NGOs)</td>
<td>√</td>
</tr>
<tr>
<td>Wider private sector</td>
<td>√</td>
</tr>
<tr>
<td>Community of Practice &amp; Academia</td>
<td>√</td>
</tr>
</tbody>
</table>

Key activities envisaged to engage and influence these target audience are as follows:

- **On-going engagement with project grantees:** Virtual calls will be held at regular intervals with grantees. Learning from the Mid-Term Evaluation, a plan has also been set out which will provide a formal process for the grantees to comment firstly on the draft evaluations of their individual projects, followed by a similar opportunity to comment on the draft report. Grantees were asked to identify errors and to provide missing data or information for consideration by the evaluation team. This collaborative process will help to inform the grantees about the evaluation process and purposed, as well as the findings and to ensure the findings are accurate. Grantees will also be invited to the stakeholder workshops to discuss the overall findings.
• **Stakeholder workshops in-country:** In each of the 3 target countries for TGVCI, a stakeholder workshop will be held\(^{48}\) to present and validate initial findings. The workshop will provide an opportunity to inform the grantees of the work across the programme, given the absence of a clear in-country learning and communications component for this programme. The presentation of draft findings also provides an opportunity to share insights and lessons and to gain further inputs from grantees and wider stakeholders in the industry.

• **Dissemination of Final Evaluation Report:** The report will be published on the DFID DevTracker (the Mid-Term Evaluation has already been made available on DevTracker and on the NRI’s website). It will be circulated to all grantees and people consulted during the evaluation process. Further, it will be circulated via key research listservers and community of practice networks (E.g. ISEAL).

• **Production of Policy Brief:** A policy brief will be produced to summarize the findings in an accessible and attractive format. This briefing will be targeted at DFID, the private sector and researchers interested in this field.

• **Production of a peer reviewed journal article:** It is intended that a peer reviewed journal article be submitted to a journal for publication. This will occur post-project.

The findings will also be shared in an opportunistic fashion at future conferences and events as appropriate. There are no plans for media engagement on this study due to the sensitivities involved.

\(^{48}\) Stakeholder workshops were held in Bangladesh, Kenya and South Africa in 2017 to share initial findings and generate new lessons.