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CONTINUOUS IMPROVEMENT IN THE CENTRAL AMERICAN WORKPLACE (CIMCAW)

FINAL REPORT

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ABBREVIATIONS

ADOZONA	Asociación Dominicana de Zonas Francas
AHM	Association of Honduran Manufacturers
ANITEC	Asociación Nicaragüense de la Industria Textil y de Confección
CAFTA-DR	Central America-Dominican Republic-United States Free Trade Agreement
CIMCAW	Continuous Improvement in the Central American Workplace
CIMGUAW	Continuous Improvement in the Guatemalan Workplace
CIPAF	Centro de Investigación para la Acción Femenina
COVERCO	Comisión para la Verificación de Códigos de Conducta
CTO	Cognizant Technical Officer
FY	fiscal year
GDA	Global Development Alliance
IDB	Inter-American Development Bank
ILO	International Labour Organization
INEH	Instituto Nicaragüense de Estudios Humanísticos
INFOTEP	Instituto Nacional de Formación Técnica y Profesional
IR	intermediate result
ITGLWF	International Textile Garment and Leather Workers' Federation
MECOMAQ	Mejoramiento Continuo en la Maquila
MFA	Multi-Fiber Arrangement
MOU	memorandum of understanding
NGO	nongovernmental organization
PROALCA	Increased Central American Competitiveness in Global Markets
SAI	Social Accountability International
USAID	U.S. Agency for International Development
VESTEX	Comisión de la Industria de Vestuario y Textiles

EXECUTIVE SUMMARY

Since its launch in October 2004, the Continuous Improvement in the Central American Workplace (CIMCAW) project has contributed significantly to advancing the labor standards agenda in the region. The project has positively affected the lives of thousands of workers in Central America, significantly advanced social dialogue in the region around labor standards compliance, increased the capacity of local nongovernmental organization (NGO) partners to continue to promote improved working conditions, and developed a number of tools that were disseminated to local and international stakeholders.

Under CIMCAW, the U.S. Agency for International Development (USAID) collaborated with DAI; Gap Inc.; Wal-Mart; Limited Brands; Timberland; Coldwater Creek and; Billabong; the International Textile, Garment, and Leather Workers' Federation; and Social Accountability International in a Global Development Alliance to improve working conditions in textile and apparel factories in Central America. A predominantly female workforce, problematic working conditions, and hostile labor relations characterize this sector.

As a result of CIMCAW's joint worker-manager training, working conditions were improved for nearly 24,000 workers in Guatemala and Nicaragua, through, for example, the implementation of a new anti-discrimination policy that addressed gender discrimination; non-interference in formation of a union; reduced overtime; the creation of a Safety and Hygiene committee; better employee training and; the implementation of a communications policy. CIMCAW trained and empowered 809 workers and managers on labor rights and responsibilities in 47 factories in the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua.

Given the wide resistance of the private sector to a multi-stakeholder program that included unions and aimed at educating their workers on their rights, including the right to freedom of association and collective bargaining, CIMCAW's ability to empower workers and improve conditions for thousands of workers in the region is highly significant. The results demonstrate the increasing acceptance of the private sector of the benefits of compliance and thus a culture of compliance; the value of educating their workers on all of their rights and; their opening to multi-stakeholder dialogue.

As part of CIMCAW's efforts to achieve sustainable results, the project:

- Trained local NGOs, providing them with the tools and networks to continue supporting capacity building at the factory level and promoting social dialogue and a culture of compliance.
- Trained 43 trainers from the National Institute for Technical and Professional Training in the Dominican Republic on the CIMCAW training program and methodology.
- Provided a worker-manager training program to the Association of Honduran Manufacturers.
- Developed and disseminated a training program endorsed by key local stakeholders that includes training manuals and a best practice manual that will continue to be of great use to workers, factories, other stakeholders and other projects in the region, striving to improve working conditions.

Among CIMCAW's most notable achievements was its success in strengthening multi-stakeholder social dialogue in Central America and contributing to establishing a culture of compliance. Defying a hostile environment, CIMCAW established standing Consultative Committees of government, labor, and private sector representatives to strengthen industrial relations in the textile/apparel sector in the Dominican Republic, Honduras, and Nicaragua.

Through the Consultative Committees, CIMCAW was able to convene groups of historically antagonistic actors on a regular basis to discuss concrete issues related to project implementation, create an enabling environment for capacity building at the factory level, and strengthen the culture of compliance. The Consultative Committees also contribute to the sustainability of results.

Additionally, in collaboration with the U.S. Department of Labor, CIMCAW developed a set of inspection protocols for the inspectors from the Ministries of Labor in El Salvador, Honduras, Nicaragua, Guatemala, and the Dominican Republic. CIMCAW trained 614 Labor Ministry inspectors (286 in El Salvador, 106 in Guatemala, 95 in Honduras, 30 in Nicaragua, and 97 in the Dominican Republic) on global best practices for auditing and verification of labor standards. Finally, as of September 30, 2008 CIMCAW partners and stakeholders had contributed \$2,595,450 million in cash and in-kind contributions.

Fiscal year (FY) 2008 was a standout for CIMCAW. The project was able to take advantage of consolidated relationships with key stakeholders and partners and developed tools and materials to reach more workers and inspectors through the capacity building efforts, achieve impact in the factories, and consolidate efforts to ensure sustainability. CIMCAW's main achievements in fiscal year 2008 alone include the following:

- Trained 545 workers from 32 factories
- Improved working conditions for 16,786 workers
- Trained 316 inspectors from the Ministries of Labor in El Salvador, Guatemala, Honduras, and the Dominican Republic, representing more than 50% of the inspectors from these countries.
- Leveraged \$1,123,811 from partners and stakeholders in the region.
- Added two brand affiliates to the Alliance
- Held 9 multi-stakeholder events broadly aimed at promoting social dialogue around the benefits of compliance.
- Trained the representatives from INFOTEP

Over the life of the project, CIMCAW achieved the general objective of improving working conditions in the apparel sector, promoting social dialogue, increasing the capacity of local partners, and developing tools and methods to improve workplace conditions. As will be discussed in the report, the project results fell short of the targets around the factory-level capacity building and impact. Nonetheless, even in this area there were significant achievements (i.e., getting factory managers to agree to participate in worker training that included modules on freedom of association and collective bargaining and to agree to allow workers to democratically select among themselves who would participate in the training) and most factories that reported impact, reported a number of positive changes per factory as a result of CIMCAW's efforts.

Overall, the project met the majority of its targets and surpassed important targets such as those related to the capacity building of the inspectors from the Ministries of Labor in the region and promoting social dialogue around the importance of compliance with labor standards for the region's competitiveness.

CHAPTER ONE

INTRODUCTION

This report represents the final project performance report for the Continuous Improvement in the Central American Workplace (CIMCAW) project. It presents CIMCAW's performance over the life of the project (FY2005–FY2008), the sustainability of results, challenges faced during implementation, key lessons learned, and recommendations for future work. The report identifies separately key results related to CIMCAW's FY2008 performance; it represents the final CIMCAW report and is a substitute for the CIMCAW FY2008 annual report.

A. PROJECT IDENTIFICATION

On September 30, 2004, the U.S. Agency for International Development (USAID)/Guatemala, Central America Programs signed cooperative agreement no. 596-A-00-04-00225-00 for \$1,940,555 with DAI to implement the CIMCAW project in Central America. USAID selected this proposal to be funded as part of the Global Development Alliance (GDA) Annual Program Statement for FY2004.

The purpose of this two-year project was to create a public-private alliance to promote improved labor standards and workplace conditions. It was linked to Increased Central American Competitiveness in Global Markets (PROALCA), Intermediate Result (IR) 3: More Equitable and Efficient Labor Markets.

In March 2006, CIMCAW was transferred to USAID/El Salvador Central America Regional Programs under Strategic Objective 596-022 Economic Freedom: Open and Diversified Expanding Economies, Sub-IR 1.5 Strengthened Capacity and Compliance of Labor Justice Institutions.

In September 2006, the project received a six-month no-cost extension (modification #4). Later, CIMCAW was awarded another extension through September 30, 2008, and \$1.8 million was added to the project (modification #6), for a total of \$3,740,555. The project received an additional \$500,000 through USAID (modification #7), which DAI raised through corporate partner Wal-Mart, for a total of \$4,240,555.

The project Chief of Party was Rafael Amador from October 2006 to September 30, 2008. Homero Fuentes was the initial Chief of Party, from October 2004 to the end of September 2006. Sandra Lorena Duarte and Tracey Miller of USAID/El Salvador supported the project as Cognizant Technical Officer (CTO) and Contracting Officer, respectively. Sandra Lorena Duarte served as CTO between May 2007 and the end of September 2008. She was preceded by Victoria Walton, who served as CIMCAW CTO from October 2004 to the end of March 2007.

B. PROJECT CONTEXT

CIMCAW was launched in October 2004 to help the textile and apparel sector of Central America respond to the formidable challenges it faced in the global marketplace and take advantage of the opportunities presented by the anticipated Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR). With China's accession to the World Trade Organization and the end of the Multi-Fiber Arrangement (MFA) in January 2005, Central America risked losing its apparel industry,

which employed more than 400,000 mainly poor female workers, to lower-cost producers in Asia. Apparel is one of the largest export sectors for many countries in Central America, so the potential loss of jobs and foreign exchange posed a profound threat to the region's economic and social development.

There was a great deal of uncertainty regarding how the end of the MFA quota system would affect the Central American apparel sector. What was clear was that Central America would be unable to compete on price, speed-to-market, and geographic proximity to the United States alone. The region needed something else to secure a competitive position in the U.S. market.

Increased compliance with labor standards held the promise of giving Central American producers a competitive advantage in the global market for textile and apparel because of a convergence of two global pressures: first, multinational apparel brands and retailers were demanding products produced under decent working conditions. After a series of damaging anti-sweatshop campaigns in the 1990s that put the spotlight on labor standards, reputation risk-averse multinational companies were increasingly interested in improving labor standards and began making supplier compliance a significant factor in their sourcing decisions. Second, trade agreements such as CAFTA-DR made compliance with national labor laws a requirement for receiving trade benefits.

Central America did not have a favorable record when it came to labor standards. Indeed, forced overtime, discrimination, nonpayment of social security benefits, gender discrimination, poor communication, limited freedom of association, and restricted collective bargaining were among the issues that were particularly problematic in the sector. Multinational brands and retailers sourcing from the region were frustrated when it came to achieving sustainable improvements in this part of their supply chain.

The promotion of labor standards compliance is a politically charged issue and this is especially true in Central America where industrial relations are severely strained and the resonance of the recent history of violent industrial relations is still apparent. Violence against labor leaders and activists and the closure of factories at the first signs of union organizing is a reality in the region, but more pronounced in some countries. It comes as no surprise that it is in these countries that CIMCAW faced the most daunting challenges.

The CIMCAW project faced significant resistance—and in some cases hostility—from the private sector in the region. The private sector in the region was not initially convinced of the benefits of compliance and was nervous about CIMCAW because it represented a multi-sectoral approach to achieving compliance that included union and nongovernmental organization (NGO) participation.

However, the CIMCAW Alliance partners were convinced that a multi-stakeholder approach, while not a panacea, was needed to move toward sustainable improvements in the factories. The brands had spent significant resources trying to improve compliance through audits of supplier factories. However, the audit model did not produce sustainable improvements; instead, it resulted in an interminable and costly game of cat and mouse with the brands. The factories would hide problems or provide a temporary fix to pass the audit but would not necessarily address the root causes of the problems and thus they persisted.

The brands and other stakeholder such as NGOs active in the sector and union came to realize that they needed to go beyond monitoring, take advantage of the international context, and work in concert to achieve sustainable improvements. These core international stakeholders believed that the time was ripe to try a new approach that combined the efforts of all key stakeholders.

The CIMCAW Alliance partners designed a project that offered a novel and direct response to the challenges faced by the sector. The project thus represented a means by which to grasp the free trade opportunity, improve social dialogue, and address key priorities of the 2005 White Paper by the 2005 by the Central American Vice Ministers for Trade and Labor in collaboration with the Inter-American Development Bank (IDB) White Paper¹, including building a culture of compliance, addressing gender and discrimination, and strengthening the labor ministries.

Since the passing of CAFTA-DR in 2005, a number of other U.S. Government and other donor-sponsored projects have emerged to support Central America’s efforts to comply with the requirements of CAFTA-DR. As will be discussed in the report, CIMCAW made a concerted effort to coordinate with those projects that had similar goals and whose work complemented CIMCAW’s. Indeed, the project was a leader in the effort to coordinate the various U.S. Government and other donor-funded initiatives in the region.

Between 2004 and 2007, major multinational buyers severely condensed their supply chain and shifted sourcing to other regions of the world, leaving most countries in Central America reeling from the changes. Indeed, as Table 1 below shows, U.S. apparel imports from Central America decreased 17 percent with the Dominican Republic and Guatemala hardest hit with decreases of 49 percent and 25 percent, respectively. In addition, over this same period a tremendous amount of jobs were lost with the Dominican Republic and Guatemala losing 40 percent and 33 percent, respectively (see related information on factory numbers in Table 2). Nicaragua was the only glimmer in the region with a vibrant and growing sector, although political changes ushered in with the Ortega Administration led to some apparel producing companies pulling their factories out of the country.

TABLE 1: APPAREL* IMPORTS FROM CENTRAL AMERICA TO THE UNITED STATES

Country	Year		
	2004	2007	% Change 2004-2007
Guatemala	1,946,694,262	1,450,581,946	-25
El Salvador	1,720,256,784	1,486,101,260	-14
Honduras	2,673,351,432	2,511,006,283	-6
Nicaragua	594,712,631	967,779,811	63
Dominican Republic	2,058,800,655	1,056,516,449	-49
Regional Total	8,993,817,768	7,471,987,756	-17

*Apparel includes the U.S. import category 1: SME Total Apparel Import on the Official Harmonized Tariff Schedule for the United States. Value is measured as USD custom value.

Source: U.S. Department of Commerce; International Trade Administration; Office of Textiles and Apparel; <http://otexa.ita.doc.gov/scripts/tqads1.exe>

¹ The White Paper, “Building on Progress: Strengthening Compliance and Enhancing Capacity” identified the challenges that the region faced around implementation of the labor chapter of the CAFTA agreement.

TABLE 2: NUMBER OF APPAREL FACTORIES WORKERS IN CENTRAL AMERICA

Country	Year				
	2004	2005	2006	2007	% Change 2004–2007
Guatemala	113,200	87,000	82,100	68,400	-40
Honduras	131,000	127,000	132,500	129,765	-1
Dominican Republic	189,853	154,781	148,411	128,002	-33
Total	434,053	368,781	363,011	326,167	-25

Source: Guatemala 2008-Vestex Guatemala Textile and Apparel Industry Report, June 2008; Dominican Republic 2004-2006-ADOZONA-Annual Report 2006:

http://www.adozona.org/esp/Docs/Informe_estadistico_2006_en_Espanol.pdf; Source: Dominican Republic 2007-CNZFE 2007 Annual Report:

http://www.cnzfe.gov.do/documentos/informes_estadisticos/Informe_Estadistico_2007_en_Espanol.pdf; Honduras 2004-2007: AHM Annual Employment Statistics: <http://www.ahm-honduras.com/html/datos/empleojulio2008.pdf>

It is essential to understand this backdrop to appreciate the magnitude, complexity, and importance of the challenge that the CIMCAW Alliance partners undertook and the significance of CIMCAW’s achievements—anticipated and unanticipated—for the region.

C. CIMCAW: A MULTI-STAKEHOLDER ALLIANCE

CIMCAW was a highly ambitious and, in certain ways, an experimental project that built on the lessons of the collective experiences of its partners—multinational brands and retailers and a dynamic mix of leading international and local NGOs, a global union federation with affiliates in Central America, and development organizations.

While multinational brands and retailers have been conducting their own costly audits of supplier factories for years, sustainable improvements in factory conditions have continued to be elusive. Part of the problem the brands have identified is the need to educate both workers and managers on their rights and obligations. Improving workers’ and managers’ understanding of basic worker rights is an important first step toward an environment where sustainable and continuous improvement in working conditions could be achieved.

Multinational brands and retailers realized that they could no longer do this alone. As the then Gap Inc. President and Chief Executive Officer Paul Pressler wrote in his introductory letter to the 2004 Gap Inc. Social Responsibility report, “...our goal is to help improve conditions across the apparel industry as a whole. And we know that’s not something we can do alone.” The brands and retailers were not alone in their assessment; many stakeholders understood the importance of compliance for the health of the sector and realized that traditional approaches whereby companies, unions, and NGOs approached the issue separately would not bring about sustainable improvements in working conditions. The CIMCAW

Why a Multi-stakeholder Alliance?

An important benefit of the CIMCAW Alliance was that it created positive spin-off effects. CIMCAW’s business partners noted that the Alliance created on-the-ground effects not only through its work, but also through its presence as a model for public-private partnerships in countries that do not have a rich history of multisector collaboration. The partners indicated that by bringing businesses, NGOs, and industry associations together for the first time, the Alliance catalyzed a multi-stakeholder dialogue that did not previously exist, and that it made a crucial contribution to the region’s sustainable development. Partners felt that these achievements would not have been possible in the absence of this multi-stakeholder alliance.

Alliance was thus born of the understanding of all the partners involved that achieving sustainable improvements in working conditions in the *maquilas* of Central America would require an intensive multi-stakeholder effort.

The involvement of multinational brands and retailers was key because their participation in the project sent a powerful message to factories, industry associations, unions, and governments throughout the region that labor standards were an important element influencing their sourcing decisions. While even their direct engagement of factories did not result in factories lining up to participate in the project training and follow-up program, their participation with project partners in the systematic engagement of key local stakeholders did help advance social dialogue around the benefits of labor standards compliance and thus helped shape the region's agenda.

CIMCAW also drew on the technical expertise on labor standards training of Social Accountability International (SAI), global trainers in workplace standards; the credibility and local union linkages of the International Textile, Garment, and Leather Workers' Federation (ITGLWF), whose affiliated trade unions represent approximately 10 million workers globally; and multinational brands and retailers such as Gap Inc., Wal-Mart, Timberland, and Limited Brands whose participation brought credibility, supply chain experience and relationships, and in-kind and cash contributions.

DAI, the primary implementing partner, managed the Alliance partners², drove new brand partner recruitment, and brought tremendous value to the Alliance in the role of neutral broker that could open doors often closed to some of the other partners. Additionally, knowledge of local context, local networks, political perspective, and training capacity came from collaborating with highly respected local NGOs that include labor standards monitoring groups and gender-focused groups. Finally, the moral authority of USAID was instrumental in helping overcome obstacles with key stakeholders and brought credibility vis-à-vis local governments.

As of September 30, 2008, CIMCAW partners and stakeholders had contributed \$2,595,450 in cash and in-kind contributions.

The next chapter discusses the results and achievements of the project in detail. A brief summary of the achievements of interest to the partners includes:

- Improved understanding of labor rights and obligations on the part of thousands of workers and managers throughout the region;
- Improved working conditions affecting thousands of workers;
- Improved social dialogue around labor standards in a hostile industrial relations context;
- Increased culture of compliance; establishment of consultative committees; and
- Improved capacity of the labor ministries of the region to verify labor standards compliance.

In addition to being associated with the above results, the partners benefitted from the project in the following ways.

² The challenges of and innovations developed by DAI for effective alliance management will be discussed later in this chapter. Please also see Chapter Three on lessons learned which also includes a discussion of lessons on alliance management.

BENEFITS TO BRAND AND RETAIL PARTNERS

- The fortification of social dialogue around labor standards and of a culture of compliance achieved by CIMCAW facilitates the ongoing work of the brands, convincing their suppliers and key stakeholders in the region that it is imperative that they comply with labor standards.
- Meaningful engagement at the international and local level with stakeholders through a relevant and credible project.
- An opportunity to establish and/or fortify relationships with key stakeholders, including international and local NGOs, local governments, international and local unions, and USAID.
- Enhanced brand reputation by supporting locally relevant, sustainable approaches to labor standards compliance.
- Participation in the development and implementation of an innovative model in a region of interest.
- Participation in a respected multi-stakeholder project with concrete activities aimed at improving labor standards compliance in a region of interest.
- Development of training programs (materials) and best practice manuals that can be applied throughout their supply chains globally.
- Shared costs and responsibilities among other brands and stakeholders for the development of an innovative project building on the collective experience of key stakeholders helped to advance an elusive goal of the brands to achieve sustainable compliance with labor standards.
- Enhanced reputation for working closely with international unions and NGOs to develop a capacity building and social dialogue program that upheld the highest standards and in so doing, promoted human rights.
- Ability to learn from some of the corporate partners who are leaders in corporate social responsibility.
- Opportunity to expand network of international and local stakeholders.

BENEFITS TO LOCAL NGO PARTNERS

- Increased capacity/ability to develop and implement program on factory-level capacity building.
- Increased capacity/ability to promote tripartite social dialogue.
- Increased capacity to work on a donor project; better understanding of how to comply with donor requirements.
- Established relationship with and gained respect of key and international stakeholders in the sector. This is valuable because these actors are now turning to the local NGOs on issues of labor standards and social dialogue promotion, broadening their areas of competency/expertise.
- Shared costs and responsibilities among other brands and stakeholders for the development of an innovative project building on the collective experience of key stakeholders helped to advance the goal of achieving sustainable compliance with labor standards.
- Access to and knowledge of global best practices in labor standards compliance capacity building programs and management systems to achieve compliance.

BENEFITS TO INTERNATIONAL NGO UNION PARTNERS AND LOCAL UNIONS

- Unions had the opportunity to take social compliance issues up as their issues, thus identifying themselves as the people to deal with to promote social compliance in the workplace and empowering them as brokers.
- Unions in some factories came to know one another better through CIMCAW's multi-stakeholder training sessions. Their acquaintance led them to continue discussions and, in some situations, unions ultimately worked together to collectively negotiate agreements with factory management. When interviewed, union representatives said that got a stronger collective agreement that they are surer will be implemented, due to their joint effort. They directly attributed this result to the CIMCAW project.
- Meaningful engagement at the international and local level with stakeholders through a relevant and credible project. Expansion of regional network.
- An opportunity to establish and/or fortify relationships with key stakeholders, including private sector, local NGOs, local unions, local governments, and USAID.
- Enhanced reputation by supporting locally relevant, sustainable approaches to labor standards compliance.
- Participation in the development and implementation of an innovative model in a region of interest.
- Shared costs and responsibilities among other brands and stakeholders for the development of an innovative project with tools representing best practice that can be adapted and applied in other regions and sectors.

MULTI-STAKEHOLDER BENEFITS

These represent significant net benefits to the partners. It has taken time and a significant amount of effort of the partners, but these valuable results would not have been achieved in the absence of a multi-stakeholder effort such as CIMCAW.

A basic premise of partnerships is that for them to be effective and lasting there must be a net benefit to the alliance members. In the case of CIMCAW, the project was initially a two-year project that received two extensions for a total of another 2.5 years. All the while, the project was able to not only retain its original partners, but also grow the alliance, adding major multinational brand and retail partners such as Wal-Mart, Billabong and Coldwater Creek.

Indeed, the partners, especially the brand partners, made it clear that if over the medium-term, they did not see a net benefit for the region and themselves of their participation in the project, they would discontinue support for and participation in the project. That the project was able to retain the commitment of its partners to continue as members of the Alliance—despite in some cases, the pull out of their companies from the region (i.e., Limited Brands)³—and grow the alliance from the three original

³ Limited Brands joined the Alliance in 2006, providing a \$25,000 cash contribution. In addition to their cash contribution, they provided in-kind contributions in the form of their staff time and the time of their representatives, Fontheim International. Both their staff and Fontheim representatives participated in the frequent Alliance planning conference calls and meetings where they supported the development of a number of key documents such as the training and project guidelines, and follow up document, etc. As of May 2007, Limited Brands participation in the project was minimized and limited to their representative organization Fontheim

partners to a total of six multinational brands and retailers indicates that the partners continued to see that there was a net benefit to the region and themselves.

A number of tools were developed to manage the Alliance partners and to ensure initial and continued alignment around project goals, approach and processes. These tools were developed through a process of consultation and were agreed to by consensus. The process was often long, but resulted in robust tools that were effective in managing the CIMCAW Alliance and ensuring that the efforts of the Alliance partners – both international and local -- were aimed at the same objective and followed an agreed approach.

- Official Project Description
- Decision-Making Protocol
- Communications Protocol
- CIMCAW Implementation Guide
- CIMCAW Training Guide

In addition, to the above mentioned tools, the CIMCAW Alliance established a Steering Committee in FY2007 composed of international partners whose role was to guide local partners in their implementation should issues or questions arise that were not considered in the implementation and training guidelines developed by the Alliance partners. Previously, ad hoc sub-committees were formed to deal with such issues and it was determined that such groups were not able to sufficiently agile to provide responses to the field in a timely manner. Thus, the Steering Committee was established and as a result decision-making and guidance from the international partners to the Local Partners was significantly streamlined and made more efficient.

International, following the project developments; working with DAI and Limited Brands to identify opportunities to provide more direct support to the project and; participating in key decisions of the Alliance Partners. The reason for their limited participation in the Alliance was the fact that the company had divested itself of those brands that had supply chains in Central America and thus their supply chain in Central America was virtually non-existent. They were also going through a reorganization whereby people and resources had shifted and they no longer had the level of resources to devote to CIMCAW although Fontheim continued to argue that these should be identified. Limited Brands still recognized the value of participation in CIMCAW – and given the importance of their brand name and the weight it carried globally, CIMCAW partners felt that as long as Limited Brands was willing to continue as a partner – even in this much more constrained sense, they could remain members of the Alliance. In addition, it was felt that the risk of removing their logo from the CIMCAW brand would be to send out the wrong message that Limited Brands no longer supported the project. Given the challenges CIMCAW faced recruiting factories and working with industry associations in countries like Guatemala and El Salvador it was felt that the risk was not worth it. Therefore, CIMCAW took a strategic decision to continue with Limited Brands as a partner in the Alliance. However, it was also decided that going forward the Alliance would seek corporate partners with active supply chains in the region.

D. PROJECT OBJECTIVES AND APPROACH

OBJECTIVE

In 2004, the CIMCAW Alliance Partners launched a broad-based multi-stakeholder alliance to help improve working conditions in the textile and apparel sector of Central America and to improve the competitiveness of the sector. The project objectives were ambitious and the approach innovative. CIMCAW aimed to:

- Increase the competitiveness and business performance of Central America’s apparel industry and other sectors by improving labor standards at the factory level within the framework of International Labour Organization (ILO) “decent work.”
- Develop a more effective industrial relations framework and foster social dialogue among diverse stakeholders.
- Build NGO capacities to deliver high-quality workplace trainings and audit services.
- Develop tools and methods that improve workplace conditions through integrating best practices, improved management systems, self-diagnostic tools, and action plans at the factory level.

APPROACH

CIMCAW’s approach to capacity building in the factories and the Ministry of Labor inspectorates and promoting social dialogue was groundbreaking and challenging. CIMCAW went beyond monitoring, involving all key local stakeholders in a dialogue around the benefits of compliance for each sector and building the capacity of factories to comply through education of their workforce, helping them identify problems and root causes and providing technical assistance to address priority problems. The expectation was that this program would ultimately promote a behavioral change that would lead to a continuous improvement cycle and the strengthening of a culture of compliance. In particular, CIMCAW:

- Used a **multi-stakeholder approach** that at the international level included multinational brands and retailers, international unions, international NGOs, and international development organizations as partners. At the local level, the project sought to work with the local private sector, local unions, local NGOs, and governments of each country in which it operated. Local stakeholders (unions, governments, and the private sector) played an important role supporting the design of and approving the training program, guiding the implementation of the project at the country level and ensuring that the CIMCAW model was adapted to the needs of each country (see discussion on the Consultative Committees below).
- Created a **voluntary factory training program** based on ILO Core Labor Rights and national legislation that:
 - Provided **joint worker-manager training**. The training program was one of the first of its kind in the region simultaneously trained workers and managers on labor rights and obligations. The joint nature of the training facilitated much needed trust building among workers and managers; the participative and active training methods employed facilitated communication between workers and managers and provided a sense of fairness and transparency. Significantly, the CIMCAW training was also the only training program that did not compromise on basic principles agreed upon by all CIMCAW partners such as:

- The need for the training program to be owned by key stakeholders and thus for local unions, private sector, and governments to participate in the design and review of the program;
 - The inclusion of freedom of association and collective bargaining in the training content; and
 - The establishment of a democratic process for choosing the workers that would participate in the factory trainings; workers could not be selected by management.
- Offered **solutions-oriented factory training**. As part of the worker-manager training, trainees were asked to apply their newly gained understanding of labor standards and identify gaps in compliance in their factories. The training facilitators then worked with the workers and managers to jointly prioritize the gaps and propose solutions. The CIMCAW local partners provided participating factories with a report of compliance gaps and solutions identified in the training.
 - Provided **voluntary follow up/technical assistance** to the factories that participated in the training and were interested in receiving technical assistance with a priority problem identified in the training. The technical assistance was linked to the report on factory compliance gaps that emerged from the training. The local partners worked directly with interested factories in developing and implementing technical assistance that responded to priority needs as outlined in the report. Because of this effort, CIMCAW was able to integrate best practices into factory systems and yielded improved working conditions that affected nearly 24,000 workers in the apparel sector.
 - Promoted **social dialogue and culture of compliance**. Through the establishment of the multi-stakeholder Consultative Committees, which guided the local implementation of the project, CIMCAW was able to regularly convene historically antagonistic actors and get them to discuss and work toward the solution to an issue of common interest. The Consultative Committees were an important mechanism for building the sort of trust and relationships among the private sector, unions, and government actors needed to address not only the compliance challenge they face, but also to facilitate their ability to constructively address other challenges confronting the sector. The Consultative Committees thus created an enabling environment for the project's capacity building efforts. A second way that CIMCAW worked to cultivate a broader national and regional dialogue around the importance of labor standards compliance was through multi-stakeholder workshops and symposia on the benefits of labor standards compliance it hosted in the region. Through CIMCAW's efforts, key stakeholders became aware of the benefits and value of compliance and moving toward a culture of compliance.
 - Provided **training to inspectors from the Ministries of Labor of Central America** on global best practices in auditing and verification and developed a state-of-the-art auditing protocol. Raising labor standards includes improving the quality of verification of labor compliance in the factories. These training sessions included auditors and private sector monitors, allowing for the inspectors to share lessons learned and best practices, and gain a better understanding of the complementary (and not competitive) relationship they could have with each other. The project also coordinated with a U.S. Department of Labor project to establish monitoring protocols for the inspectorates in the region.

E. SUMMARY OF ACHIEVEMENTS

Since its launch in October 2004, CIMCAW significantly contributed to advancing the labor standards agenda in the region. The project positively affected the lives 23,836 workers in Central America, has considerably advanced social dialogue in the region around labor standards compliance, increased the

capacity of local NGO partners to continue to promote improved working conditions, and developed a number of tools that were disseminated to local and international stakeholders.

Table 3 summarizes key quantifiable achievements of the project. The table shows that CIMCAW achieved at least 70% of its target on six out of the nine indicators presented and it surpassed its target in three out of nine of the indicators. The Performance Matrix in the Annex provides identifies all 25 indicators tracked by the project and shows that CIMCAW fully achieved 13 of the 25 targets; the project surpassed its target on 4 of the 25 targets; it partially achieved 7 of the 25 target and; it did not achieve 1 of the 25 targets (establishing a Consultative Committee in Guatemala).

It is important to note that the original target for the indicator “Number of Workers that Benefitted from Documented Improvements in Working Conditions” was 92,000 workers. Chapter Two will provide an in-depth discussion of why 58,000 is presented as the target.

TABLE 3: SUMMARY TABLE FOR KEY PROJECT RESULTS

Indicators	Target	Results					% Achieved	
		FY05	FY06	FY07 ³	FY08	Life of Project	Life of Project	
Number of people trained	1,123	-	194	70	545	809	72%	
Number of workers that benefit from documented improvements in factory working conditions	58,000 ¹	-	-	7,050	16,786	23,836	41%	
Ministry of Labor inspectors trained	433		172	126	316	614	142%	
Consultative Committees/social dialogue	4	-	2	1		3	75%	
Leverage	3,740,555	\$368,308	\$523,262	\$580,069	\$1,123,811	\$2,595,450	69%	
Number of NEW brands and Retailers ²	3 to 6	-	-	1	2	3	100%	
Number of factories trained	92	-	11	4	32	47	51%	
Number of multi-stakeholder workshops to strengthen social dialogue and culture of compliance	7		1	6	9	16	171%	
Number of tailored training programs developed	4	0	3	0	1	5	125%	

Notes:

¹ Reduced to 58,000 from 92,000 for USAID Semi-Annual Portfolio reviews September 2007. See note in Chapter Two regarding this indicator.

² In total, CIMCAW had six brand partners and affiliates; three new brands were added during FY2008.

³ During FY2007 there was a dip in the performance of the project. This can be attributed in large part to the significant effort put toward the proposal for the extension and the fact that the project had to halt its efforts for 1.5 months. The process of reinitiating took another 1.5 months. Thus, the project lost momentum in FY2007 and approximately 3 to 4 months of implementation were negatively affected.

With regard to the technical achievements of the project, CIMCAW developed five joint worker-manager training programs, exceeding the target by 25 percent. It trained 809 workers and managers on labor

rights and responsibilities in 47 factories in the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua. As a result of joint worker-manager training, working conditions were improved for nearly 24,000 workers in Guatemala and Nicaragua, through implementation of a new antidiscrimination manual, non-interference in formation of a union, reduced overtime, the creation of a safety and hygiene committee, better employee training, and improved worker-manager communication.

In addition, CIMCAW trained 614 Labor Ministry inspectors (286 in El Salvador, 106 in Guatemala, 95 in Honduras, 30 in Nicaragua and 97 in the Dominican Republic) on global best practices for auditing and verification of labor standards. In 2008 alone, USAID trained more than 50 percent of the inspectors from the Ministries of Labor in the region.

Finally, CIMCAW advanced social dialogue and strengthened industrial relations in the textile/apparel sector in the Dominican Republic, Honduras, and Nicaragua through the establishment of standing Consultative Committees of government, labor, and private sector representatives (chaired by our NGO local partners) in each country. CIMCAW also hosted 16 multi-stakeholder events aimed at advancing dialogue around the benefits of compliance and establishing a culture of compliance.

Chapter Two provides more detail on these and other CIMCAW achievements over the life of the project, separating out the FY2008 performance. The Performance Matrix in the Annex provides more detail on each of the indicators tracked by the project.

F. CIMCAW PROJECT MANAGEMENT

From the start, DAI knew if such a unique project was to succeed it would need an innovative management structure. This type of public-private alliance goes beyond the typical contractor-subcontractor relationship—it calls for collaboration and action among partners on a level playing field, perhaps even on issues where the parties have traditionally differed. The challenge was to secure collective buy-in for shared objectives and translate it into a common approach. Each partner brought a different perspective, motivation, and constellation of stakeholders. The trick was to harness the partners' complementary perspectives and approaches to yield relationships and results that endure.

Over four years, the CIMCAW Alliance learned, forged new paths, formed a true alliance, and, as a result, made a difference in the region. Breaking from the conventional model, the Alliance developed a shared governance model whereby decisions on strategic issues were made by consensus of the international Alliance Partners. The international Alliance Partners required this level of participation in the decision making because they all felt that they had a great deal at stake with this project. Given the groundbreaking nature of the project, they wanted to ensure that their vision was reflected and the risks to their organizations minimized. Most notably, they were involved in identifying, interviewing, and selecting the project Chief of Party (COP).. DAI issued the employment agreement, but did not have an expanded decision making role in selecting or replacing the Chief of Party.

The role of DAI was to manage the Alliance, establish the project management agenda, ensure quality implementation, monitor progress, flag key management issues, work with the Chief of Party to ensure they were addressed, and ensure compliance with USAID regulations.

The focus on equality and consensus brought significant challenges. It was important to keep the time burden for participating in the Alliance at a manageable level for all partners while avoiding delays in

decision-making caused by impasses since no ultimate decision maker existed. The Alliance also did not want to micromanage, which might dilute the authority of Chief of Party to implement and second-guess local partners who better understood the local context.

To address these challenges, the project developed three main strategies; protocols, working groups, and a steering committee. Early on, it was clear that policies were needed to govern the Alliance to ensure equality and a unified message. The communication and decision-making protocols laid out the framework for how the Alliance would work. Secondly, the Alliance established working groups of a few Alliance partners to develop recommendations on key issues and bring them back to the Alliance for decision-making. Working groups were used to draft agreements, such as the one with “*Cumple y Gana,*” and plan large international and regional events. Finally, in early 2007 a Steering Committee was created to streamline decision-making and develop a more efficient and agile Alliance. At the beginning, the entire Alliance was involved in the design of the project, but once that groundwork was laid, a more focused group was needed to advise project management on larger strategies rather than day-to-day issues. This gave the field more room to implement all aspects of the project.

CHAPTER TWO

CIMCAW DELIVERABLES, RESULTS, AND SUSTAINABILITY

This chapter presents the targets and the results achieved for each of the 10 deliverables set forth in the CIMCAW cooperative agreement (modification #6) with USAID.

DELIVERABLE 1: DIAGNOSTIC/NEEDS ASSESSMENT

The first activity undertaken by CIMCAW was a country-level diagnostic in Nicaragua, Honduras, and the Dominican Republic.⁴ The diagnostic established a baseline and mapped the industrial relations context of the countries in which CIMCAW would operate.

Specifically, the diagnostics identified the key stakeholders and their positions vis-à-vis labor standards compliance. The diagnostics also identified existing efforts to promote social dialogue, the specific issues being debated and how CIMCAW could strengthen these. The diagnostics sought to identify other programs with similar objectives, assess the competitiveness of the sector, identify the challenges around compliance with labor standards, and the challenges that the project would face. Finally, the diagnostics identified local NGOs in each country that key stakeholders has positive impressions of and had the capacity to implement the project locally.

Once the diagnostics were completed, the project held a validation workshop in each country to share the results of the diagnostic with key stakeholders and spark a constructive social dialogue around the benefits of labor standards compliance.

The Seeds of Social Dialogue in Nicaragua

After the validation workshop in Nicaragua in 2006, the local stakeholders were so interested in the project that they offered to participate in follow up meetings to provide their input on how the project should be tailored to the needs of Nicaragua. The follow up meetings were attended by representatives from the private sector, government, unions and local NGO's all of which demonstrated a high level of interest in and commitment to the project. Eventually, these actors led by the CIMCAW local partner established the standing CIMCAW Consultative Committee, which continued to meet on a regular basis to guide the implementation of the project. The validation workshop sparked a similar process in Honduras.

⁴ The Continuous Improvement in the Guatemalan Workplace pilot project implemented by the same partners had already completed a diagnostic and an evaluation of the project. It was felt that conducting another diagnostic in Guatemala would be redundant. So, despite the fact that Guatemala was among the Phase 1 countries, CIMCAW did not conduct a diagnostic in Guatemala.

TABLE 4: DELIVERABLE 1 – NEEDS ASSESSMENT

Target	FY2005 Results	FY2008 Results	Life of Project Results
One diagnostic completed in Honduras, Nicaragua, Dominican Republic, and El Salvador.	Diagnostic in Honduras, the Dominican Republic and Nicaragua.	Diagnostic completed in El Salvador	CIMCAW completed one diagnostic in Honduras, Nicaragua, Dominican Republic, and El Salvador. ⁵

SIGNIFICANCE OF RESULTS

Although the region is relatively small, the diagnostics confirmed that the industrial relations challenges vary from country to country because of the openness of the private sector to the CIMCAW approach and their understanding of the business case of labor standards compliance, the maturity and organization of the various key stakeholders (government, union and private sector), and their relationship vis-à-vis one another. The diagnostics provided CIMCAW with an understanding of the country contexts needed to tailor our approach to the needs of the various countries.

Among the salient results were:

- A confirmation that there was a great need to educate workers and managers on their rights and obligations as established by national legislation and ILO Core Labor Standards.
- There was a desperate need to promote social dialogue around labor standards. In some countries, such as the Dominican Republic, a legitimate, albeit inactive, body already existed in the form of the Comisión Tripartita para el Bienestar de las y los Trabajadores de las Zona Francas (hereafter, Tripartite Commission). In other countries, tripartite bodies existed but often they were not considered legitimate by key stakeholders and/or they were not sufficiently specialized to effectively engage around labor standards in the textile and apparel sector.
- Despite the need for worker education and social dialogue, the project would face significant challenges getting the private sector to buy into a project that had a union partner, participate in social dialogue around labor standards, and allow their workers to participate in training on their rights that included Freedom of Association.

⁵ With the exception of El Salvador, all diagnostics were conducted within the first year of project implementation. CIMCAW partners strategically decided to focus their initial efforts on those countries that represented the “low hanging fruit.” These “Phase 1” countries included Honduras, Nicaragua, Dominican Republic, and Guatemala. Based on an initial scoping visit and the experience of the majority of CIMCAW partners, it was determined that El Salvador would be the most challenging of the Central American countries for CIMCAW and should be a “Phase 2” country. The CIMCAW partners agreed that the proper strategy was to demonstrate positive results in other countries and through a demonstration effect or competitive drive influence the private sector in El Salvador to agree to participate in the project. Otherwise, it was felt that the project risked wasting time and significant effort. In 2007, CIMCAW was able to share some of the positive results from the project with stakeholders in El Salvador and perceived a slight opening on the part of the private sector vis-à-vis the objectives of the project. CIMCAW thus conducted a diagnostic of the industrial relations context to get a better understanding of how to most effectively approach the stakeholders and implement the project in El Salvador. The diagnostic helped prepare the way for factory capacity building, which took place at the end of FY2008.

- While extremely important, it would be extremely difficult (if not impossible) to get the private sector and unions in countries such as Nicaragua, Guatemala, and El Salvador to engage in constructive social dialogue, let alone work together in support of the project.
- A confirmation that the sector across the region felt threatened by the end of the MFA quotas and the specter of China and were focused on improving their competitiveness in traditional ways such as speed to market and full package production.

Project staff and the consultants presented the results of the diagnostic at validation events in Nicaragua, Dominican Republic, El Salvador, and Honduras. All key stakeholders from the maquila sector were invited and the attendance represented the interest in the project. In total, 75 key stakeholders participated in these events. The events also provided an opportunity to receive comments on the diagnostic findings, and in the case of the Dominican Republic, present CIMCAW’s local partner to the stakeholders.

Key(government, union, and private sector) stakeholders in each of the countries validated the diagnostics. The validation process represented one of the first times that the project assembled the various stakeholders in each of the countries and thus initiated the process of constructing a social dialogue space specific to the textile and apparel sector and building relationships with key stakeholders.

DELIVERABLE 2: MULTI-STAKEHOLDER DIALOGUE

One of CIMCAW’s most notable achievements was its success in strengthening multi-stakeholder social dialogue in Central America. It achieved this by establishing multi-stakeholder Consultative Committees and hosting multi-stakeholder workshops and events that promoted social dialogue around the benefits of compliance.

The diagnostics pointed to the need for effective social dialogue that included all key stakeholders—unions, the private sector, and governments. Given the contentious industrial relations context, constructive multi-stakeholder dialogue was important as an end in itself and as a means to establishing the enabling environment to allow the project to implement capacity-building activities at the factory level and to strengthen a culture of compliance.

Despite the need to activate constructive dialogue among the legitimate stakeholders, experts and local stakeholders alike said that it would be impossible to establish because of the severe cleavages and lack of trust between the private sector, unions, and the governments of the region.

The CIMCAW project took advantage of the fact that its international partners—multinational brands, a global union federation, USAID, and international NGOs—were viewed as credible by their counterparts in the region. CIMCAW leveraged this to establish a process to bring the local stakeholders to the table to engage in a discussion on an issue of common interest, the benefits of social compliance.

“Reflections lead us to think that no one wants the project to end. It is important to think about how we will move on...that this process of establishing Consultative Committees has not happened in other projects and that it is important to preserve them.”

Lynda Yanz, Director, Maquila Solidarity Network at the CIMCAW Multi-Stakeholder Regional Symposium in San Pedro Sula, August 2008

“We believe the best approach continues to be dialogue and working together”.

CIMCAW brand partner

ESTABLISHMENT OF CONSULTATIVE COMMITTEES

Establishing the multi-stakeholder Consultative Committees was a long process, which involved a tremendous amount of effort on the part of project partners. The project had to engender the trust of the local stakeholders, which in some cases took up to two years, and then bridge historical divides among the stakeholders. It did this through a series of meetings, initially bilaterally with the different sectors and then together in a multi-stakeholder forum.

CIMCAW brought the stakeholders together by emphasizing their common interest: ensuring the survival and growth of the textile and apparel sector and related jobs. Reinforcing their common interest helped the stakeholders put their differences aside and engage in constructive dialogue.

The outcome of this process was the establishment of multi-stakeholder Consultative Committees in Nicaragua, Honduras, and the Dominican Republic that included the local private sector/industry association, unions, and the government (see annex for list of members). These Consultative Committees took ownership of the project, were active participants in guiding its implementation on the local level, and engendered rich social dialogue around labor standards and other issues of interest to the apparel sector.

“Getting the government, workers, and the private sector to come together and discuss labor rights in a productive manner is our most important achievement.”

Jorge Duarte, a private sector member of the Nicaraguan Consultative Committee at the CIMCAW Regional Consultative Committee Meeting convened by the CIMCAW Project in San Salvador, El Salvador, April 2008.

In Nicaragua and Honduras, the Consultative Committees were independent of other tripartite bodies that existed in the countries. However, in the Dominican Republic, CIMCAW project was able to re-activate the dormant Tripartite Commission, which had earlier been established by Presidential Decree. The Tripartite Commission acted as the CIMCAW Consultative Committee and is now an active body, endorsed by all sectors with a work agenda directly influenced by CIMCAW that will continue beyond the life of CIMCAW.

Unfortunately, due to the reluctance of the industry association VESTEX to participate in a CIMCAW-sponsored Consultative Committee, the project was not able to establish a tripartite Consultative Committee in Guatemala. Unions active in the sector and the Ministry of Labor had agreed to participate, but without industry participation, the Consultative Committee could not be representative of the stakeholders in the sector.⁶

Even though CIMCAW was not able to establish a Consultative Committee in Guatemala, it was able to advance social dialogue and put the issue of labor standards compliance on the agenda of the country's Tripartite Commission. Because of CIMCAW's efforts, COVERCO, CIMCAW's local partner in Guatemala, has become a resource for the national Tripartite Commission and will work to continue advancing the labor standards compliance agenda at the national level, thus contributing to the sustainability of CIMCAW results.

⁶ In an effort to promote social dialogue in a multi-stakeholder forum and not be completely thwarted by the position of VESTEX, CIMCAW participated in the work of the Guatemalan Tripartite Commission. Because of CIMCAW's participation, the government and unions agreed to invite factories working with CIMCAW to participate in some of the Tripartite Commissions' meetings, thus broadening the traditional dialogue space and allowing the factories to have a direct voice in the Commission so that they could lay out their concerns and challenges.

TABLE 5: DELIVERABLE 2 – ESTABLISHMENT OF CONSULTATIVE COMMITTEES

Target	FY2006 Results	FY2008 Results	Life of Project Results
4 Consolidated Consultative Committees (one in Nicaragua, Dominican Republic, Honduras, and Guatemala) ⁷	3 Consultative Committees (Nicaragua, Dominican Republic and Honduras)	N/A	Established 3 out of 4 Consultative Committees (75% of target).

SIGNIFICANCE OF CONSULTATIVE COMMITTEES IN ADVANCING SOCIAL DIALOGUE AND SUSTAINABILITY

CIMCAW’s Consultative Committees represent a significant contribution of the project to the region. Through the Consultative Committees CIMCAW was able to convene historically antagonistic actors regularly to discuss concrete issues related to project implementation, create an enabling environment for capacity building at the factory level, and strengthen the culture of compliance.

As of September 2007, the Consultative Committees met an average of once a month to guide the implementation of the project. Because they worked by consensus, the members were forced to grapple with issues and reach agreement with other Committee members. Consultative Committees were empowered to choose the local NGO implementing partner and then worked closely with the implementing partner throughout the project, ensuring that the local context and issues informed the training program and its implementation. This type of robust role was important to ensure the buy-in and sense of ownership of the tripartite members of the Consultative Committee of the CIMCAW project and its objective.

“The relationship between employee and employer used to be difficult, but through social dialogue, participation and improvement have been stimulated. The project has brought about a successful coming together of both parties that can be incorporated to other projects as well”.

Ygnacio Hernández, Union Leader from Dominican Republic.

Because they worked by consensus, the members were forced to grapple with issues and reach agreement with other Committee members. The Consultative Committees were thus an important mechanism for building the sort of trust and relationships among the private sector, unions and government actors needed to address not only the compliance challenge they face, but also to facilitate their ability to constructively address other serious challenges confronting the sector.

Given the significance of the Consultative Committees to the region, the sustainability of these bodies is of interest. CIMCAW partners felt it imperative that the Committees themselves determine whether they will continue functioning after CIMCAW. Various projects have approached CIMCAW partners to see whether they might work with the Consultative Committees once CIMCAW has closed and the CIMCAW partners have linked them directly to the Consultative Committees.

⁷ Note the establishment of a Consultative Committee in El Salvador was not a target (please see approved workplan). Given the extremely hostile environment and the polarized union movement, CIMCAW was cautious regarding goals and targets in El Salvador; establishing a Consultative Committee was not seen as feasible during the life of the project.

While the Consultative Committees have matured and have established a certain level of trust as part of their efforts to advance the work of the project, deep differences remain. The bond that they formed under CIMCAW is fragile.

Nonetheless, in Nicaragua, the Consultative Committee has indicated that it will continue meeting after CIMCAW closes. The Instituto Nicaragüense para Estudios Humanísticos (INEH), the CIMCAW local partner, will convene these meetings. The purpose of their meetings will be to continue to improve social dialogue and working conditions in the factories.

In Honduras, the Consultative Committee has expressed an interest in continuing to work together. However, they lack a convener. FLA has offered to support the future work of the Consultative Committee.

SOCIAL DIALOGUE THROUGH MULTI-STAKEHOLDER WORKSHOPS AND EVENTS

The multi-stakeholder workshops and events hosted by CIMCAW provided a forum for awareness building around the benefits of social compliance and methods to achieving compliance. As they were multi-stakeholder events, they were also important forums for advancing serious social dialogue.

CIMCAW convened two regional multi-stakeholder best practices events. The first, Global Innovations in Labor Compliance Assurance (GILCA), was held in Guatemala in February 2006. This symposium was noteworthy because it was born out of collaboration between CIMCAW and the U.S. Department of State's project Central American Labor Rights Program. The symposium was aimed at sharing global best practices in labor compliance assurance. The symposium invited the ILO Cambodia's Better Works program and had international labor experts and multinational brands such as Disney, Nike, and CIMCAW partners participating. More than 100 people, including regional stakeholders (union, private sector, and government), multinational brands, and alliance partners participated.

The result of the GILCA symposium was the establishment of a working group aimed at promoting labor rights as a mechanism for competitiveness in the textile and apparel industry. The working group was initially multi-stakeholder, but eventually broke down as VESTEX pulled out, leaving the unions and the government. With support from The Global Fairness Initiative, the Ministry of Labor of Guatemala forwarded a proposal to the U.S. Government and the IDB to develop an official strategic plan and operating budget for reforming the Guatemalan Ministry of Labor and Special Inspectorate Unit.

"We are striving to institutionalize social dialogue; to attain greater social maturity. This kind of event is helpful in promoting social dialogue in a complete way".

Carlos Hernández Zúñiga". Chief of the Unit for Labor Administration, **Ministry of Labor El Salvador** at the CIMCAW Multi-Stakeholder Regional Symposium in San Pedro Sula, August 2008

The second CIMCAW regional multi-stakeholder regional symposium and brands networking event was held in San Pedro Sula, Honduras in August 2008. Approximately 75 people attended the event, including CIMCAW Alliance Partners, Consultative Committee members and government, private sector, unions, and NGOs from Honduras, Nicaragua, El Salvador, Guatemala, and the Dominican Republic. In addition, international NGOs, other international labor-related initiatives such as Cumple y Gana, and factory workers and managers from throughout the region attended.

An important outcome of this meeting was that CIMCAW was able to share its achievements, materials, networks, and lessons learned with stakeholders and other initiatives in the region and motivate them to work together to build on the solid foundation established by CIMCAW.

CIMCAW held nine national multi-stakeholder best practice workshops on labor standards compliance in the Dominican Republic, Nicaragua, Honduras, and Guatemala.

The project also held two Regional Consultative Committee meetings—one in El Salvador in April 2008 and one in San Pedro Sula in August 2008 in which the tripartite members of the Consultative Committees from Honduras, Nicaragua, and the Dominican Republic and key stakeholders from El Salvador and Guatemala participated. These meetings were extremely useful because by bringing together the Consultative Committees from each country, they were able to share experiences, support each other in the difficult process of advancing social dialogue, and in the process create a regional dialogue on the benefits of labor compliance. They were also useful because of the demonstration effect, whereby countries that had a more consolidated Consultative Committee motivated and empowered those who were struggling to establish or consolidate their own Consultative Committee.

Consultative Committee members expressed a sense of satisfaction because, through the work of the Consultative Committees, they were able to work with stakeholders whom they previously feared or did not trust. CIMCAW provided the space for these actors and organizations that did not previously have an opportunity to engage each other in a cordial and constructive climate and work together to solve an issue of common interest: improving working conditions and competitiveness of the apparel sector. In the words of Ygnacio Hernández, Union Leader from the Dominican Republic and member of the Tripartite Commission, “The relationship between employee and employer used to be difficult, but through social dialogue, participation and improvement have been stimulated. The project has brought about a successful coming together of both parties that can be incorporated to other projects as well”.

The differences still exist, but they have not turned into an obstacle for finding common ground. The opportunities for the local stakeholders to engage occurred not only at the national level, but also at the regional level, making the result all the more significant and hopeful for the region. There were different outcomes throughout the region. For example, in Honduras, through the work of the Consultative Committees, a training program approved by all was developed. The Consultative Committee supported the continued use of the CIMCAW training program by the Association of Honduran Manufacturers (AHM) to train their members. In response, CIMCAW developed a training-of-the-trainers manual for AHM. In Nicaragua, the Consultative Committee has said they will continue to meet to discuss issues of interest to the sector and they will act as an important counterpart for the MFA Forum. In the Dominican Republic, the Tripartite Committee is re-activated and working with groups like the MFA Forum to help minimize the fallout from the crisis in the sector.

TABLE 6: DELIVERABLE 2 – DIALOGUE CREATED THROUGH MULTI-STAKEHOLDER EVENTS

Target	FY2006	FY2007	FY2008	Life of Project Results
<ul style="list-style-type: none"> One national stakeholder meeting in Honduras, Nicaragua, Guatemala, and the Dominican Republic. 	1 in Guatemala	1 in Guatemala	1 in Honduras and 5 in the Dominican Republic.	Exceeded Target: 9 National Best Practice workshops
<ul style="list-style-type: none"> One Regional Consultative Committee meeting. 	-	-	2 Regional Consultative Committee meetings held – one in El Salvador and one in Honduras.	Exceeded Target: 2 Regional Consultative Committee Meetings.
<ul style="list-style-type: none"> Regional symposium that included a private sector/brands networking sponsored by the project. 	N/A	N/A	1 in Honduras	Achieved Target: 1 Regional Multi-Stakeholder Symposium and brand networking event held in Honduras.

DELIVERABLE 3: TAILORED TRAINING DESIGN

The CIMCAW model and training program was tailored to the needs and context of each country in which it operated. CIMCAW’s international partners developed a framework and guidelines for the training program and it was up to CIMCAW’s local partners to develop the training content and adapt it to the local context. The local partners took great care to ensure that the training programs followed the guidelines laid out by the international partners, were tailored to the context of each country, and were appropriate given the average educational level of the trainees.

As discussed in the previous chapter, the CIMCAW training program set itself apart from other capacity building programs because:

- It was the first of its kind in the region that simultaneously trained workers and managers on labor rights and obligations. Previously, training programs on labor rights educated management only. The joint nature of the training facilitated much needed trust building among workers and managers.
- The participative and active training methods employed by the CIMCAW training program facilitated communication between workers and managers and importantly provided a sense of fairness and transparency.
- It provided an in-depth, solutions-oriented training module that empowered workers to identify gaps in compliance in the factories in which they worked and identify solutions.
- The training was not a one-off experience as CIMCAW also offered training follow up in the form of technical assistance to address priority gaps in compliance identified in the training by the workers and managers and presented by CIMCAW to the participating factories.

- The CIMCAW training was also the only training program in the region that did not compromise on basic principles agreed upon by all CIMCAW partners such as:
 - The need for the training program to be owned by key stakeholders and thus for local unions, the private sector, and governments to participate in the design and review of the program;
 - The establishment of a democratic process for choosing the workers that would participate in the factory trainings whereby workers would select among themselves who should participate in the training; and
 - The inclusion of freedom of association and collective bargaining in the training content.

This last point on the inclusion of freedom of association and collective bargaining as modules in the training was not insignificant, given the high percentage of noncompliance and active interference in the exercise of these rights. The Alliance understood that including these issues in the training would provoke resistance from factories, but it was felt that if we could build the trust of and educate factories to the benefits of full compliance, there would be an opening to address these extremely important issues.

The pursuit of reportable results should not overwhelm the incremental social change envisioned by labor standards projects such as CIMCAW. In the words of one CIMCAW brand partner, “We could have eliminated a few controversial points [in the CIMCAW approach] and have trained 10,000 people, but we didn’t because that’s not the purpose of the project.”

The Alliance understood that if it removed these issues from the training, the number of factories willing to participate would increase exponentially. The Alliance saw this in the experience of other projects that provided capacity building to factories, but excluded freedom of association and collective bargaining. The Alliance deemed the project’s ability to get factories to voluntarily accept a training program with union participation and freedom of association and collective bargaining as modules as evidence of a significant opening/maturing on the part of the private sector in Central America. Achieving this was considered a tremendous value added and achievement of the project by the international and local project partners as well as the key regional stakeholders involved in the Consultative Committees.

CIMCAW’s local NGO partners worked with the Consultative Committees, where they existed, to develop, vet, and endorse the joint worker-manager training program.⁸ While the process of reaching consensus on the training program was lengthy, it engendered an important dialogue and promoted trust building among the stakeholders as well as ownership of the training program.

The training program covered the same basic issues in all countries. They responded to the requirements of CAFTA-DR by covering the ILO’s Declaration on Fundamental Principles and Rights at Work and the national legislation in each country. The technical content of the training includes:

- Workers rights and obligations;
- Nondiscrimination;
- Child labor;

⁸ While a Consultative Committee did not exist in Guatemala, the training materials in there were reviewed by the key stakeholders in the sector. In the case of El Salvador, this was not possible. However, the training materials were tailored to the context of the country by the local expert who developed the training program.

- Forced labor;
- Working hours;
- Overtime;
- Wages;
- Economical and social benefits;
- Freedom of association;
- Women’s rights;
- Maternity;
- Harassment and abuse;
- Occupational health and safety;
- Environment; and
- Human relations.

The training sessions were organized differently by country and the depth of coverage of each issue also differed by country. Thus, the number of training manuals developed for the CIMCAW training varied from one to five, depending on the country and its needs as identified by the Consultative Committees.

In the end, the project developed robust, tailored labor standards training programs in five countries: Guatemala, El Salvador, Honduras, Nicaragua, and the Dominican Republic. In the case of the Honduras, Nicaragua, and the Dominican Republic, the training programs were developed and supported by all key stakeholders.

TABLE 7: DELIVERABLE 3 – WORKER/MANAGER TRAINING PROGRAMS

Target	FY2006 Results	FY2007 Results	FY2008 Results	Life of Project Results
Development of 4 work-manager training programs to be used in Guatemala, Honduras, Nicaragua, and the Dominican Republic	Guatemala and Nicaragua	Dominican Republic and Honduras	El Salvador Developed a Training of the Trainer version of the material.	Exceeded Target: -Developed 5 worker-manager training programs -Developed a Training of the Trainer version of the material.

SIGNIFICANCE OF RESULTS AND SUSTAINABILITY

This achievement is significant because it represents the first time that unions, the private sector, NGOs, and the government had come together to develop a capacity building program endorsed by all.

Given the buy-in of the stakeholders to the training program developed, the training materials are tremendously valuable to the region. A number of stakeholders approached the project and indicated an

interest in the materials. To ensure that they continue to bring value-added to the region past the life of the project, CIMCAW:

- Provided training to 43 trainers of the National Institute for Technical and Professional Training in the Dominican Republic (INFOTEP) on the CIMCAW joint worker-manager training program and methodology so that it can continue to use these materials in a wide range of sectors in the Dominican Republic.
- Developed a train-the-trainer version of the program for AHM so that it can use the program in its factory-level capacity-building program funded by the IDB.
- Made the training program available to partners, such as Wal-Mart because they would like to use portions of it in their global supply chains, as applicable.
- CIMCAW's partner, SAI, is working on the U.S. Department of Labor's Cumple y Gana III and will use the materials developed in that project, as applicable.

DELIVERABLE 4: CAPACITY BUILDING AT THE FACTORY LEVEL (APPAREL AND OTHER SECTORS)

JOINT WORKER-MANAGER TRAINING AND FOLLOW UP

The keystone of the CIMCAW project was the joint worker-manager training aimed at 1) educating workers and managers on their rights and obligations as established by national legislation and ILO Core Labor Standards; 2) educating them on the state of the sector and the global challenges it faces; and 3) empowering them to identify gaps in compliance at the factory level and possible solutions. The joint nature of the training was an innovative feature of the program that was aimed at encouraging relationship building and promoting sound industrial relations. Workers greatly valued the opportunity to receive labor rights training alongside their supervisors and they shared the lessons with their co-workers that did not attend.

As part of CIMCAW's training follow-up, the factories that participated in the training received a confidential report on the compliance problems identified and a best practices manual developed by the CIMCAW Alliance to assist factory management in implementing improvements and tracking indicators that could capture improvements.

The CIMCAW Alliance offered further technical assistance to assist the factories to address a priority compliance problem identified in the training. For example, CIMCAW worked with the factories to develop factory policies and manuals to address compliance gaps around communication and discrimination. CIMCAW also provided technical assistance around: occupational health and safety, sharing best practices to help factories address compliance gaps;

A Note On Gender And Gender Discrimination: As the trainings were based on national labor law and the ILO Core Labor standards they included a module on discrimination, which directly addressed gender discrimination. In addition, issues of gender discrimination were addressed in the manual developed as part of the follow up for the YUTEX factory in Nicaragua. Issues addressed included treatment of pregnant workers, maternity leave, etc. In addition, it's important to note that the majority of workers

the formation of bipartite health and safety committees; and how to develop and implement factory risk maps, inter alia. The final phase of the program involved an impact assessment administered both to factories participated in the training and follow up and those that participated in the training.

Training Outreach/Factory Recruitment

Because participation in the training was voluntary, CIMCAW implemented an outreach strategy to industry associations and individual factories in each country. Typically, this involved CIMCAW local partners meeting with the industry association in each country and securing their interest in having their members participate in the project. Subsequently, the industry association and CIMCAW would jointly host a presentation of the project and what it offered to the factories became members of the association. CIMCAW's local partners or representatives would then follow up directly with factories that had expressed interest in participating in the project.

CIMCAW local partners also recruited factories with which they had direct relationships or factories that supplied brand partners⁹ or non-partner brands with which the project had a relationship. As part of the recruitment effort, brochures on the benefits of participation were developed and the training materials were available to the factories so that they could review beforehand.

Importantly, brand partners Gap Inc., Wal-Mart, Billabong, Coldwater Creek, and Timberland also participated in the factory recruitment efforts.¹⁰ In the case of Gap Inc., Wal-Mart and Timberland they occasionally accompanied the local partners to meetings with the industry association; participated in the factory presentations; visited their supplier factories together with the local partners to motivate them to participate. With the more challenging factories brand partners communicated directly with the factory management and in some cases, the company headquarters in Asia.

Often the local partners, with the support of brand partners, project management, and at times the local industry association, would meet several times with a factory, sharing training materials and building a relationship with it before the factory would take a decision as to whether they would participate.

In addition, local partners indicated that factories that had participated in the CIMCAW training facilitated recruitment of other factories by sharing positive experiences. This happened both within countries and at a regional level. On a couple of occasions CIMCAW invited leader factories in one country that had participated in the training to talk with factories and the industry associations in other countries to share their experiences and help assuage the factories fears, which were often related to union participation in the Alliance and the modules on freedom of association.

Despite the local and brand partners' best efforts to secure a positive decision quickly, the process typically took months. Sometimes this was due to stalling on the part of factories, which were either nervous about participating in such an innovative project or needed assurances that the training would be

⁹ CIMCAW had originally planned to obtain a list of our brand partners' supplier factories so that it could recruit these factories to participate in the training. However, initially there was reluctance on the part of the brands to share the lists of their supplier factories and we were only able to obtain some lists in FY2008. While not initially forthcoming with this information, the CIMCAW brand partners supported the projects efforts to recruit factories by participating in factory recruitment events and also directly recruited factories in their supply chain that were priorities for them.

¹⁰ Note that Wal-Mart, Billabong and Coldwater Creek joined the CIMCAW Alliance at varying points in FY2008 (Wal-Mart in October 2008, Coldwater Creek in February 2008 and Billabong in April 2008), so their efforts around factory recruitment were limited to FY2008.

beneficial and outweigh the risks. The main challenges CIMCAW faced implementing the factory-based, capacity-building program will be discussed below.

Due to the low percentage of factories agreeing to participate in the training, the approach to factory recruitment was refined throughout the project with the greatest changes made in FY2008. These included:

- New factory recruitment materials that highlighted the financial benefits of participation were developed and distributed to target factories.
- Offering manager-only training as a means to encourage factories to participate in the joint training. One of the biggest obstacles to getting factories to participate was assuaging their fears regarding training workers on all of their rights. CIMCAW provided the training to factory management only so that they could evaluate the program before agreeing to allow workers to participate.
- CIMCAW secured the agreement of the industry associations in Honduras and in Nicaragua to participate directly in the recruitment of factories for the CIMCAW program. The associations offered the CIMCAW program as a benefit to its members. This increased the uptake in Nicaragua, but not in Honduras for reasons discussed below.
- New CIMCAW brand partners that purchased apparel from factories in Guatemala and El Salvador, the two most challenging countries for CIMCAW.

TARGETS, RESULTS, AND IMPACT

By August 2008, CIMCAW had conducted worker-manager training in Guatemala, El Salvador, Honduras, Nicaragua, and the Dominican Republic. Table 8 reports on indicators related to the factory-level capacity building and technical assistance element of the CIMCAW project.

TABLE 8: DELIVERABLE 4 – FACTORY-LEVEL CAPACITY BUILDING

Target	FY2006 Results	FY2007 Results	FY2008 Results	Life of Project Results
1,123 workers and managers trained	137	127	545	809 (72% of target)
58,000 workers benefit from documented improvements in factory working conditions	-	7,050	16,786	23,836 (41% of target)
92 factories trained	3	12	32	47 (51% of target)
46 factories receive technical assistance	2	3	12	17 (37% of target)

CIMCAW approached nearly 200 factories in the region and of these, 47 participated in the training and nine participated in the follow up.

One of the factories that participated in the CIMCAW training, Planta #4 RFC, in the Dominican Republic was from the footwear sector, thereby expanding the CIMCAW reach to non-apparel sectors.

The table shows that over the life of the project (LOP) CIMCAW trained 809 workers and managers (72 % of its target), representing 60,000 workers. Of the workers trained, CIMCAW collected data showing that it trained more than 311 female workers and 255 male workers.¹¹

CIMCAW directly impacted nearly 23,836 workers. The table shows that the majority of trainings took place in FY2008. This occurred for a variety of reasons including:

- As will be discussed in the section below on “Challenges to Factory Level Capacity Building”, the main factor inhibiting the project’s ability to start training was the difficulty of securing factory agreement to participate in the training. Most factories approached by CIMCAW were highly resistant to participating in a project that trained workers on their rights, including freedom of association and collective bargaining and had union partners.
- The long process of establishing Consultative Committees and obtaining their consensus on the training materials for each country was one of the factors that contributed to delays in starting training in the region. Despite the length of time involved in getting Consultative Committees approval of the training materials, CIMCAW partners felt that given the polarizing nature of the training, this was critical to obtaining their buy-in and ownership of the project, and achieving meaningful results – an important lesson learned from the Continuous Improvement in the Guatemalan Workplace (CIMGUAW) project. CIMCAW partners also felt that training materials developed with the support of the Consultative Committees would represent tremendous valued added to the region that would contribute to sustainability of the project’s efforts.
- The Consultative Committee in Honduras could not come to an agreement on a local NGO implementing partner. After two years and a process in which the Consultative Committee members carefully considered and rejected nearly half a dozen NGO candidates, the Consultative Committee decided that the only acceptable alternative was to ask Homero Fuentes, CIMCAW’s

¹¹ Training data was not disaggregated by gender for 243 of the trained workers, but similar to the trend in the data that we do have, we assume that the majority of this group was female.

country facilitator to take the role of lead implementer for Honduras. The Alliance typically sought local NGOs as implementing partners in the country in which it operated so that the project could contribute to their capacity building and to enhance the sustainability of results. While not ideal, the Alliance had empowered the local Consultative Committees to shape the project on a local level and felt that it needed to respect the process that the Consultative Committee had engaged in or risk losing the support of the Committee or worse yet, its disintegration as a functioning body. In addition, Homero, working with a local support staff member, (while not fully empowered) had already taken on the responsibilities of a local partner in order to keep the project moving ahead (i.e., he had established and consolidated the Consultative Committee, developed the training materials, obtained Consultative Committee buy-in, and initiated recruitment of the factories) in Honduras so he was familiar with the stakeholders and clearly enjoyed their trust. At the beginning of FY2008, Homero Fuentes formally became CIMCAW's country representative and was responsible for working with the Consultative Committee and a local team to implement CIMCAW in Honduras.

- In addition to work plans and project monitoring plans, required by any project, a multi-stakeholder project such as CIMCAW needs to have codified materials and methods to guide its implementation that ensure alignment of partners' expectations around project goals, approaches, and training, follow up and impact evaluation methods. Such documents also ensure that CIMCAW could effectively leverage partners' experiences and networks. CIMCAW recognized this during its second year and proceeded, in consultation with international and local partners and field staff, to formulate explicit policies on a wide range of areas, from branding to the structure of factory training sessions. While not a significant factor delaying training, this process usurped a lot of resources as the Alliance partners needed to develop and reach consensus on these documents.

A Note on the Impact Indicator

Initially, the Alliance targeted training for 92 factories and assumed that there would be 1,000 workers per factory. The impact target established with USAID was 92,000 workers. By September 2007, 7,050 workers were impacted by the project and it was apparent that the 92,000 target was unrealistic given the fact that there was only one year left on the project.

It was apparent that the initial target had been too ambitious. For example it assumed that 100% of the factories that were trained would make improvements in working conditions. Under normal circumstances this assumption was incredibly optimistic, but it was untenable given that CIMCAW:

- 1) Had to overcome challenging industrial relations environment and high resistance to the trainings on the part of the private sector. Evidence of this is the fact that CIMCAW approached over 200 factories – a good number with brand partner support -- and was ultimately able to train 47 and provide technical assistance to 17.
- 2) Faced an unanticipated crisis in the apparel sector of the Dominican Republic. ADOZONA (Asociación Dominicana de Zonas Francas) estimates that in the past 4 years 95,000-100,000 workers lost their jobs and over 100 factories closed. The crisis negatively affected the project's ability to recruit factories as the factories that have survived are more interested in their day-to-day survival than in capacity building, despite the project's pitch that this will help them remain competitive.
- 3) Did not enjoy VESTEX's, Guatemalan apparel industry association, support. This negatively affected the project's ability to secure factories' commitment in Guatemala to participate in the

CIMCAW training program. Even factories that supply our affiliated brands such as Coldwater Creek have told us that unless VESTEX supports the project, they will not participate.

- 4) There was a lack of clarity regarding the definition of the indicator, which also influenced the partners' optimism around achieving it.
- 5) There were delays on the part of the Alliance in establishing clear guidelines for the local partners around factory follow up.

In September 2007, the project, working closely with the CIMCAW CTO, Sandra Lorena Duarte, began an intense process of: 1) reviewing the targets country by country to identify a more realistic target for the project in the remaining year that would take into account the challenges listed above and; 2) ensuring clarity and alignment of all the partners on the definition of the main impact indicator.

While analyzing the data, the project forwarded an adjusted preliminary target of 58,000 workers impacted by documented changes in working conditions for purposes of the Mission's 2007 Semi-Annual Portfolio Review as a preliminary number. However, after the careful consultation with the local partners was completed, the final proposed target was 26,000. A request was submitted to USAID in May of 2008 to adjust the target to 26,000 workers impacted by implemented changes. However, it was determined that there was not sufficient time to make the adjustment since the Project was going to end four months later.

Table 9 presents the documented improvements by factory.

TABLE 9: SUMMARY OF CIMCAW FACTORY IMPACT

Country	Factory Name	Workers Impacted by Implemented Changes*	Description of Impact
Nicaragua	Thru FY 2007		
	Istmo Textil	3,000	Improved communication and non-interference in the formation of a union.
	FY 2008		
	USLC	1,800	Factory managers worked with INEH to create a communications manual that covered topics such as the Importance of Corporate Responsibility; Communication; Managing and Understanding your authority; Conflict Management; Leadership; and Strategic Planning for Communication. Using the best practices outlined in this manual USLC wrote and implemented a new internal communication strategic plan.
	Hansae	2,880	Installed a better ventilation system; more ergonomic chairs for workers; new chairs in the lunchroom; enlarged and improved the men's bathroom
	Atlantic Apparel	2,200	Anti-discrimination manual was created and implemented.
	Calypso Apparel	855	Regular training with workers and managers on the use of safety equipment. To improve communication new speakers and a suggestion box were installed

Country	Factory Name	Workers Impacted by Implemented Changes*	Description of Impact
	VF Jeanswear	370	Improved Communication; Training of the Worker-Manager bipartite Commission to certify it to evaluate the situation at the factory; New training to inform factory workers and managers about the role of the safety and Hygiene committee and encourage them to report problems to this committee.
	Premier Textile, S.A.	920	Installation of safety and security signs; Improved efforts by factory management to support the Worker-Manager bipartite Commission
	Koramsa	785	Developed a comprehensive policy to reduce the rotation and absenteeism of workers; Management implemented an incentive program called "Calidad en la Fuente" to reward quality production and meeting targets; Implemented a No Smoking Policy to reduce risk of fire; Provided a bulletin board to the Hygiene and Safety committee to post notices.
	SERATEX S.A.	418	Created a new anti-discrimination policy and trained factory employees on its implementation
	Cupid Nicaragua	925	Created a safety committee; Created three informative murals with information about unions, the community relations committee, and Human Resources
	Yu Jin Nicaragua	1,225	Implemented a new policy that improved the conditions of the restroom facilities throughout the factory; Every employee was given a cup with lid so they may keep water near their worksite; Improved ventilation in work area
	SAE A-Tecnotex, S.A.	3,500	Installed new advisory signs throughout the factory; Implemented a new policy for departure from the factory to make it safer and more orderly; Installed a suggestion box and created a policy for its use; Management directed maintenance to make repairing employee lockers a priority to reduce theft

Country	Factory Name	Workers Impacted by Implemented Changes*	Description of Impact
	Yutex	908	Anti-discrimination manual was created and implemented
	Nicaragua Workers Affected:	19,786	
Guatemala	Thru FY 2007		
	C-Site	1,230	Brought in a consultant to meet with management and interview a sample of training participants. These participants reported improvements in the labor relationship among those supervisors who participated in the joint trainings. As a result of better communication excessive overtime was reduced.
	SAE A International	2,820	Increased productivity due to reduced tensions between union workers and managers.
	Guatemala Workers Affected:	4,050	

*Workers Affected is the factory population at the start of follow-up.

FY 2008 WORKERS AFFECTED:	16,786
LIFE OF PROJECT TOTAL WORKERS AFFECTED:	23,836

“Participating in these trainings was beneficial and opportune for the factory. We had been working on compliance with the law 618 on Occupational Safety and Health. The trainings taught us how to develop a risk map/plan for the factory, which we really needed. We improved human relations, communication, teamwork. Importantly the supervisors and workers were able to participate in the training. We have never been like this; where all of the unions work together to achieve a common benefit. Each of the weaknesses presented in the trainings was addressed by the factory. The bathrooms were repaired, also the leaks in the roof, the first-aid-kit was replenished, the speakers were improved in order for all the workers to hear the intercom, the information wall [where worker rights are posted] and grievance mailbox has had more interest and shown better use. The meetings with local union leaders and supervisors are more frequent and are established to take place weekly or every 2 weeks as necessary. The Local Partner did a good job in the coordination the trainings, everyone was well treated. We are interested in continuing with the trainings”.

Eduardo Menicucci, Human Resources Manager, SAE-TECHNOTEX. Nicaragua

Table 10 highlights the variation in results across countries. From this vantage point, it becomes clear that the political, historical, and social realities of each country influence how a project such as CIMCAW, which touched the very fibers of the democratic culture in these countries, plays out.

TABLE 10: DELIVERABLE 4 – FACTORY-LEVEL TRAINING RESULTS BY COUNTRY

Target	Life of Project Results				
	Nicaragua	Dominican Republic	Honduras	Guatemala	El Salvador
Workers and managers trained	358	226	42	153	30
Workers that benefit from improved working conditions	19,786			4,050	
Factories trained	26	8	8	4	1
Factories that received technical assistance	15	--	--	2	--

Nicaragua

Nicaragua was clearly the country in which CIMCAW was most successful. According to Quinteros et al. 2008, in Nicaragua for more than 20 years an organized, active, and belligerent civil society has flourished; this contributed to the early consolidation of the multi-stakeholder Consultative Committee there, but is not easily replicated in the rest of the region.

Nicaraguan factories responded positively to the training early on and as a result of the positive experience of the early trainees many of whom proudly displayed their training certificate, recognizing their participation in the CIMCAW training and the supportive Consultative Committee (which included the industry association, Asociación Nicaragüense de la Industria Textil y de Confección (ANITEC), other factories were interested in participating. In addition to establishing a credible training program early on, the CIMCAW local partner in Nicaragua built solid relationships with the factories they trained, gaining their trust and thus facilitating their agreement to participate in the training follow up.

In addition, a number of other factors led to CIMCAW's success in Nicaragua. These include:

- The existence of a strong local NGO partner INEH, which was chosen by and enjoyed the full support of the local Consultative Committee.
- A growing and more vibrant apparel sector with a private sector willing to take risks to secure growth.

"The Ministry of Labor had the petition document [requesting the formation of our union] for two years, but since the trainings [provided by CIMCAW], company management became more flexible and supported us with the petition. We were able to internally negotiate with the 3 involved parties, the Management and 2 unions (CST) and the union affiliated to CTN(a). This was the only way that we were able to unblock the process and get the agreement work. Also, I have heard the workers say that thanks to the Management's new approach, fans and water were provided in the sewing sections 26-28, 900 workers work in that area".

Jorge Manuel Calero Mojica, line worker and current Secretary General of the Union "For Union Dignity", member of Federación Nacional de Sindicatos Textil, Vestuario, Piel y Calzado (FESITEXS), and affiliated to CST (Central Sandinista de Trabajadores), Nicaragua

Dominican Republic

In the case of the Dominican Republic, the sector was hit by a crisis that made it difficult to recruit factories to participate. The CIMCAW local partner, Centro de Investigación para la Acción Femenina (CIPAF), suggested that to remain relevant in the Dominican Republic CIMCAW should focus on working with INFOTEP, the national technical training institute, because they had a broad sectoral reach and could deliver the CIMCAW training to sectors of more relevance to the Dominican economy.

The CIMCAW Regional Office (COP and DCOP) presented this proposal and the feasibility study conducted by CIPAF, which supported this idea, to the CIMCAW Steering Committee. The Regional Office was able to shepherd the proposal through the Steering Committee, obtaining consensus around the proposal. They then supported CIPAF in marshaling the Alliance's resources to support the development of an MOU with INFOTEP and ultimately train INFOTEP trainers on the CIMCAW program.

The CIMCAW Regional Office and DAI supported CIPAF in engaging Timberland to ensure that CIMCAW would be able to work with their supplier factories, including one of their factories, which produces footwear. As a result of these efforts, CIPAF was able to deliver the training in the footwear sector of the Dominican Republic.

CIPAF did not conduct any training follow up because they weren't convinced of the relevance of providing follow up technical assistance to factories in the crisis context of the Dominican Republic. They argued that the crisis was so deep that such efforts would not be sufficient to turn the situation around. Thus, despite the efforts of the international alliance partners and the CIMCAW project Regional Office to persuade them to provide follow up to trained factories, they did not and so there is no impact reported. Instead, CIPAF focused their energies on working with INFOTEP to train their trainers on the CIMCAW approach and methodology so that could be replicated more broadly to all formal sectors of the Dominican economy and providing training to as many factories as possible.

Honduras

Honduras has a tradition of civil dialogue among the sectors. However, it rarely leads to coordinated action. CIMCAW was able to consolidate a multi-stakeholder Consultative Committee that played an active role in the implementation of the project in Honduras. The process of consolidating the Consultative Committee around the principles of the CIMCAW project took a lot of time and effort.

A significant challenge in Honduras was, as previously mentioned, the 2-year delay in securing a local partner/representative. Even with the support of our brand partners like Wal-Mart and with other brands with which the project had relationships, factory recruitment in Honduras was challenging. Factories expressed interest in the training in general, but great concern regarding the freedom of association module. The project also had trouble getting a factory to commit to being the first to participate in the program. Ultimately, 7 factories participated in a factory manager-only training and one factory participated in a joint worker-manager training.

Even with the support of our brand partners such as Wal-Mart and with other brands with which the project had relationships, factory recruitment in Honduras was challenging. Factories expressed interest in the training in general, but great concern regarding the freedom of association module. The project also had trouble getting a factory to commit to being the first to participate in the program.

Guatemala

In Guatemala, progress was slow; the absence of industry association support for the project made it impossible to establish a multi-stakeholder Consultative Committee and effectively recruit factories to participate. This point cannot be underestimated. CIMCAW found out that it is impossible to gain any traction for a training program in the apparel sector of Guatemala without the explicit support of VESTEX. Since the majority of apparel factories in Guatemala belong to the powerful industry association, VESTEX, the factories refused to participate in the project.

CIMCAW also learned that VESTEX's support is not easily attained. The CIMCAW partners' engagement of VESTEX stems back to the CIMGUAW pilot project. In 2004, VESTEX said they would support the project this was in 2004. Around the time that CAFTA-DR was being discussed and it became apparent that if the Democrats were successful in the elections, there would be a more intense spotlight on the issue of labor standards in CAFTA-DR. When it became clear that this would not be the case, VESTEX rescinded their offer of support to both CIMGUAW and subsequently CIMCAW.

After months of engagement they said they would take a neutral position vis-à-vis CIMGUAW neither supporting nor obstructing the work of the project. The Alliance partners were hoping that VESTEX might support the CIMCAW project, but they took a step back indicating that they were not interested in supporting it. Among the issues they raised throughout was their suspicion that the project was aimed at unionization and their disagreement with inclusion of NGOs in projects that deal with labor standards compliance.

Despite CIMCAW's efforts (which included getting the US Labor Attaché in Guatemala to engage VESTEX) to influence VESTEX to shift their hostile position vis-à-vis multi-stakeholder initiatives and specifically the project, they maintained an antagonistic position to the end of the project. They seemed to be under the impression that given the short timeframe of the project, they didn't have to engage CIMCAW, but could simply wait CIMCAW out. As a result of the persistence of COVERCO, CIMCAW's local partner who approached over 25 factories in Guatemala as part of their factory recruitment efforts and the support of CIMCAW's brand partner, Gap Inc., CIMCAW was able to train 4 factories in Guatemala despite VESTEX's position.

El Salvador

El Salvador was the most extreme case when it came to the position of the private sector toward multi-stakeholder initiatives and the project. Despite the interest of the unions and numerous attempts to engage the private sector, they maintained an attitude of suspicion and hostility toward the project. CIMCAW partners recognized early on that El Salvador would be the most difficult of all countries in which to implement the project; it was a country that lacked legitimate avenues for effective social dialogue. This point was confirmed by the diagnostic.

Given the resistance of the private sector, the extremely fractured union movement it was felt that El Salvador would divert significant resources from the rest of the region and the risks of the project making little progress in El Salvador were extremely high. As a result, activities were delayed in El Salvador until the fall of 2007. By the end of the project, CIMCAW delivered one training in El Salvador.

CHALLENGES TO FACTORY-LEVEL CAPACITY BUILDING AND ACHIEVING IMPACT

By August 2008, 25 percent of the nearly 200 factories that CIMCAW recruited to participate in the training participated in the CIMCAW training program. Clearly, the main challenge faced by CIMCAW around the capacity-building program was securing factory agreement to participate in the training program. The obstacles to factory participation and achieving the related targets follow:

- **Factories (and industry associations) were resistant and even hostile to the idea of participating in a training program on labor rights that included a union partner.** This is not surprising given the region's fractious and violent history of industrial relations and the current industrial relations scene characterized by polarization and mistrust. Despite reassurances to the contrary, the local private sector

feared that unionization was the goal of the program. In some cases, CIMCAW faced similar resistance when recruiting brands to participate as CIMCAW partners.

- **Factories were suspicious of a project that educated workers on their rights.** Factories were particularly anxious about the fact that the training included modules on freedom of association and collective bargaining. The factories would tell the partners that they feared that training the workers on their rights would lead to trouble in the factory. They would often ask the CIMCAW Alliance to remove these modules from the training as a condition for their participation. The inclusion of these modules in the training were non-negotiable; as far as the Alliance was concerned, all labor rights needed to be equally covered in the training.
- **There was a lack of solid evidence for the business case connecting labor standards compliance to increased productivity and competitiveness.** While our rhetoric made these links clear, there is little solid evidence confirming these links. Being able to make a strong business case to factories would have facilitated CIMCAW's factory recruitment. Some of our brand partners confirmed this gap and told us that they were working with U.S.-based universities to see how the benefits of compliance could be measured.
- **CIMCAW had a theoretical carrot and no stick.** Factories wanted to know whether their participation and improvements would result in more orders from our brand partners. They were interested in concrete incentives for participation. On the one hand, CIMCAW could not guarantee increased sales, but did argue that compliance is a factor in sourcing decisions along with price, quality, and timely delivery. On the other hand, unlike the ILO Better Works program in Cambodia, which threatened factories with the cancellation of their export license if they did not participate, CIMCAW did not have such a threat.
- **Industry associations in Guatemala and El Salvador refused to support the project, signaling to their members that they should not participate.** VESTEX in Guatemala and ASIC in El Salvador did not support project efforts. In fact, VESTEX was clearly antagonistic toward the project (possibly because they were implementing a competing project) while ASIC simply refused to engage CIMCAW. This lack of support made it nearly impossible to get factories in these countries to agree to participate in the CIMCAW program.
- **Competing projects on labor rights that do not include a union partner and weaker commitment to freedom of association were more attractive.** In Guatemala, the industry association offered factories a competing and more attractive labor rights training program funded by the IDB. Unlike CIMCAW, this program did not include a union partner, only trained factory management, and had a much weaker commitment to including freedom of association and collective bargaining¹².

¹² While the industry association in Honduras (AHM) was also implementing the same IDB program, AHM was an active member of the CIMCAW Consultative Committee in Honduras. The AHM understood the value of CIMCAW's multi-stakeholder approach and the importance of joint worker-manager training, and agreed to include Freedom of Association and Collective Bargaining in the training program. AHM requested that CIMCAW develop a training of the trainers guide so that they could continue to use the CIMCAW training program even after CIMCAW was closed. While our diagnostics revealed that Guatemala and El Salvador would be particularly difficult to work in given the level of antagonism toward unions and multi-stakeholder initiatives, our work over the years confirmed that Honduras and Nicaragua led the region in terms of openness while El Salvador and Guatemala lagged severely behind.

- **Brand and retail partners' influence increased legitimacy of the project with industry associations and factories, but did not usually lead to automatic participation of factories.** The Alliance came to understand that many factors influenced the decisions of whether a factory would participate in the training. Brands influence, while important, was more limited than the CIMCAW Alliance anticipated because:
 - CIMCAW brand partners' level of sourcing and thus influence was not uniform across the region. They carried more weight in some countries due to their level of sourcing.
 - Brand partners' influence in individual supplier factories varied, depending on what percentage of the factory product they purchased. Often CIMCAW partners were not majority buyers. In the small minority of factories where they were majority buyers, they were often careful not to exert undue pressure on factories to participate because they did not want to be seen as strong-arming factories to participate. They believed that this would not result in sustainable improvements as the factories would be participating in the training in order to get their buyer off of their back in the short-term. Brand partners felt that a stronger, more constructive role for them would be to influence the factories to consider the changing global market place that requires compliance with working conditions and to participate in CIMCAW as part of their efforts to address this challenge. In the end CIMCAW brand and retail partners' efforts on factory recruitment were a delicate balancing act.
 - Even when brands were major buyers from factories, it did not always guarantee that those factories would participate in the program.
- **Factory closures due to unanticipated economic crises and political conditions made original targets unrealistic.** Because of the unanticipated crisis in the sector in the Dominican Republic where approximately 30 percent of the jobs were lost between 2004 and 2007, and a 17 percent shrinkage of sector exports from the region to the United States over the same time period, CIMCAW's original targets were no longer realistic. In particular:
 - Factories were more focused on staying in business in the short run and were less inclined to invest in training their workforce on social compliance.
 - In some cases, the project was not able to provide follow up to factories that had participated in the training because the factories unexpectedly closed.
 - There was a reduced the pool of factories that were available to participate in the training.
- **Electricity black outs negatively affected training delivery and follow up.** On a number of occasions training and follow up had to be postponed or canceled in Nicaragua due to black outs. In the Dominican Republic, hurricanes flooded factories, affecting our ability to provide training.

- Compressed period for impacting behavioral changes and measuring impact.** It is clear from the list of challenges outlined above that many of the challenges to securing factory participation were related to the need to engender attitude changes in the local private sector and other stakeholders. In addition, bringing about improved compliance through education required behavioral change. Both of these must be seen as processes that take time. Effectively capture behavioral change requires allowing sufficient time to pass between the intervention and the measurement efforts. Ideally, the project would have allowed a longer period to pass between the training intervention and the impact evaluation exercise. However, the impact evaluation exercise was compressed due to the fact that the majority of factories agreed to be trained and receive the technical assistance in FY2008.
- Short project life span and project implementation interrupted as a result of the process to extend project life.** As mentioned in the previous point, securing factory participation in the CIMCAW program and engendering behavioral change takes time. The Alliance understood this and in their response to the GDA's APS originally requested 4 years. However, the project was approved with a 2 year time span with no adjustment in the targets. Subsequently, the project received a 6 month no-cost extension and another extension for 16.5 months, but only after significant interruptions in implementation. The interrupted implementation resulted in the need to close down and start up the project and the loss of around 4 months of implementation and momentum. In addition, the Alliance had requested 18-24 more months to implement the project and in the end, the project had 16.5 months to implement while the new targets were not adjusted to account for a shorter implementation period.
- Delays in developing a common approach to follow up.** The focus of the first 2.5 years of the project was getting past the resistance of the factories so that CIMCAW could deliver the joint worker-manager training. While the international alliance partners had provided guidelines on follow up, a detailed approach was not finalized until the end of FY2007.
- Access to factory data limited.** CIMCAW was not able to establish a traditional baseline for factories participating in the project because factories did not allow the project access to their files. In an effort to overcome this challenge, the CIMCAW project devised methods by which it could reconstruct the baseline conditions. In lieu of conducting a baseline audit of the factories, the CIMCAW project structured the worker-manager trainings such that they result in the identification of existing compliance and management systems problems in the factories. Another related challenge faced is the inability to conduct a final audit of the factory to determine behavioral, process, and systems changes that have resulted from CIMCAW's interventions. In this case, CIMCAW interviewed workers and managers after they participated in the program.

After the training sessions, there was more interest and larger contributions from investors at HANSAE; after the first trainings, there was better communication between workers and employers; there was more trust and therefore, a more open relationship".

Carlos Serrano. HR Manager at HANSAE, Nicaragua".

"I had never received a high level quality training such as the one I received from CIMCAW. When I returned to work, I shared what I have learned with my colleagues. As a result of the training, we implemented some changes in the warehouse where we store chemicals. For example, I submitted a request to Human Resources to make a window for better ventilation. We accomplished this good practice".

Manuel Salvador Urbina, Janitor at Hansae, Nicaragua

SIGNIFICANCE OF RESULTS AND SUSTAINABILITY

Despite the obstacles outlined above, CIMCAW proved that: 1) it is important to empower workers with knowledge of their rights; 2) it is important and possible to do this in a joint training environment where workers and managers are trained together and; 3) by working together towards the same goals, learning to communicate more openly and learning to appreciate everyone's positions as not necessarily opposed great things can be accomplished, resulting in a win-win situation for workers, managers and the factories.

CIMCAW has benefitted the region by educating and empowering over 800 workers, improving working conditions for nearly 24,000, motivating industry associations, training institutes, the private sector and other stakeholders to continue joint worker-manager capacity building efforts around labor standards.

CIMCAW also developed a training program endorsed by key local stakeholders that includes training manuals and a best practice manual that will continue to be of great use to workers, factories, other stakeholders, and other projects and labor-related initiatives in the region.

The workers and managers that participated in the training indicated that the factory-level training sessions were effective and contributed to the improvement in working conditions. Improvements were seen around for example, occupational safety and health, discrimination, treatment of workers, and communications. With factories establishing mixed occupational and safety committees, improving ventilation, improving restroom facilities, ensuring that workers have appropriate safety equipment, making better use of the grievance system, and so on.

The workers and managers who attended the training sessions came away with, for example, a better understanding of how to handle dangerous chemicals, the importance of using safety equipment, and how to develop factory risk maps. They made workers and factories more conscience of how to better accommodate pregnant workers. Workers also reported that they were treated better by managers who had attended the training. The complete list of documented improvements in the workplace is found under the section titled "Targets, Results, and Impact" above within this segment on Deliverable 4.

An evaluation of the impact of the training (Quinteros 2008) showed that not only did the workers who participated in the training benefit from the training, workers who were not directly trained said that they heard about the training from their colleagues and noticed a positive difference in how they were treated by management and benefitted from the improvements made by management in the factories.

Additionally, CIMCAW has made the training materials and best practices manuals available to workers and factories as part of the training and follow up and will make these materials available to interested stakeholders via the CIMCAW website. These materials will help to ensure the multiplication of the positive impact of the project and the sustainability of the project's results.

CIMCAW developed a training-of-the-trainers manual for the AHM in the last quarter of FY2008 so that they can continue the CIMCAW training in apparel factories in Honduras under the IDB-funded project they are implementing; CIMCAW established a memorandum of understanding (MOU) with INFOTEP in the Dominican Republic and as a result trained 43 of their trainers to deliver the CIMCAW training program to workers and managers in formal sectors in the Dominican Republic in the last quarter of FY2008.

Significantly, CIMCAW has increased the capacity of our local partners in Guatemala, the Dominican Republic, and Nicaragua. They now not only have the capacity, relationships and credibility with key

stakeholders, but they are also seen as quality providers of capacity building to the apparel sector and as such gained a new area of competency. All of these elements contribute greatly to the sustainability of CIMCAW's capacity building efforts.

DELIVERABLE 5: CAPACITY BUILDING FOR INSPECTORS

Improving labor standards in a sustainable manner requires upgrading the enforcement capacity of the Ministry of Labor inspectorate. CIMCAW addressed this need by training the majority of inspectors in the region on global best practices in auditing and verification of labor law compliance. The goal of the training was to increase inspectors' capacity to enforce labor laws and better understand techniques for how to do so.

Specifically, CIMCAW delivered trainings and workshops to the inspectors from the Ministry of Labor and when possible, included brand compliance officers, private social auditors and independent NGO monitors to share experiences, tools, best practices for addressing priority areas that are emerging as particularly challenging to audit and investigate. As opposed to the trainings provided by the U.S. Department of Labor's Cuple y Gana project, which trained inspectors on the "what" by increasing knowledge of international and national labor law and had an academic orientation aimed at deepening understanding of international and national labor law and ILO conventions, the CIMCAW workshops focused on the "how" and were tailored to the apparel sector. Specifically, they provided practical applied tools and methods for, for example, selecting and interviewing workers, utilization of factory record keeping for problem identification, and management system gap analysis. The CIMCAW workshops introduced root cause analysis and a preventive approach to inspection in the maquila sector. They also leveraged industry insider knowledge and direct contact with local suppliers and contributed to a broadened understanding of the role of compliance auditing among groups **outside** the Ministry of Labor.

A challenge faced by CIMCAW in the implementation of the capacity building activity for inspectors was that due to the great volume of projects aimed at upgrading the Ministries of Labor in the region, there was competition among projects for the inspectors' time. Additionally, the burden of activities was heavy over the small number of inspectors in every country, so sometimes it was difficult to agree in timing from the their authorities so that the inspectors could participate.

While CIMCAW's training was different from other capacity building efforts, CIMCAW began to run into problems scheduling the inspector training sessions and workshops. Rather than contribute to overloading the inspectorates, in FY2008 CIMCAW negotiated and established an MOU with the U.S. Department of Labor Cuple y Gana project, which was also providing capacity building to the Ministries of Labor in the region. The projects agreed to work together to establish inspection protocols for the Ministry of Labor inspectorates to guide their inspections and ensure that they are more systematic and effective and to train inspectors on

After the training in Montelimar, we reviewed [the training report on] the issues that workers and managers indicated that needed improvement. With this information, management met the current joint commission for occupational safety and health (OSH). We unanimously decided to change the members of the joint commission in order to strengthen compliance around safety and health issues. The new joint commission was approved by the Ministry of Labor. The result was positive; now the OSH signs [throughout the factory] are more noticeable, OSH oversight is better and workers in every line apply the standards better. I also would like to say that before the trainings, we were concerned about worker tardiness. After the trainings we were able to implement a new system and personnel tardiness decreased from 4 percent to 2 percent and absenteeism from 7 percent to 2 percent. The method used was to close the gates at 7am and provide breakfast to the workers between 6.20 and 6.40 AM.

Clarisa Zapata, HR, Koramsa

these protocols.

Applying the protocols would help the inspectorates overcome the problems they have with limited resources by making their inspections more efficient and effective, and it responded to the charges of arbitrary inspections by instituting a systematic approach to and guidelines for inspections that follow global best practices.

The effective collaboration between CIMCAW and Cumple y Gana is noteworthy and indicative of CIMCAW's active role promoting collaboration among complementary labor-related initiatives in the region.

TARGETS AND RESULTS

The inspectors from the Ministry of Labor were given pre-tests and post-tests to determine the increase in their understanding of key concepts. It was expected that their scores would improve at least 30 percent by the end of the session. The following table shows that CIMCAW surpassed the training target training 614 inspectors and achieved 142 percent of the target over the life of the project.

CIMCAW provided additional valued-added by cooperating with Cumple y Gana and leveraging U.S. Department of Labor resources to develop inspector auditing and verification protocols for each country in the region where CIMCAW worked. CIMCAW and Cumple y Gana together trained 85 inspectors from the Ministries of Labor of the region (11 from Guatemala, 13 from Honduras, 30 from El Salvador, 18 from Nicaragua, and 13 from the Dominican Republic). These instruments were adopted by the inspectorates of each country, ensuring the sustainability of CIMCAW's efforts.

TABLE 11: DELIVERABLE 5 – CAPACITY BUILDING FOR INSPECTORS

Target	FY2005 Results	FY2006 Results	FY2007 Results	FY2008 Results	Life of Project Results
433 inspectors trained	34	170	94	316 inspectors trained (150 in El Salvador, 69 in Guatemala, 49 in Honduras, and 48 in the Dominican Republic)	614 inspectors trained or 142% of target achieved (286 in El Salvador, 106 in Guatemala, 95 in Honduras, 30 in Nicaragua and 97 in the Dominican Republic)
Additional positive result (no project target)	N/A	N/A	N/A	N/A	5 inspector protocols developed one for Guatemala, Honduras, El Salvador, Nicaragua and the Dominican Republic
Additional positive result (no project target)	N/A	N/A	N/A	85 inspectors from the region trained on use of inspector protocols.	85 inspectors from the region trained on use

					of inspector protocols.
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SIGNIFICANCE OF RESULTS AND SUSTAINABILITY

CIMCAW not only exceeded its inspector capacity building targets in terms of the number of inspectors trained and the effectiveness of the training, but also the capacity building effort was highly significant because in FY2008 alone CIMCAW was able to train more than 50 percent of the inspectors in Honduras, Guatemala, El Salvador and the Dominican Republic.. In addition, an evaluation of the CIMCAW training (Quintero et. Al. 2008) indicated, “In all cases, the inspectors showed improvement in their knowledge and appreciation to the contents developed at the trainings and the delivered material. Without a doubt, this will result in better trained inspectors, more sensible to the problems of the workers and more diligent daily work.”

The evaluator interviewed trainees who indicated that, “They had never had an opportunity to communicate and learn from one another. The training provided them with an open forum for discussing topics that can be highly contentious, in a way that was productive and constructive. It was stressed that there should be follow-ups to these multi-sectoral meetings.” The evaluator concluded, “This new knowledge has the potential to improve inspections of the maquila factories, and also improve the quality of the inspections in other sectors and not just for during the life of the project, but over the medium and long term.”

The results of the inspector training, and the adoption of the CIMCAW-Cumple y Gana developed inspector protocols throughout the region contributes greatly to the sustainability of CIMCAW’s efforts around inspector capacity building.

DELIVERABLE 6: BUILD NGO CAPACITY TO DELIVER HIGH-QUALITY WORKPLACE TRAINING

TARGET AND RESULTS

The CIMCAW Alliance was committed to delivering a project with sustainable impact for Central America. A key aspect of sustainability involved increasing the capacity of the project’s local NGO partners, equipping them with the knowledge, networks, understanding of how to operate in a multi-stakeholder context and training material to implement a CIMCAW-like training program adapted to changing local contexts..

The local partners were responsible for coordinating the work of the Consultative Committees and promoting effective social dialogue in their countries. However, CIMCAW international partners worked closely with CIMCAW local partners—CIPAF, INEH, and COVERCO—in an effort to instill in them the capacity to independently deliver the worker-manager training, and in the case of INEH to deliver training follow up and impact evaluation. As part of the process of increasing local partner capacity, the CIMCAW international partners developed training guidelines as well as a manual for implementing the training and providing follow up technical assistance “Manual for Training and Development of Systems for Factory Labor Rights Compliance.” The international partners held training workshops where the local partners received training on the follow up, impact evaluation, data quality assessment, and donor reporting requirements.

“CIMCAW built the capacity of local partners and highlighted the role they can play in the future. The local partners now have the knowledge, materials, methodologies and a network of contacts that will allow them to continue working in this area. This represents value added that cannot be lost; we have accumulated experiences that we can make available to all sectors in our countries”.

Yamileth Alguera, INEH, Nicaragua

The local partners were the implementing partner at the local level and in this capacity, they were responsible for all project activities in their country. Because of their work on CIMCAW, the local partners are now empowered to provide quality capacity building on labor standards in the textile and apparel and other sectors. They have built a solid reputation as the “go to” organization on labor standards and will continue to carry out labor standards training as part of their core work. They have established networks with key stakeholders in their countries and in the region and have developed relationships with multinational brands. For example, INEH has recently joined a regional network of NGOs working on labor issues.

SIGNIFICANCE OF RESULTS AND SUSTAINABILITY

CIMCAW’s NGO partners will continue working to improve working conditions in the apparel and other sectors. Through the project, CIPAF and INEH developed a link to the MFA Forum. CIPAF is now playing an important role facilitating the MFA Forum’s work in the Dominican Republic. INEH is also working with OAS Trust for the Americas on Best Practices in Employer and Worker Organizations where they provide training to these actors. Claudia Contreras from COVERCO reported that COVERCO has been approached by factories in Guatemala to provide training on labor standards and technical assistance aimed at improving management systems. In addition, DAI was recently approached by a U.S.-based NGO interested in working with INEH on a new U.S. Department of State labor-related project. The work they did with CIMCAW helped firmly establish some partners and in the case of other partners strengthen their position in the industrial relations/labor standards space and they have developed a solid reputation with the stakeholders.

DELIVERABLE 7: BRAND RECRUITMENT

TARGET AND RESULTS

During the second phase of CIMCAW (which began during third quarter of FY2007), the project committed to expanding the number of brand and/or retail partners. The goal was to add another three to six brands. It was hoped that new brand and/or retail partners would help the alliance access more factories, allow the existing brand partners to share the burden of participation in the governance of the

alliance with other brands, expand the alliances network, bring more resources, and further increase the credibility of the alliance in the region.

The following is the list of companies engaged by CIMCAW: Abercrombie, Adidas, Ann Taylor, Anvil, Billabong, Chico’s, Cintas Corporation, Coldwater Creek, Columbia Sportswear, Cole Haan, Cutter Buck, DK International, Eddie Bauer, Eileen Fisher, Fontheim/Limited Brands, Gap Inc., Gildan, J Crew, JC Penney, Jockey, Jones Apparel, Kellwood, Kenneth Cole, Kohl’s, Lands’ End, Levi’s, Liz Claiborne, May Co., Norton McNaughton, Munro & Company Inc., New Balance, Nike, Nordstrom, OshKosh B’gosh, Perry Ellis, Philips Van Heusen, Ralph Lauren, Reebok, Reed Manufacturing Co., Inc., Russell Corporation, Sara Lee, S Schwab Company, Sears, Standard Textile, Talbots, Target, Timberland, Vanity Fair Corporation, Wal-Mart, Wolverine Worldwide Inc.

As part of the ongoing brand recruitment effort CIMCAW developed a marketing package aimed at brands, it engaged interested brands regularly by phone, email and at networking events. DAI conducted due diligence on potential partners and would submit a nomination of those companies that were interested in participating in the Alliance to the international partners of the CIMCAW Alliance for their consideration. Alliance Partners needed to reach consensus as to whether they would accept a new partner. This was not a rubber stamp process and took about a month to complete.

TABLE 12: DELIVERABLE 7 – BRAND RECRUITMENT

Target	FY2008 Results	Life of Project Results
3 to 6 new brand partners	3 new brand partners added	The 3 new brand partners were added in FY2008

CIMCAW achieved its goal of adding three new brands and retailers to the Alliance. Wal-Mart joined the Alliance in the fall of 2007 and Billabong and Coldwater Creek joined in the winter of 2008. The latter two were considered affiliates, which meant that they did not participate in the governance of the project, but instead their role was to work with their suppliers to encourage them to participate in the training. Both Billabong and Coldwater Creek headquarters staff (and in the case of Coldwater Creek field staff) engaged their suppliers in El Salvador and Guatemala, encouraging them to participate in the CIMCAW training and CIMCAW’s Regional Workshop in San Pedro Sula in August of 2008.

Securing the largest retailer in the world as a full partner brought tremendous benefits to the project and was viewed as a huge success by the GDA Office in Washington, which was interested in working with Wal-Mart more broadly. However, securing Wal-Mart and Coldwater Creek as partners was a long process that took well over a year of engagement with the companies followed by a vetting and due diligence process within the CIMCAW Alliance. In the case of Wal-Mart this process took one month since they were to become full partners, while in the case of Billabong and Coldwater Creek the process was streamlined given their application for affiliate status.

CHALLENGES AND SOLUTIONS

The Alliance faced significant challenges securing the new brand partners. Some brands were concerned about union participation in the project, others were more concerned with the resource commitment that it would entail, and others did not source in large enough quantities from Central America to justify their participation. Initially, CIMCAW was looking for full partners that would participate in the governance and shaping of the project, promoting social dialogue, as well as involve their supplier factories in the

training program. However, it became apparent that one size did not fit all. For example, some brands were smaller or had a more limited supply chain in the region and while interested in the project did not have the resources or capacity to get involved beyond recruiting supplier factories to participate in the training and were thus not interested in getting involved in the governance of the project. In response, DAI developed a new scheme for brand affiliation to the project that addressed many of the brands' concerns; it allowed brands to choose the level of their engagement with the project. The expectation driving this innovation was that by offering different levels of affiliation participation in the project would be more attractive to a wider range of brands and make the decision to participate easier

(see the Annex for the tiered brand affiliation document)

In particular, the new approach to brand and retail participation offered: 1) full partner affiliation to the Alliance whereby the brand agreed to participate in the governance of the project, provide both a cash and in-kind contribution, recruit factories to participate in the training and support the multi-stakeholder dialogue. This was the Cadillac level of brand affiliation to the project; 2) affiliate status within the Alliance for companies not interested in participating in the governance, but interested in supporting the capacity building by encouraging their supply chain and the multi-stakeholder dialogue and able to provide an in-kind contribution and; 3) a mix of the full partner and the affiliate status. The new approach yielded positive results with Coldwater Creek and Billabong joining as affiliates shortly after the new approach was developed.

Finally, there were questions as to why DAI did not actively pursue more brand partners after Billabong agreed to join in February of 2008. DAI was not categorically opposed to bringing on more brand partners, but (with the exception of two companies with which we continued to talk) we had exhausted our short-list of companies that we had been pursuing for well over a year. Our experience had been that securing new brand partners took around a year of engagement and negotiations. As a result, we felt that given that there was less than 9 months left in the project the odds were that we would be wasting limited resources that would be better spent on areas where the probability of a high payoff to the project would be higher.

DELIVERABLE 8: DEVELOP TOOLS AND METHODS TO IMPROVE WORKPLACE CONDITIONS

The project achieved this deliverable. It developed a number of tools and methods aimed at securing improvements in workplace conditions. Below, we present a comprehensive list of the tools and resources developed by the CIMCAW project. These tools were critical to the implementation of project activities. Because they were developed in a multi-stakeholder context, they represent significant value to the region and beyond. As part of the project's effort to promote sustainability of our results and to support efforts to improve working conditions in the apparel and other sectors, these documents are available to the public at www.cimcaw.org.gt. This website will be online through August 2009.

Diagnostics

To identify key stakeholders and potential local partners, five in-depth, country-level diagnostics were completed. The diagnostics aimed to gain a country specific understanding of the state of industry relations and inform the project's need assessment. Additionally, project management wanted to know the challenges and opportunities that existed in each of the countries they would be operating. These diagnostics provide a valuable snapshot of relevant sectors in each country at the time of writing.

- CIMCAW Diagnostic of Nicaragua. Managua, Nicaragua. Dr. Rafael Amador Rodezno. June, 2005.
- CIMCAW Diagnostic of the Dominican Republic. Santo Domingo, Dominican Republic. CIPAF. September 2005.
- CIMCAW Diagnostic of Honduras. San Pedro Sula, Honduras. Miguel Calix. June 2005.
- CIMCAW Diagnostic of El Salvador. San Salvador, El Salvador. Glenda Vaquerano Cruz August 2008. MANUALS

Worker-Manager Training Manuals

As part of CIMCAW’s work to create a culture of compliance in project countries, five customized sets of manuals for joint worker-manager training were written. One manual each was developed for Guatemala, El Salvador, Honduras, Nicaragua, and the Dominican Republic. Members of the project’s international alliance developed the original concept for the manuals. Local experts then tailored them to the national labor legislation of each country. The drafts were then reviewed and approved by consensus of the national consultative committees, which ensured the buy-in of all stakeholders to the training methodology.

The manuals were considered “living documents” and were open to revision pending changes in national legislation or requests by stakeholders. While respecting the content, the Regional Office with the support of the international alliance undertook a mass review of all five sets of manuals. The goal was to standardize the documents and enhance the interactive sections of the workbooks. All the finalized manuals are available on the project website.

Since these manuals are based on national legislation and ILO Core Labor Standards, they are easily adaptable. Local partner organizations have the capacity to offer labor rights training to a variety of clients. Additionally, some of the members of the international alliance are investigating the possibility of adapting the manuals for use in their worldwide supply chains.

Training-of-Trainers Manuals

In response to a request from the Honduran Consultative Committee and the AHM, a training-of-the-trainer manual was developed to accompany the CIMCAW worker-manager training manuals. CIMCAW developed a training-of-the-trainers manual for the AHM so that they can continue the CIMCAW trainings in apparel factories in Honduras under the IDB-funded project they are implementing.

Technical Manuals

- Factory Communication Manual, INEH 2008. During the course of workers-manager training with the USLC factory in Nicaragua, the participants identified poor communication at all levels as the primary issue at their factory that needed improvement. To respond, the CIMCAW local partner wrote a manual outlining industry best practice in communication and used it as the base for several follow-up workshops. The manual also served as a model for factory management to reference while writing a new factory-wide communication policy. This manual has already proven its versatility and relevance; it has been used by other factories in Nicaragua and Guatemala.
- Anti-Discrimination Manual, INEH 2008. As part of the training follow up INEH provided to the Yutex factory in Nicaragua, INEH developed an anti-discrimination manual for the factory.

- Manual for Training and Development of Systems for Factory Labor Rights Compliance. Yolanda Brenes, Rafael Amador, Carolina Quinteros, Elena Arengo, and Judy Gearhart. August 2008. This manual represents a significant contribution of the project to the region. It provides a comprehensive methodology for implementing continuous improvement systems in factories. It also describes a set of indicators for follow up and impact evaluation, as well as a library of Good Practices compiled throughout the CIMCAW alliance members years of worldwide experience. The target audiences for these materials were project Local Partners and local factories that were working to create and/or improve their compliance assurance systems.

Inspector Protocols

CIMCAW and the U.S. Department of Labor Cumple y Gana project jointly developed inspector protocols for Nicaragua, Guatemala, Honduras, El Salvador, and the Dominican Republic. The protocols provide guidelines for inspection that follow global best practices and should result in more systematic, effective, and efficient inspection. These instruments were adopted by the inspectorates of each country, ensuring the sustainability of CIMCAW’s efforts.

Evaluations

As part of its efforts to evaluate key aspects of the CIMCAW model and methods, CIMCAW contracted consultants to conduct: a comparative evaluation of its training methods and an evaluation of the achievements of the project’s worker-manager training and the Ministry of Labor capacity building.

- García, Sara C. et. al. “Evaluación de las Metodologías de Capacitación Desarrolladas por el Proyecto CIMCAW / MECOMAQ. Nicaragua, Guatemala, República Dominicana.” Guatemala City, Guatemala. August 2008. (Spanish).
- Quintero, Carolina et. al. “Alcances y Logros de las Capacitaciones del Proyecto CIMCAW a Fábricas e Inspectores de los Ministerios de Trabajo de la Región Centroamericana y República Dominicana”. Nicaragua, Honduras, Guatemala. San Salvador, El Salvador. 2008. (Spanish).

DELIVERABLE 9: LEVERAGE

A significant effort was exerted to meet the 1-to-1 leverage target. CIMCAW achieved 70 percent of the target, raising \$2,612,319 in cash (\$775,000) and in-kind contributions (see Table 13).

TABLE 13: DELIVERABLE 9 – LEVERAGE

Target	FY2005	FY2006	FY2007	FY2008 Results	Life of Project Results
\$3,740,555 in leverage	\$363,308	\$523,262	\$580,069	\$1,123,811	\$2,595,450

In addition to the \$726,285 cash contribution, In addition, all of our partners and stakeholders made significant in-kind contributions, which included for example, staff time, travel, and materials. DAI developed a robust methodology for counting leverage (which it shared with the CIMCAW Contracting Officer) and a robust system for recording the leverage received. We put a great deal of effort into securing new partners who could make a contribution and also developing quality systems for capturing leverage.

CHALLENGES

Our partners also brought important networks, access to factories, information, and systems, which while viewed by the Office of Development Partners, GDA Office in Washington as leverage are difficult to objectively measure and as such remained uncounted. As a result, CIMCAW likely undercounted the leverage it received from partners.

Another challenge CIMCAW faced in achieving the leverage target was that our original expectations regarding brand contributions were unrealistic. We came to realize that given the highly competitive nature of the apparel business, margins are very small and disposable resources that companies can put toward these types of efforts even smaller. The other challenge CIMCAW faced was that some brand partners while interested in participating, were small and did not have the budget to contribute any cash to the project. Their contribution remained limited to in-kind contributions. The 1-to-1 leverage target while reasonable in other sectors such as the extractives, is not reasonable when applied to the apparel sector,.

DELIVERABLE 10: EVALUATION AND DISSEMINATION

As discussed previously, CIMCAW hired consultants to conduct two evaluations of key aspects of the CIMCAW program. The first evaluation by Garcia et. al. (2008) focused on a comparative evaluation of CIMCAW's training methods and the second evaluated the achievements of the project's worker-manager training (with a focus on Nicaragua) and the Ministry of Labor capacity building. It found that the joint worker-manager training methodology was effective and well received by training participants; the training was sufficiently flexible to be adapted to each country and therefore was an effective approach to educating and empowering workers.

The second evaluation by Quinteros et. al. (2008) used primary documents, focus group interviews, individual interviews, and surveys. It found that the worker-manager training efforts of the project were successful because they effectively contributed to improvements in working conditions, especially in the areas of occupational health and safety and treatment of workers. The evaluation found that trained workers came away with, for example, a better understanding of how to take care of their health, handle chemicals, and minimize risks in general. The training had made the female workers and the factories themselves conscious of the precautions they should take in the treatment of pregnant workers. The factories are more concerned with the importance of investing in the health of their workers and they are making the suggested changes, even if there is a cost to making the needed modifications around, for example, better ventilation or improved cleanliness in the restroom areas. There were reports of improvements in the treatment of personnel.

Quinteros et. al. (2008) found that the principal achievement of the project was its promotion of social dialogue. In addition, it found that the capacity building efforts aimed at the inspectors from the Ministries of Labor were successful. All of the inspectors demonstrated an increase in their understanding and appreciation of the auditing techniques and materials shared. The evaluation reports that "Without a doubt, [the training] will result in inspectors with increased capacity, who are more sensitive to issues faced by workers and more diligent in their work."

Over the life of the project, the project reached 42,300 stakeholders within and outside of the region through its outreach efforts, which included:

- Nine national and 1 regional multi-stakeholder events.

- The distribution to stakeholders throughout the region of 500 copies of a CD-Rom containing information on the CIMCAW program and approach, including benefits of compliance.
- Four CIMCAW Regional Quarterly Bulletins written and uploaded onto the project webpage.
- Three success stories (see Annex) related to project implementation, activities, and lessons learned written and disseminated via the project webpage.
- An article on the CIMCAW model and its links to competitiveness published in DAI's quarterly publication, *Developments*.
- USAID *Frontlines* featured CIMCAW in the February 2008 issue.
- Union workshops, presentations at regional and international conferences, engagement of dozens of multinational companies and their supply chain, and capacity building of workers, managers, inspectors, and auditors.
- Engagement of stakeholders throughout the region around labor standards at project sponsored meetings.

In addition, in an effort to disseminate key project materials and ensure sustainability of the CIMCAW approach, DAI will maintain the CIMCAW project website until August 2009. The website will include the worker-manager training materials, the country diagnostics, and the best practices Manual for Training and Development of Systems for Factory Labor Rights Compliance.

CHAPTER THREE

LESSONS LEARNED

“CIMCAW has been a participative forum where the different sectors work together and for society; it is an educational project, therefore, long term. The challenge is to build on CIMCAW’s achievements and the lessons learned.”

Andrea Brouillette-Rodríguez, ad interim U.S. Ambassador

CIMCAW was born of a sense that while challenging, an integrated multi-stakeholder approach to capacity building and social dialogue was the best way to achieve sustainable improvements in working conditions. CIMCAW pushed the traditional boundaries by going beyond monitoring and it did so through a public-private partnership that involved all partners in the governance of the project. The project was self-conscious in that it understood that it was being watched by stakeholders to see whether this model would succeed and whether it could be replicated.

As such, an important goal of the project has been to disseminate the materials we develop and importantly, the lessons learned. Over the life of the CIMCAW project, the Alliance Partners learned a number of valuable lessons. The following section highlights the key lessons learned by CIMCAW.

ON FACTORY CAPACITY BUILDING...

- Labor standards projects should make value propositions (i.e., demonstrating more tangible benefits such as increased sales or decreased costs in the short-term) to factories to enlist them in participating with the project. This argument should present a business case for hosting training session for workers and managers, rather than a more academic line of reasoning. CIMCAW developed marketing materials for the factories, which highlighted the factories savings related to their participation in the CIMCAW program (free training and technical assistance). However, due to lack of access to factory data, CIMCAW was not able to push the business case for compliance any further than that. This point will be further discussed in the section on Recommendations below.
- At the same time, projects promoting labor standards should take care not to encourage the view that social compliance translates directly to industrial competitiveness. Better social compliance does not mean a compliant factory will necessarily receive more purchase orders from Western buyers—there were even situations in which factories that had hosted labor standards training sessions later lost business from CIMCAW stakeholder companies. As one stakeholder representative put it, social compliance is “one leg of the stool” that is firm competitiveness, the other legs being cost and product quality. It is important for labor standards projects to manage the expectations of participant factories to avoid the damage to the project’s reputation that can come from frustrated participants. However, one of CIMCAW’s main goals was to help factories and workers understand that “these days you can’t just produce the right product at the right price,” it needed to be produced under the right conditions. Expectation management should also not undermine CIMCAW’s aim of changing the status quo on labor rights.

ON PROJECT IMPLEMENTATION...

- At its essence, this project was about relationship building and engendering behavioral change. Both of these take time and must be appreciated as a long-term process. Projects such as CIMCAW that aim to achieve behavioral change should be given ample time to implement.
- The political groundwork laid by the first Chief of Party, Homero Fuentes, during CIMCAW's first two years was essential to its achievements during its last few years. It is important to appreciate the relationships, credibility, and networks that were established without which the more concrete achievements of the phase 2 of CIMCAW would not have been possible.
- Behavioral change in the Central American context is challenging to achieve, but it is important to also consider the broader political context of the American elections in 2004 and how those played out affected the project's ability to move the more intransigent stakeholders. In 2004, VESTEX had initially said they would support the project. This was around the time that CAFTA-DR was being discussed and the perception was that if the Democrats were successful in the elections, there would be a more intense spotlight on the issue of labor standards in CAFTA-DR. When it became clear that a Republican Administration would take office, VESTEX rescinded their offer of support to both CIMGUAW and subsequently CIMCAW. ASIC, the industry association in El Salvador took a similar position. Even pressure from brand partners could not alter the decision of the leading industry associations in a couple of countries in the region against participating in the project.
- In a multi-stakeholder project, there is a balancing act between governance at the international and local levels. On the one hand, the Steering Committee must be capable of setting a strategic vision that it feels confident will be followed in implementation. On the other hand, implementation needs to be sufficiently flexible to allow national Consultative Committees to adapt the vision to national circumstances, taking into consideration the viewpoints of all sectors.
- A multi-stakeholder project needs to have codified, written methodologies and materials to guide its implementation, including written strategies around key issues that all partners affirm and that leverage partners' experiences. CIMCAW recognized during its second year and proceeded, in consultation with international and local partners and field staff, to formulate explicit policies on a wide range of areas, from branding to the structure of factory training sessions.
- It is critical that Alliance Partners (brand and non-brand partners) link with their strategic local allies in the promotion of the project so that their local allies fully support the project and facilitate implementation.
- Empowering Consultative Committees yields powerful and more sustainable results for the project, including a robust training program approved by all, and local consultative bodies that have experience working together on challenging labor-related issues. At the same time, it is important to recognize that even empowered and consolidated Consultative Committees are fragile as they are rooted in fibers of weak democratic traditions, highly polarized industrial relations whose dynamic can be affected by a number of local, regional and international factors.
- Joint local partner and brand partner visitation of factories – while not always successful – generally increased the chances of these factories agreeing to participate in CIMCAW's training program. For example, Timberland accompanying CIPAF in the Dominican Republic resulted in Timberland's supplier factories participating in the training, Gap Inc. accompanying COVERCO in Guatemala resulted in two of their supplier factories participating in the training, and Wal-Mart and USAID

accompanying INEH in Nicaragua yielded positive results for the training in Nicaragua..

- The project should have held a regional-level training session for the local partners, such as they did in December 2007 in Guatemala, earlier and such concentrated training sessions should have been held more frequently. The session proved to be tremendously valuable; the project was able to train the local partners on follow up/technical assistance and impact assessment methods, standardize the project approach across countries, trouble shoot, as well as clarify USAID data quality requirements.
- The Steering Committee– while not perfect -- proved to be a good way to speed up decision making at the international alliance level and increase the agility of the project, especially after it began holding bi-weekly conference calls and including local partners as needed
- Clearly define all indicators and ensure that early on all partners understanding of the indicators are aligned.
- The project would have benefitted from more staff in the Regional Project Office in Guatemala City. Specifically, a staff member dedicated to support country-level implementation, another for Communications, and one dedicated to Monitoring and Evaluation would have helped advance the work of the project. Initially, budget forecasts showed that there would not be sufficient resources to cover partner budgets and an expanded Regional Office. Thus the decision was taken to streamline the Regional Office staffing and rather support international and local partners instead.

ON THE NEED FOR BETTER DONOR AND PROJECT COORDINATION...

- Better coordination among the donors is required in planning activities so that activities are not developed, which compete for the same space and work at cross purposes. For example, the IDB project to build capacity at the factory level in Honduras and Guatemala, which started after CIMCAW, did not include a union element made factory recruitment nearly impossible in Guatemala where the implementer, VESTEX, would not collaborate with CIMCAW. In the case of Honduras, CIMCAW directly coordinated with the AHM, which was implementing the IDB project, and ultimately provided that project with training of the trainers' material for the CIMCAW training program so that they didn't have to reinvent the wheel and waste their resources developing training materials on labor rights compliance.
- It is important to increase external coordination with other projects that share our principles to increase impact, efficiency and avoid duplication.

ON ALLIANCE MANAGEMENT AND BRAND RECRUITMENT...

- Alliance management takes time. Fundamentally, partnerships are about relationships and they function most effectively when there is trust among the partners. This is something that must be nurtured throughout the partnership. It is important not to underestimate the amount of time and effort that goes into it. It is a slow process, but if you get it right, you can establish a catalytic alliance that effectively leverages experience, resources, networks, and legitimacy and has tremendous impact and is sustainable.

- Shared governance is important in order to establish the trust needed to effectively leverage alliance partners strengths and for an alliance to be a real partnership, but it should be circumscribed to strategic issues. For example, the lead implementer should retain the authority to hire Project Directors/Chiefs of Party.
- If you spend the time to build trust among the partners and develop robust alliance management tools such as communications and decision-making protocols, then partners will begin to delegate more decisions, making the Alliance and project more agile.
- In recruiting brands and retail companies to participate as affiliates to the program, the project has learned that one size does not fit all when it comes to affiliation. Some brands have less capacity and a more focused supply chain (e.g., one country as opposed to regional) so this scheme attempts to respond to this reality. As a result, the project has developed a tiered approach to corporate affiliation.

CHAPTER FOUR

CONTINUED WORK AND

RECOMMENDATIONS

CONTINUED WORK

The CIMCAW Alliance as a body will not continue the work after CIMCAW has closed. However, the different actors that constitute the Alliance will, sometimes in concert and other times separately, continue efforts around improved working conditions. Here are some ways in which the work will continue:

- All CIMCAW international partners are involved in the MFA Forum Americas Working Group, which is continuing to work on labor standards. Through the MFA Forum, they will advance the CIMCAW agenda. We plan on presenting the outcome of the project and the lessons learned to the members of the forum and will make the materials available to the members for work not only in Central America, but in other regions as well. SAI and DAI are continuing the work in the agriculture sector in Central America.
- SAI and DAI are working together on CULTIVAR a U.S. Department of State project. This project applies the CIMCAW model to the agriculture sector of Central America.
- INFOTEP will continue doing CIMCAW-like training and their training will not be restricted to the textile and apparel sector.
- Our NGO partners will continue working to improve working conditions in this and other sectors. Through the project, CIPAF and INEH were connected to the MFA Forum and CIPAF is playing an important role in facilitating the MFA Forum's work with the Tripartite Commission. INEH is also working with Organization of American States Trust for the Americas on Best Practices in Employer and Worker Organizations where they provide training to these actors. The work they did with CIMCAW helped firmly establish them in the industrial relations space and they have developed a solid reputation with the stakeholders.
- Wal-Mart has asked for the CIMCAW training materials and best practice so that they can disseminate in their supply chain, as needed. Partners such as COVERCO, INEH, and SAI have indicated that these materials will serve them well as they continue to work in the same areas. In addition, brands like New Balance, the FLA, and the new Labor Justice Advocacy project in Central America, implemented by PACT have also asked for the CIMCAW materials.

RECOMMENDATIONS

Recommendations for further work around labor standards in Central America and beyond:

- Build on the CIMCAW model. CIMCAW has shown us that while challenging, multi-stakeholder approaches to labor standards compliance and capacity building that includes workers training on all of their rights are critical to getting local and international stakeholders' ownership and achieving

meaningful results. More needs to be done to advance the model. CULTIVAR, which is a U.S. Department of Labor project implemented by SAI and DAI, is doing this building on the lessons learned of CIMCAW to advance labor rights in the agriculture sector.

- Harmonize social standards. The issue of a number of co-existing social standards continues to plague the apparel industry. Many factories have multiple customers, including multinational corporations and local retailer, and each buyer often imposes different standards and requires separate inspections. This typically results in costly duplication of efforts without a real improvement in performance. While there have been—and continue to be—important efforts to harmonize social standards none have been able to make a breakthrough and establish a widely recognized and accepted standard. An important outcome of CIMCAW is that it demonstrated that CIMCAW serious multi-stakeholder dialogue is possible and that challenging issues can be effectively addressed through such a mechanism. More needs to be done to effectively address the issue of multiple standards, using a multi-stakeholder approach.
- Training programs around social compliance should include a carrot for factory participation. If multinational companies are not prepared to guarantee increased buying from participating companies, then another effective incentive would be to provide direct support around technical upgrading of the factories. This should be linked to the labor standards compliance agenda, for example, support in upgrading (or helping to establish) of complete factory management systems would not only support technical aspects of the business, but also the factories ability to comply.
- The business case for compliance needs to be firmly and empirically established in order to more easily attract factories to participate in capacity building on labor standards that includes workers and achieve improvements in working conditions. As mentioned previously, due to lack of access to factory data, CIMCAW was not able to push the business case for compliance any further than that. One of CIMCAW's brand partner have indicated that they've seen efforts around this, but a solid study establishing the business case for compliance with social standards does not exist. The ILO Better Factories project in Cambodia is working on this and has the enviable advantage of having access to factory data – something that has proven to be the Achilles heel of many previous efforts.
- Urgent efforts to make remaining factories competitive and protect remaining jobs and provide assistance (job placement, retraining) for workers in the Dominican Republic that have lost their jobs. The MFA Forum is working with CIPAF and the Comision Tripartita in the Dominican Republic to address this issue, but more works needs to be done. According to Listín Diario.com, with the December job losses, an estimated 30,000 workers have lost their jobs in the free zone industries this year. The President of ADOZONA (Asociación Dominicana de Zonas Francas) and Grupo M, Fernando Capellán estimated that in the last 4 years the sector has lost between 95,000 and 100,000 jobs. Apparel exports from the country have decreased 55 or 60 percent over the last 3 to 4 years (Listín Diario.com). He suggested that new legislation is required to re-invigorate the sector; a solution to the energy crisis, stabilization of the interest rate and classification of industrial sector loans. "The export sector is going through some very difficult times and unless policy decisions are taken that modify the current framework, the job losses could continue in other spheres of the industry," said Fernando Capellan.

ANNEX I DELIVERABLES, TARGETS, AND RESULTS

PROJECT PERFORMANCE MATRIX

Work Plan Deliverables	Expected Results	Targets	Results
1.1. . Diagnostic of Honduras, Nicaragua, and the Dominican Republic	A comprehensive diagnostic on the state of labor compliance and social dialogue. The diagnostic will analyze the context and obtain stakeholder opinions regarding their receptivity to the CIMCAW Project and also obtain stakeholder opinion on how to effectively tailor relevant aspects of CIMCAW's approach in each of the countries. .	Complete diagnostic report by end of first quarter of FY2008.	SUB-DELIVERABLE 1.1: ACHIEVED Life of the Project and FY2008 Results: The diagnostic on the state of labor compliance and social dialogue was completed in Honduras, Nicaragua and the Dominican Republic in El Salvador was completed by the end of first quarter of FY2008. Over the (Life of the Project) LOP, a diagnostic was developed for Nicaragua, Honduras, and the Dominican Republic.
1.2. Consultative Committee (CC) established and functioning in Guatemala, Honduras, Nicaragua, and the Dominican Republic	Honduras, the Dominican Republic, Nicaragua, and Guatemala will have a CC functioning on regular, systematic and sustainable basis.	Consultative Committee functioning in Honduras, the Dominican Republic, Nicaragua, and Guatemala.	SUB-DELIVERABLE 1.2 : 75% ACHIEVED Established 3 out of 4 Consultative Committees (75% of target). One Consultative Committee established in Honduras, the Dominican Republic, and Nicaragua.
1.3 Honduran Local partner selected and working	A local partner defined by Honduran's CC will be supporting CIMCAW implementation in the country.	One person or partners selected by CC consensus and approved by the Steering Committee.	SUB-DELIVERABLE 1.3: ACHIEVED Life of the Project Results: After over a year of consideration and review of numerous local NGO candidates, the Honduran Consultative Committee selected Homero Fuentes as the Project Representative for Honduras.
1.4 Project Approach by Country	A fully developed project approach for each country that is current and relevant for the local country context.	Completed project approach for El Salvador by end of first quarter calendar 2008.	SUB-DELIVERABLE 1.4: ACHIEVED Life of the Project Results: Local partners in Guatemala, Nicaragua, Dominican Republic, Honduras, and El Salvador developed a work plan for how to approach project implementation in each country. FY2008 Results: Project approach developed for El Salvador.
2.1. Consultative Committee holds monthly meetings	Nicaragua, DR and Honduras will have CC's providing significant input into the decision making process of the project and functioning on regular, systematic and sustainable basis. Lay the foundation for a more effective and sustainable national industrial relations system at the workplace	11 monthly meetings (No meetings planned for December) to be held over FY2008.	SUB-DELIVERABLE 2.1: 81 PERCENT OF TARGET ACHIEVED FY2008 Results: Dominican Republic: 7 meetings Nicaragua: 11 meetings Honduras: 9 meetings

Work Plan Deliverables	Expected Results	Targets	Results
	level, and ongoing social dialogue. Launch dialogue providing common ground for improved labor relations.		
2.2. Pilot program for collaboration with national training institute developed	Through the collaboration received by INFOTEP from CIMCAW DR will be able to continue receiving the approach developed by the project in a sustainable way.	<ul style="list-style-type: none"> • Feasibility study completed. • Joint training program designed and delivered to INFOTEP by end of second quarter of 2008. 	<p>SUB-DELIVERABLE 2.2: ACHIEVED</p> <p>FY2008 Results: A feasibility study was completed by CIPAF in October 2007. The CIMCAW Steering Committee approved it in February 2008. An MOU was signed with INFOTEP on July 2008 and 43 instructors trained by CIPAF and SAI in CIMCAW's methodology and approach.</p> <p>INFOTEP will continue training managers and workers from all sectors of the DR's economy. They committed to share their experience with other sister's institutions of the region, so they could reproduce the model. CIPAF committed to give support to INFOTEP even after CIMCAW.</p>
2.3. Identify communications and industry promotion strategy upon which the diverse participants agree (improve social dialogue around labor standards)	With the support of international expertise linked to the project, each country will develop a national workshop where different stakeholders will share Good Practices developed, and the impact at the factory level. Foster understanding of the important role labor standards play in increasing competitiveness and worker productivity, strengthening rule of law, and creating employment aimed at pro-poor growth. Gain broad support for creating a culture of labor standards compliance.	<p>2.3 a. One national stakeholder meeting per country.</p> <p>2.3b. One Regional Consultative Committee meeting.</p> <p>2.3c. Regional symposium with private sector and brands networking sponsored by the project in quarter 4 of FY2008</p>	<p>SUB-DELIVERABLE 2.3A-C :ACHIEVED AND TARGET SURPASSED</p> <p>Life of the Project Results: A total of 9 National and 1 Regional Multi-Stakeholder event were held. These events provided a forum for awareness building around the benefits of social compliance and methods to achieving compliance. As they were multi-stakeholder events, they were also important forums for advancing serious social dialogue.</p> <p>Prior to FY2008:</p> <ul style="list-style-type: none"> • CIMCAW convened one high-level national best practices event, GILCA "Global Innovations in Labor Compliance Assurance" in February 2006. This was attended by over 100 persons, including local stakeholders (union, private sector, and government), multinational brands, and alliance partners. • In February 2007, a multi-stakeholder National Best Practice workshop was held in the Dominican Republic and was attended by 43 representatives from the private sector, union and government. • In February 2007, a multi-stakeholder National Best Practice workshop was held in the Nicaragua and was attended by 22 representatives from the private sector, union and government. <p>FY2008:</p> <ul style="list-style-type: none"> • CIMCAW convened one "National Best Practices" workshop in Honduras in February 2008 attended by representatives of the private sector, unions and government.

Work Plan Deliverables	Expected Results	Targets	Results
			<ul style="list-style-type: none"> • CIPAF, the CIMCAW Local Partner in the Dominican Republic, held one National Best Practices” Workshops attended by 44 representatives of the private sector, unions and government. • CIPAF in the Dominican Republic organized 4 (four) national multi-sectoral workshops focused on the crisis in the textile and apparel sector and how the project could lend support to the sector. • The project held two Regional Consultative Committee meetings -- one in El Salvador in April 2008 and one in San Pedro Sula in August 2008 in which the tripartite members of the Consultative Committees from Honduras, Nicaragua and the Dominican Republic and key stakeholders from El Salvador and Guatemala participated. • A Regional Symposium and brands networking event was an international event held in San Pedro Sula, Honduras in August 2008. It was attended by approximately 75 people, including CIMCAW Alliance Partners, Consultative Committee members from five countries, stakeholders from government, private sector, and unions, international and local NGOs such as FLA, SAI, multinational brands, and other international labor-related initiatives such as Cuple Y Gana, Maquila Solidarity Network, and factory workers and managers from throughout the region(Sub-Deliverable 2.3c Achieved).
2.4 Establish mandate/legal framework where CC members commit to work together.	A sustainable CC in Honduras, Nicaragua, DR, and Guatemala.		<p>SUB-DELIVERABLE 2.4: ACHIEVED</p> <p>Life of the Project Results: In the Dominican Republic, the Tripartite Commission was established by Presidential Decree (pre-CIMCAW) and is thus governed by a legal framework. However, it was a dormant body, which was re-activated through the work of CIMCAW. The Commission, now an active body, was endorsed by all sectors with a work agenda that will continue beyond the life of CIMCAW.</p> <p>In Nicaragua, the Consultative Committee has agreed to continue meeting after CIMCAW closes these meetings will be convened by INEH, the CIMCAW local partner. The purpose of their meetings will be to improve social dialogue and working conditions in the factories.</p> <p>In Honduras, the Consultative Committee has expressed an interest in continuing to work together. However, they lack a partner organization to coordinate.. CIMCAW has reached out to the Fair Labor Association (FLA) to encourage them to act as the convener.</p>

Work Plan Deliverables	Expected Results	Targets	Results
			FLA has offered to support the future work of the Consultative Committee set up by CIMCAW in the region.
3.1. Development of tailored training program in each country	Each country will have a tailored training program developed through a consensus process with the participation of the members of the CC. As such, project activities, along with training workshops, materials, and methodologies will have increased relevance as a result of being tailored to the local context. Trainers and/or leaders from business, NGO, government and labor sectors are engaged in developing trainings and related strategies for improving labor standards.	By the first quarter of 2008, each country will have published the following number of manuals: <ul style="list-style-type: none"> • 5 Nicaragua • 1 Guatemala • 1 Dominican Republic • 5 Honduras 	<p>SUB-DELIVERABLE 3.1: ACHIEVED & SURPASSED</p> <p>Life of the Project Results: Developed 5 tailored training programs, one program each for Guatemala, Honduras, Nicaragua, the Dominican Republic and El Salvador. The training program covered the same basic issues in all countries. However, it was organized differently by country and the depth of coverage of each issue also differed by country. Thus, the different number of manuals per training program.</p> <p>Prior to FY2008: The following manuals were developed prior to FY</p> <ul style="list-style-type: none"> • 1 manual in Guatemala • 5 manuals in Honduras • 5 manuals in Nicaragua • 4 in manuals in the Dominican Republic. <p>FY2008 Results:</p> <ul style="list-style-type: none"> • CIMCAW developed 1 manual for El Salvador. CIMCAW thus surpassed the target. • CIMCAW developed a Training of Trainers version to accompany the manuals in Honduras. This represents tremendous value added and again another instance where CIMCAW surpassed its target.
4.1. Workers that benefit from documented improvements in factory labor practices.	Workers and Managers from participating factories acquire knowledge on labor standards and this is integrated into management systems resulting in continuous improvement.	58,000* workers that benefit from documented improvements in factory labor practices. *Note: *This target was reduced to 58,000 from 92,000 for USAID Semi-annual Portfolio reviews September 2007.	<p>SUB-DELIVERABLE 4.1: 41% of TARGET ACHIEVED</p> <p>Life of Project Results: Over the life of the project, CIMCAW documented improvements in factory labor practices affecting 23,836 workers. Please see Chapters 2 and 3 of the final report for a full discussion of these results.</p> <p>FY2008 Results: CIMCAW documented improvements in factory labor practices affecting 16,786 workers in FY2008 alone. Please see Chapters 2 and 3 of the final report for a full discussion of these results.</p>
4.2. Trained workers & Managers	A total of 1123 workers and managers will have completed CIMCAW's training in all the countries participating in the project.	1123 trained workers and managers	<p>SUB-DELIVERABLE 4.2: 72 % of TARGET ACHIEVED</p> <p>Life of Project: A total of 809 workers and managers were trained by CIMCAW over the life of the project. Please see Chapters 2 and 3 for a full discussion of the results.</p> <ul style="list-style-type: none"> • 358 trained in Nicaragua

Work Plan Deliverables	Expected Results	Targets	Results
			<ul style="list-style-type: none"> • 153 trained in Guatemala • 226 trained in Dominican Republic • 42 trained in Honduras* • 30 trained in El Salvador <p>*Note: 22 of the persons trained in Honduras were trained in a managers-only training.</p> <p>FY2008 Results: A total of 545 workers and managers were trained by CIMCAW in FY 2008.</p> <ul style="list-style-type: none"> • 238 trained in Nicaragua • 62 trained in Guatemala • 173 trained in Dominican Republic • 42 trained in Honduras* • 30 trained in El Salvador
<p>4.3 Increase in the understanding of national labor laws and ILO Core Labor Standards of workers in participating factories.</p>	<p>Those workers and managers participating in the training will have increased their knowledge on workers' rights according to an average increase of 30 % of their scores.</p>	<p>At least, a 30% improvement in understanding between pre and post test.</p>	<p>SUB-DELIVERABLE 4.3: TARGET PARTIALLY ACHIEVED</p> <p>Life of the Project Results: Improvements in workers and managers understanding of labor rights between 24.3% & 41% were reported in those countries that reported results.</p> <p>In El Salvador, workers and managers demonstrated an average of 24.3% improvement.</p> <p>In Nicaragua, the majority of workers and managers demonstrated more than 15% improvement in understanding. Pre and Posts tests were developed for each module (between 3 and 6) and administered in each of the 9 trainings. Over the nine rounds of training, 35 sets of pre and post tests were administered to the groups of workers and managers participating in each round of training. The results show that the average improvements in understanding were higher than 20% in 8 out of the 35 cases. It is important to note that 15 out of the 35 sets of pre-tests demonstrated 75% or better understanding of the material, thus the scope for improvement was less than 30% and the possibility of improving 30% and achieving a perfect score, exponentially harder the higher the original pre-test.</p> <p>The Dominican Republic and Guatemala did not administer the pre- and post-tests aimed at capturing the improvements in understanding. Thus, these results are not available.</p>

Work Plan Deliverables	Expected Results	Targets	Results
4.4.Strategy for Improving Factory Labor Standards	The project would have presented at least 32 reports to the same number of factories in all the countries participating in the project.	32 to 43 Reports developed and presented to factories	<p>SUB-DELIVERABLE 4.4: 72 % of Target Achieved</p> <p>Life of Project Results: A total of 23 reports were officially presented to factories.</p> <ul style="list-style-type: none"> • Guatemala: 4 • El Salvador: 1 • Honduras: 1 • Nicaragua 15 • DR: 2 <p>FY2008 Results: A total of 18 reports were officially presented to factories in FY 2008.</p> <ul style="list-style-type: none"> • Guatemala: 2 • El Salvador: 1 • Honduras: 1 • Nicaragua: 12 • DR: 2
4.5 Alliance Outreach	Local partners will work with industry associations to engage factories; International brand partners will encourage vendors to participate in CIMCAW; worker organization briefings will also be conducted.	<p>Local partners develop plan and/or joint activities to encourage factories with industry associations; international brand partners actively encourage vendors to participate;</p> <p>ITG conducts 1 worker briefing in Honduras, Guatemala, DR, and Nicaragua.</p>	<p>SUB-DELIVERABLE 4.5: ACHIEVED & SURPASSED</p> <p>Life of Project Results:</p> <ul style="list-style-type: none"> • 2 union workshops aimed at raising awareness of the unions of the business case for labor standards compliance and garnering the support of the unions for project objectives held in each of the following countries: Guatemala, Nicaragua, Honduras, and the Dominican Republic. Prior to FY2008 the workshops in: <ul style="list-style-type: none"> — the DR was attended by 30 union members, — Honduras was attended by 18 union members — Nicaragua was attended by 20 union members • Local Partners and Consultative Committees from Nicaragua, Honduras and the Dominican Republic conducted national and regional best practice workshops (reported under deliverable 2.3). • A factory recruitment workshop was held in Nicaragua February 2006 where 30 factories were represented. • In September 2006, INEH held a multi-stakeholder meeting where the Minister of Labor, Larry Brady of USAID/El Salvador , Alliance Partners and the private sector and unions of Nicaragua participated. The event highlighted how compliance and enforcement of labor standards can lead to enhancing the

Work Plan Deliverables	Expected Results	Targets	Results
			<p>competitive advantage of the Nicaraguan apparel manufacturing sector. In addition, recognition was given to the representatives of factories that have participated in the joint worker-manager training initiative.</p> <ul style="list-style-type: none"> • In September 2006, the CIMCAW project, in collaboration with the Association of Honduran Manufacturers (AHM), hosted an event to introduce the Project to various representatives of Honduran factories. Attendees included representatives from approximately 32 textile & apparel factories as well as representatives from CIMCAW Alliance members Gap Inc., DAI, Social Accountability International (SAI), and the International Textile Garment & Leather Workers' Federation (ITGLWF). • In April of 2008, a workshop on Freedom of Association was held for the private sector in Honduras. 6 factories along with the AHM a representative of the Ministry of Labor and Wal-Mart participated in this one day workshop. • In February 2008, 11 factory managers attended a presentation for Wal-Mart suppliers in Honduras where the project staff and Wal-Mart presented the benefits of participating in the training and labor standards compliance to Wal-Mart supplier factories in an effort to recruit them to participate in the CIMCAW training. • Wal-Mart participated in a National Seminar on Responsible Investment and Decent work in the Free Zone in Nicaragua hosted by Comisión Nacional de Zonas Francas and Pro Nicaragua in November 2008. Part of their presentation included a presentation of CIMCAW and the benefits of participation for the private sector and Nicaragua, more generally. • SAI participated in IDB event in Guatemala in December 2007 where they presented the CIMCAW model and benefits of participation to the multi-stakeholder audience of approximately 250 regional stakeholders. • INEH came to an agreement with the Corporation de Zonas Francas (CZF) to implement a new approach to recruiting factories whereby the CZF would recruit factories directly. • CIMCAW's team in Honduras, working with the Regional Office developed a training of the trainers program for the Association of Honduran Manufacturers (AHM). • CIMCAW established an MOU with INFOTEP in the Dominican Republic and as a result trained 43 of their trainers to deliver the

Work Plan Deliverables	Expected Results	Targets	Results
			<p>CIMCAW training program to workers and managers in formal sectors in the Dominican Republic.</p> <ul style="list-style-type: none"> • Coldwater Creek met with vendors and the COVERCO and Regional Office Team to encourage their vendors to participate. Despite Coldwater Creek's efforts, the vendors refused to participate unless VESTEX confirmed their support for the project. • Billabong successfully recruited their vendors to participate in the CIMCAW Regional Symposium in San Pedro Sula in August of 2008 and in the CIMCAW Worker-Manager training in El Salvador . • Gap Inc. worked with COVERCO and vendors in the region to recruit them to participate in the trainings. • Timberland reached out to nearly all of their suppliers and factories in the DR to get them to participate in the training. <p>FY2008 Results: 1 union workshops was held in Guatemala, Nicaragua, Honduras, and the Dominican Republic in FY2008.</p>
4.6 Train 92 factories	Labor standards training that result in shared understanding and expectations are fostered on workplace strategies for improving labor standards compliance.		<p>SUB-DELIVERABLE 4.6: 51% of TARGET REACHED</p> <p>Life of Project Results: Despite approaching nearly 200 factories, CIMCAW was able to provide worker-manager training to 47 factories*.</p> <ul style="list-style-type: none"> • Guatemala: 4 • El Salvador: 1 • Honduras: 8 • Nicaragua: 26 • DR: 8 <p>FY2008 Results: During FY2008 CIMCAW was able to provide worker-manger training to 32 factories*.</p> <ul style="list-style-type: none"> • Guatemala: 2 • El Salvador: 1 • Honduras: 8 • Nicaragua: 16 • DR: 5 <p>*Note: 7 of the factories trained in Honduras participated in a manager-only training.</p>

Work Plan Deliverables	Expected Results	Targets	Results
4.7 Training follow up/technical assistance	Training results are reinforced and rapidly taken to scale in the workplace. Interim assessments of training impact are made in timely manner. Links are established between training curriculum and factory improvements. Data is gathered on qualitative and quantitative change in factories and hundreds of workers and managers involved in factory improvement process.	At least 50% of the factories agree with the follow up (FU) and a positive impact is found and documented in 50% of these factories. A 35% of positive documented impact is expected among those factories that do not agree with the FU.	<p>SUB-DELIVERABLE 4.7: Target Achieved.</p> <p>Life of Project Results: Over the life of the project 17 factories participated in follow up, signifying a 36% acceptance rate. Of those 15 factories recorded an impact, or 88%, which greatly surpasses our target.</p> <p>Follow up: Nicaragua: 15 Guatemala: 2</p> <p>Impact: Nicaragua: 13 Guatemala: 2</p> <p>FY2008 Results: During FY2008 12 factories accepted follow up and of those 11 or 92% of them recorded an impact for workers and managers.</p> <p>Follow up: Nicaragua: 12</p> <p>Impact: Nicaragua: 11</p>
5.1. 433 inspectors trained or reached in working group sessions	MOL Inspectors from the countries participating in the project have increased their knowledge of industry best practices, shared and collaborate with key actors of the sector in order to improve compliance.	One workshop developed in each one of the countries with participation of inspectors and others working in verification.	<p>SUB-DELIVERABLE 5.1: ACHIEVED & SURPASSED</p> <p>Life of Project Results: 614 inspectors trained or 142% of target achieved (286 in El Salvador, 106 in Guatemala, 95 in Honduras, 30 in Nicaragua and 97 in the Dominican Republic).</p> <p>FY2008 Results: 316 inspectors from the Ministries and Secretaries of Labor of Central America. 316 inspectors trained (150 in El Salvador, 69 in Guatemala, 49 in Honduras, and 48 in the Dominican Republic)</p> <p>In addition to the training for the inspectors from the Ministry of Labor, CIMCAW together with Cumple y Gana developed 5 inspector protocols and held 5 inspector protocol validation workshops (one per country) in which a total of 85 Inspectors participated:</p> <ul style="list-style-type: none"> • Guatemala=11, • Honduras=13, • El Salvador=30, • Nicaragua=18, • D.R. =13.

Work Plan Deliverables	Expected Results	Targets	Results
			Together CIMCAW and Cumple y Gana developed a set of inspector protocols that represent an added value to the region.
5.3. Increase in understanding of auditing methods by workshop participants.	Those Inspectors and key actors working in verification participating in CIMCAW's workshops will have increased their knowledge on compliance and verification issues according to an average increase of 30 % of their scores.	At least, an 30% improvement in understanding between Pre and Post test	<p>SUB-DELIVERABLE 5.3: ACHIEVED</p> <p>Inspectors in the Dominican Republic, El Salvador, Honduras and Nicaragua demonstrated more than 30% increase in understanding. For example, in the Dominican Republic, inspectors demonstrated an increased understanding of 48%, in some of the more challenging issue, including forced labor, child labor, benefits, discrimination and overtime. In Nicaragua and El Salvador this increase was of 30% and in Honduras it was 45%.</p>
6.1. Increased capacity of local partners.	<p>The local partners are able to :</p> <p>a) Deliver training independently; b) provide factory follow up; c) provide fee-based CIMCAW like training and Technical Assistance (sustainability); d) engage stakeholders at regional level.</p> <p>The project expects that a sustainable cadre of organizations to meet local demand around labor standards compliance will be established.</p>	<p>One regional workshop with the attendance of Local partners during the fourth quarter of 2007.</p> <p>Two International and local partners meetings.</p> <p>Joint local and international partner activities and work.</p>	<p>SUB-DELIVERABLE 6.1: ACHIEVED</p> <ul style="list-style-type: none"> • In August 2008, CIMCAW held a regional symposium in which Local Partners participated. • In December 2007 the project held a 4 day capacity building session in Guatemala City for local partners on the manual and methodology developed by CIMCAW in which international partners participated. • In July 2007 and April 2008, CIMCAW held international and local partners' meetings in San Salvador. These meetings were aimed at planning project implementation and refining the project approach. • Based on their work with CIMCAW and the international partners, by the end of the project the local partners were empowered to provide quality capacity building on labor standards in the textile and apparel and other sectors. They have built a solid reputation as the "go to" organization on labor standards and will continue to carry out labor standards training as part of their core work. They have established networks with key stakeholders in their countries and in the region and have developed relationships with multinational brands.
7.1. Increase in the number of new brands participants.	Alliance defined and implemented systematic process which has been successfully used for the incorporation of new brands (Phase II).	Three to six new brands participating in the project.	<p>SUB-DELIVERABLE 7.1: ACHIEVED</p> <p>CIMCAW achieved its goal of adding three new brand partners to the Alliance. Wal-Mart joined the Alliance in the fall of 2007 and Billabong and Coldwater Creek joined in the winter of 2008.</p>

Work Plan Deliverables	Expected Results	Targets	Results
8.1 Develop tools and methods to improve workplace conditions	CIMCAW developed a comprehensive manual that fits the needs as a guide for local partners, Workers and Managers from participating factories for developing labor standards integrated into management systems.	By the end of the fourth quarter of 2007, one comprehensive manual performed and ready to be used by the LP and factories participating in the project	SUB-DELIVERABLE 8.1: ACHIEVED The project achieved this deliverable. It developed a number of tools and methods aimed at securing improvements in workplace conditions. Chapter 2 of the Final Report provides a comprehensive list of tools and resources developed by the CIMCAW project. Among these is the “Manual for Training and Development of Systems for Factory Labor Rights Compliance” which provides a comprehensive methodology for implementing continuous improvement systems in factories. It also describes a set of indicators for follow up and impact evaluation, as well as a library of Good Practices compiled throughout the CIMCAW alliance members years of worldwide experience.
9.1 \$3.740,555 target	Alliance success on the incorporation of new brands increased the leverage of the project.	\$3.740,555 target	SUB-DELIVERABLE 9.1: 69% of target achieved Life of Project Results: \$2,595,450 in leverage was raised throughout the life of the project. FY 2008: \$1,123,811
10.1 Data regularly gathered.	CIMCAW has a PMP which is the project base instrument for the quarterly and final reports.	Approved PMP and data gathered monthly by RO.	SUB-DELIVERABLE 10.1: ACHIEVED The Project Monitoring Plan was developed and approved by USAID. Local partners used the appropriate set of indicators to measure their achievements on a quarterly basis. Templates for gathering data on training, follow up and impact was provided to and used by the Local Partners. The project completed a couple of data quality assessments with the project CTO. The project also conducted an evaluation of the worker-manager and inspector training impact.
10.2 Webpage developed and maintained.	CIMCAW has an updated and friendly web site with all the methodologies and manuals ready for public domain.	Webpage regularly updated	SUB-DELIVERABLE 10.2: ACHIEVED The CIMCAW webpage, www.cimcaw.org.gt, was completely redesigned and updated. As part of the sustainability of the project and dissemination of tools, it will remain active for 12 months after the close down of the project.
10.3 Project outreach to stakeholders – both in the region and out – regarding project model	An efficient regional and national system of planning, monitoring, evaluation and communication was developed in order to promote labor rights in the region.	Three periodic project update reports completed and disseminated on the webpage and to stakeholders in the region and abroad. Presentations of/participation on panels to discuss CIMCAW model at stakeholder events in the	SUB-DELIVERABLE 10.3: ACHIEVED Over the life of the project, the project reached nearly 42,300 stakeholders within and outside of the region through its outreach efforts, which included: <ul style="list-style-type: none"> • A total of 9 National and 1 Regional Multi-Stakeholder event were held. • 500 copies of a CD-Rom containing information on the CIMCAW program and approach, including benefits of compliance were distributed to stakeholders throughout the region. • Four CIMCAW Regional Quarterly Bulletin written and uploaded

Work Plan Deliverables	Expected Results	Targets	Results
		<p>region and outside</p> <p>Project sponsored events and/or activities that promote and disseminate information on the CIMCAW model.</p>	<p>onto the project web page.</p> <ul style="list-style-type: none"> • Three success stories related to project implementation, activities, and lessons learned were written and disseminated via the project web page. • An article on the CIMCAW model and its links to competitiveness was published in DAI's quarterly publication, Developments. • USAID Frontlines featured CIMCAW in the February 2008 issue. • Union workshops. presentations at regional and international conferences, engagement of dozens of multinational companies and their supply chain, capacity building of workers, managers, inspectors, and auditors. • Engagement of stakeholders throughout the region around labor standards at project sponsored meetings.

SUMMARY OF CIMCAW WORKER/MANAGER TRAININGS

Country	Workshop Dates	Hours of Training	Number of Factories	Population of Factories***	Male Trainees	Females Trainees	Total Trainees	
Nicaragua	May 27th 2006-September 30th 2006	48 hours*	4	5,710			46	
	July 22nd 2006-October 21st 2006	48 hours	5	8,150			57	
	November 11th 2006-February 24th 2007	48 hours	1	3,500			17	
	August 25th 2007-November 3 2007	48 hours	3	6,850	13	24	37	
	January 26th 2008-April 12 2008	48 hours	1	2,800	20	16	36	
	February 9th 2008-April 19th 2008	48 hours	1	2,055	16	18	34	
	June 13th and 14th 2008	16 hours**	5	2830	23	27	50	
	July 25th and 26th 2008	16 hours	4	3,500	25	18	43	
	August 2008-September 13th 2008	16 hours	2	6,300	22	16	38	
	FY 2008 TOTAL:			16				238
	CIMCAW TOTAL:			26	41,695			358

* Each round consisted of six eight hour sessions. Topics trained: The new global context affecting the apparel sector; New factors of competitiveness, featuring labor standards compliance; Rights and obligations of workers; Discrimination; forced work and forced overtime; Child labor; Wages; Social benefits; Freedom of association; Women's rights at work; Maternity; Occupational health; Environment; and Management systems for social responsibility.

**Each round consisted of two eight hour sessions. Covering a condensed version of all the topics listed above.

***Population of factory is the number of workers at the factory at the start of training.

Country	Workshop Dates	Hours of Training	Number of Factories	Population of Factories***	Male Trainees	Females Trainees	Total Trainees
Dominican Republic	February 17th 2007	8 hours*	2	685	15	17	32
	February 24th 2007	8 hours	1	1296	13	8	21
	November 17th 2007	8 hours	1	566	17	18	35
	April 24th 2008	8 hours	1	177	28	9	37
	July 19th 2008	8 hours	1	225			35
	August 25th 2008	8 hours	1				35
	August 30th 2008	8 hours	1	279			31
	FY 2008 TOTAL:		5				173
	CIMCAW TOTAL:		8	3,228			226

*Each round consisted of one eight hour session. Topics Trained: The new global context affecting the apparel sector; Interpersonal Relations and teamwork; Rights and obligations of workers; Freedom of association and collective bargaining; Discrimination, Women's rights at work and child labor.

Country	Workshop Dates	Hours of Training	Number of Factories	Population of Factories***	Male Trainees	Females Trainees	Total Trainees
Honduras	July 5th-12th 2008	16 hours*	1		10	10	20
	February 19th, 2008	4 hours**	7				22
	FY 2008 TOTAL:		8				42
	CIMCAW TOTAL:		8				42

*Each round consisted of two eight hour workshops. Topics Trained: Interpersonal Relations and teamwork; The new global context affecting the apparel sector; Rights and obligations of workers; Women's rights at work; Freedom of association; Occupational health

**A total of 22 managers from 7 factories participated in an abbreviated CIMCAW training to educate them about the program and try to persuade them to sign their factory up for the full CIMCAW training.

Country	Workshop Dates	Hours of Training	Number of Factories	Population of Factories***	Male Trainees	Females Trainees	Total Trainees
Guatemala	July 2006	16 hours*	1	1230	25	21	46
	August 2006	16 hours	1	2820	31	14	45
	June 21st 2008-July 5th 2008	16 hours	1	6000	30	5	35
	July 11th and 12th 2008	16 hours	1	840	9	18	27
	FY 2008 TOTAL:		2				62
	CIMCAW TOTAL:		4	10,890			153

* Each round consisted of two eight hour workshops. Topics trained: The new global context affecting the apparel sector; New factors of competitiveness, featuring labor standards compliance; Rights and obligations of workers; Discrimination; forced work and forced overtime; Wages; Social benefits; Freedom of association; Women's rights at work; Maternity; Occupational health; Environment; and Management systems for social responsibility.

Country	Workshop Dates	Hours of Training	Number of Factories	Population of Factories***	Male Trainees	Females Trainees	Total Trainees
El Salvador	September 13th and 14th 2008	16 hours*	1	350	14	16	30
	FY 2008 TOTAL:		1				30
	CIMCAW TOTAL:		1	350			30

*Each round consisted of two eight hour workshops. Topics Trained: Interpersonal Relations and teamwork; The new global context affecting the apparel sector; Rights and obligations of workers; Discrimination and Women's rights at work; forced work and forced overtime; Wages; Social benefits; Occupational health; Legal recourse for violations of labor rights.

	Number of Factories	Total Trainees
FY 2008 TOTAL:	32	545
CIMCAW TOTAL:	47	809

CIMCAW/CUMPLE Y GANE INSPECTOR TRAININGS*

Country	Date	Number of Inspectors
Guatemala		
	Dec-05	18
	Dec-05	19
	14-Apr-08	18
	2-Jul-08	29
	6-Aug-08	22
TOTAL:		106
Honduras		
	Nov-05	20
	Nov-05	26
	24-Jun-08	24
	11-Aug-08	25
TOTAL:		95
El Salvador		
	Jul-05	34
	Nov-06	32
	Jul-06	32
	Nov-06	38
	8-Jul-08	75
	27-Aug-08	35
	28-Aug-08	40
TOTAL:		286
Dominican Republic		
	Dec-05	25
	Jan-07	24
	15-Jul-08	22
	21-Aug-08	26
TOTAL:		97
Nicaragua		
	2006	30
TOTAL:		30
TOTAL INSPECTORS TRAINED		614

*CIMCAW Inspector trainings consisted of 8-16 hours covering topics such as: discrimination against pregnant women, child labor, illegal dismissals, social benefits, violations against freedom of association, and overtime

INSPECTOR VALIDATIONS*

Country	Date	Number of Inspectors
Guatemala	12-May-08	11
Honduras	14-May-08	13
El Salvador	9-Jun-08	30
Dominican Republic	12-Jun-08	13
Nicaragua	11-Jun-08	18
TOTAL:		85

*CIMCAW/Cumple y Gana Inspector Protocol Validations used a self-diagnostic manual developed by Cumple y Gana to review the written protocols for the country and identify ways to improve and clarify the documents. The validations were 16 hours long.

FY 2008	Inspectors Trained	316
FY 2008	Inspector Validation	85

CIMCAW TOTAL	Inspectors Trained	614
CIMCAW TOTAL	Inspector Validation	85

Country	Total Inspectors of Labor	Total Inspectors of Labor Trained	Percent
El Salvador	171	150	88%
Guatemala	172	69	40%
Honduras	120	49	41%
Dominican Republic	203	48	24%

Note: Data provided by the Ministries of Labor of Central American to SA, I July 2008

SUMMARY OF CIMCAW FACTORY IMPACT

Country	Factory Name	Workers Impacted*
Nicaragua	USLC	1,800
	Istmo Textil	3,000
	Hansae	2,880
	Atlantic Apparel	2,200
	Calypso Apparel	855
	VF Jeanswear	370
	Premier Textile, S.A.	920
	Koramsa	785
	SERATEX S.A.	418
	Cupid Nicaragua	925
	Yu Jin Nicaragua	1,225
	SAE A-Tecnotex, S.A.	3,500
	Yutex	908
	Nicaragua Workers Impacted:	19,786
Guatemala	C-Site	1,230
	SAE A International	2,820
	Guatemala Workers Impacted:	4,050
FY 2008 WORKERS IMPACTED:		16,786
LOP TOTAL WORKERS IMPACTED:		23,836

*Workers Impacted is the factory population at the start of follow-up.

CIMCAW: IMPROVING LABOR RIGHTS IN CENTRAL AMERICA

In 2006, Jorge Duarte Diaz, the manager of a jean manufacturing firm, USLC, based in Managua, Nicaragua was invited by the Instituto Nicaraguense de Estudios Humanisticos (INEH), a local non-governmental organization, to attend a workplace improvement training session for factory workers and managers. Morale in the factory was low, employee productivity was declining, and the company was struggling to stay competitive. An anonymous survey determined what Duarte Diaz already knew -- that workers felt disconnected from the management team and from the leadership's decision-making process.



The company needed to change -- and soon -- if it was going to survive. "We had many problems and we were struggling," said Duarte Diaz. "Communication between the workers and managers was the biggest problem."

In an effort to save his company and stabilize employee relations, Duarte Diaz decided to accept the invitation to participate in the CIMCAW (Continuous Improvement in the Central American Workplace) labor standards training program.



Suggestion Box at USLC, Nicaragua

During the CIMCAW training, key issues such as freedom of association, gender discrimination, employee rights and obligations, and child labor were addressed. Workers and managers determined a key challenge faced by the factory was worker-manager communication. CIMCAW shared the findings with factory management and at the factory management's request, CIMCAW developed a communications policy for the factory, which was implemented by USLC, positively impacting 1,800 workers. The apparel company also established a regular communication program with the union and even set up a suggestion box.

"The trainings were very important for worker empowerment and initiative, as well as building trust between workers and managers," said Duarte Diaz. "The greatest advantage of the training was that they engendered peer-to-peer communications so that messages are passed between co-workers rather than through supervisors." The result was a more stable working environment where managers are

better “oriented to obey the law on labor standards.” Without the training, he said, “the factory would still be searching for solutions to its problems and struggling to improve competitiveness.”

Since 2004, the CIMCAW Alliance, a USAID supported initiative, has been helping local Central American apparel suppliers in Guatemala, Nicaragua, Honduras, and the Dominican Republic create a better workplace, which in turn, helps them meet the demand for high-quality apparel produced under internationally acceptable working conditions for brands such as Limited Brands, Timberland, Gap, and more recently – Wal-Mart. The program also provides training to inspectors from the Ministries of Labor throughout the region on best practices in auditing.

In the target countries, local NGOs work with managers and workers to identify and resolve gaps in compliance and root causes such as forced overtime, problems around health and safety practices, communication, and maternity leave. By doing this, the project helps improve working conditions for workers and helps factories improve compliance with national legislation and the International Labor Organization’s Core Labor Standards, increase worker morale and productivity, and provide a tool to assist manufacturers to increase their competitive position.

CIMCAW is helping raise labor standards – a significant goal of the Central American Free Trade Agreement – Dominican Republic (CAFTA-DR) – by building awareness emphasizing worker empowerment and the importance of including trade unions in capacity building for the industry.

At the same time, “The CAFTA-DR [Central America-Dominican Republic] Free Trade Agreement opens the door to new markets for Nicaragua,” said Alex Dickie, USAID/Nicaragua mission director. “The goal of this alliance is to help increase the productivity and competitiveness of Nicaragua’s enterprises to take advantage of the opportunities of CAFTA-DR. These businesses can play a catalytic role in their community by creating jobs and being a role model.”

This Global Development Alliance (GDA) between USAID, DAI, Gap Inc., Timberland, Limited Brands, Wal-Mart, Social Accountability International (SAI), and the International Textile Garment and Leather Workers' Federation focuses on long-term sustainability – as evidenced by their work with Duarte Diaz’s company. The factory-level training program also helps prepare factories for corporate codes of conduct and certification schemes.



Workers from various factories working together to develop a risk map during the CIMCAW training.

According to the CIMCAW Project Quality Manager Samira Salem, the program is effective because it has built credibility and buy-in with the key stakeholders in the region by working directly with them to

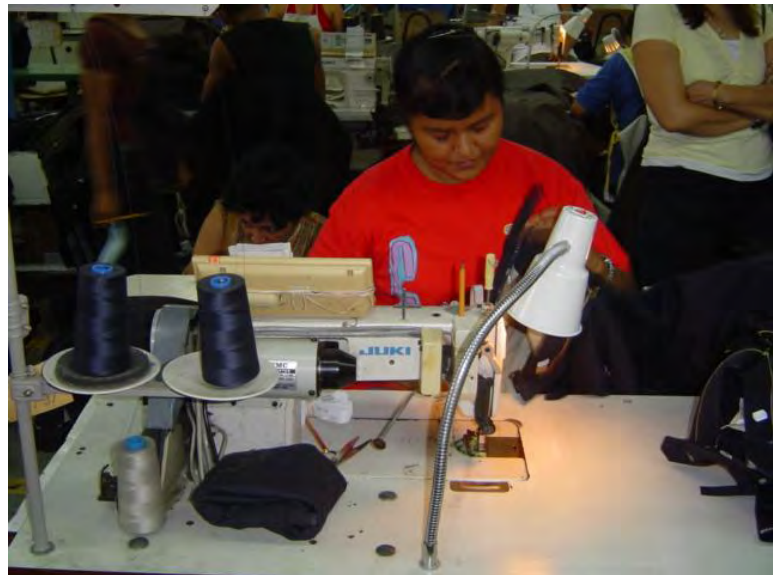
tailor the model to the context of each country; it is the first project in the region to recognize that continuous improvement of working conditions can only be achieved if all stakeholders – private sector, unions, governments – work together to improve standards; and finally, CIMCAW is also the first capacity building program in Central America to jointly train workers and managers on their rights and obligations. “The joint trainings empower the workers and build the sort of constructive relationships with management needed to improve working conditions on a sustainable basis,” said Salem.

The \$3.7 million alliance, implemented by DAI, has trained and disseminated information to approximately 40,000 stakeholders, including the private sector, unions, nongovernmental organizations, and multinational brands. In Nicaragua, Guatemala, the Dominican Republic and Honduras over 800 workers and managers representing 47 factories and 56,000 workers, have been trained. In addition, 614 inspectors from the region have been trained to ensure that working conditions continue to meet labor standards.

In the meantime, for workers at factories such as Duarte Diaz’s, the factory floor has become a much better place to be. Petrona del Socorro Sanchez, a worker at the firm, says that there are now important internal regulations in place particularly when employees are hired and they receive training on their rights and obligations.

“Now, the factory has many benefits for the workers and they are treated positively,” she said. “CIMCAW played an important role in defending the rights of workers, and the employer -- as a result – is more vigilant about personal protection with equipment.” What’s more, Sanchez explains, is that the suggestion box is now rarely used as workers take their concerns directly to the management.

“Because of the improved communications, the dynamics have changed as have supervisor treatment of workers,” she said. “I am grateful to the project for the trainings.”



Petrona del Socorro Sanchez, USLC

Managers and workers from other factories that participated in CIMCAW echoed these sentiments regarding the benefits of participation. Carlos Serrano, Human Resource Manager of HANSAE, Nicaragua stated that “After the training sessions, there was more interest and larger contributions from investors at HANSAE; after the first trainings, there was better communication between workers and employers; there was more trust and therefore, a more open relationship”.

Finally, Manuel Salvador Urbina a Janitor at the Hansae factory in Nicaragua stated, “I had never received a high level quality training such as the one I received from CIMCAW.” He went on to say that, “When I returned to work, I shared what I have learned with my colleagues. As a result of the training, we implemented some changes in the warehouse where we store chemicals. For example, I submitted a request to Human Resources to make a window for better ventilation. We accomplished this good practice”.

INSPECTOR TRAINING HELPS PROTECT WORKERS' RIGHTS

Low salaries, lack of resources and job instability are all problems labor inspectors face throughout Central America. In Honduras, entry level inspectors earn \$265 a month¹³ and at times will travel two hours by bus to inspect factories in rural areas. Once at the factory, the inspectors are often questioned several times before being allowed to enter the facilities. “At times we have to stand by the door of the company, outside on the street and under the hot sun while writing out our proceedings. It is very uncomfortable working this way,” said a labor inspector from Guatemala.¹⁴ The predominantly male inspectors often conduct their investigations almost mechanically, focusing on paperwork; documents and pay stubs, rarely are they able to interview workers.

The Continuous Improvement for the Central American Workplace project (CIMCAW), which was financed in part by USAID, has trained 614 inspectors (286 in El Salvador, 106 in Guatemala, 95 in Honduras, 30 in Nicaragua and 97 in the Dominican Republic) on global best practices for auditing and verification of labor standards. In 2008 alone, CIMCAW trained over 50% of the inspectors from the Ministries of Labor in the region.

CIMCAW has been a groundbreaking part of USAID’s effort to promote labor rights compliance in Central American countries. In a training delivered in Guatemala in April of 2008, labor inspectors, auditors from Wal-Mart and NGO auditors shared best practices and auditing techniques to better investigate difficult areas such as violations to Freedom of Association. The participants welcomed the exchange and stated that never before had they had an opportunity to communicate with each other and learn from one another.

Through the introduction of social auditing techniques, the inspectors learned to focus on systemic analysis to find root causes of violations, moving the inspectors towards a more preventive approach to inspections, instead of reacting to a report of a violation. It is important to note that the trainings took place outside of



¹³ Centro de Desarrollo Humano (CDH), Honduras.

¹⁴ Quinteros, Carolina. “Alcances y logros de las capacitaciones del proyecto CIMCAW a fabricas e inspectores de los ministerios de trabajo de la Región Centroamericana y Republica Dominicana.” September 2008.

the Ministries of Labor so as to offer a neutral space for the participants to come together and freely discuss these polarizing topics, preparing them to effectively investigate cases of discrimination, child labor, forced labor, violations to freedom of association and overtime.

The trainings provided the inspectors with the tools and training needed to more effectively investigate abuses to workers' rights and in the process raised the inspectors' knowledge of the international labor laws to which their countries subscribe, as well as prompting them to be more proactive when investigating worker complaints. The CIMCAW inspector trainings also provided an open forum for the discussion of topics that can be highly contentious, in a way that was productive and constructive, highlighting the importance of their work, validating their role in making sure worker's rights are respected in their countries.

During the trainings, inspectors were given questionnaires to measure their knowledge before and after the training. In a training given to 54 labor inspectors in the Dominican Republic in January 2007, 91% of the participants correctly identified cases of forced labor whereas prior to the training only 20% were able to give examples. In Nicaragua, at the start of a 2005 training of 29 inspectors, 49% could not give 3 examples of evidence needed to verify a factory's compliance with health and safety regulations at the start of the training, but by its conclusion 100% answered correctly.

The trainings have changed the way inspectors approach their work, highlighting the importance of interviewing workers and other stakeholders such as local organizations, as a means to gather information that is not available or shared by factory management.

“The contents of the training have provided us with valuable knowledge in the area of auditing/inspecting, motivating us to elevate the level of our interviews and to not be ‘blind’ in the violations we find. We need more training so that we may be dignified representatives of our society.”¹⁵

Photos: Julia Ponce/SAI



¹⁵ Labor inspector quote from an anonymous feedback questionnaire given in the Dominican Republic in October of 2005.

CIMCAW: ADVANCING SOCIAL DIALOGUE AND A CULTURE OF COMPLIANCE IN CENTRAL AMERICA

“Getting the government, workers, and the private sector to come together and discuss labor rights in a productive manner is our most important achievement” said Jorge Duarte, a private sector member of the Nicaraguan Consultative Committee, during his presentation at the first Regional Meeting of Consultative Committees convened by the CIMCAW (Continuous Improvement in the Central American Workplace) Project. His sentiment was repeated by Consultative Committee representatives from the union, government and private sectors from the Dominican Republic and Honduras during the course of the first of two regional Consultative Committee meetings held in April 2008 in San Salvador, El Salvador.



Consultative Committee Meeting, Nicaragua

Through the establishment and consolidation of multi-stakeholder Consultative Committees CIMCAW was able to convene historically antagonistic actors together on a regular basis to discuss concrete issues related to project implementation at the national level, create an enabling environment for capacity building at the factory level, and strengthen the culture of compliance around labor standards.

A series of country-level diagnostics conducted throughout the region by CIMCAW pointed to the desperate need for improved social dialogue among the all apparel sector stakeholders – government, union, and private sector. This was seen as difficult to achieve given the strained industrial relations context, but critical to advancing sustainable improvements in working conditions and a culture of compliance. Indeed, the historical context still seemed to color industrial relations.

According to Manuel de Jesús Batista, from the industry association ADOZONA in the Dominican Republic, “In order to understand the significance of social dialogue, one must understand the past and the union movement in the 1970s when they were influenced by the populism of the Cuban revolution. When one would sit down at the negotiating table with the unions, the businessman was seen as the capitalist and they were the proletariat; often that would complicate our communication. Now there is much more productive engagement.”

In this context, CIMCAW’s efforts and advances around social dialogue were critical. According to INEH (Instituto Nicaragüense para Estudios Humanísticos), CIMCAW’s local NGO partner in Nicaragua, “CIMCAW was a pioneer in establishing social dialogue in Nicaragua.”

Promoting social dialogue through the establishment of the multi-stakeholder Consultative Committees was a long process that involved a tremendous amount of effort on the part of CIMCAW project partners. The project had to engender trust with the local stakeholders first, and then bridge historical divides. It did this through a series of meetings, initially bilaterally with the different sectors and then together. The superglue that helped the project overcome the cleavages was the local stakeholders’ common interest in

ensuring that the sector survived and prospered and the fact that they had confidence in the project due to the constellation of international partners involved.

The outcome of this process was the formation of multi-stakeholder Consultative Committees in Nicaragua, Honduras, and the Dominican Republic that included the local private sector/industry association, unions, and the government. These Consultative Committees took ownership of the project, were active participants in guiding the adaptation of the CIMCAW model to the local context and its implementation on the local level. As part of the process, they also engendered rich social dialogue around labor standards and other issues of interest to the sector.

At a national level these committees worked with the CIMCAW NGO Local Partners to develop a tailored training program that responded to the needs and context of each country. The Consultative Committees encouraged the, at times, skeptical local factories to participate in CIMCAW's unique model of labor rights training, which brings together workers and managers to discuss conditions in their factory and jointly propose solutions.

As of September 2007, the Consultative Committees in each country met on average once a month to guide the implementation of the project. Because they worked by consensus, the members were forced to grapple with issues and reach agreement with other Committee members. The Consultative Committees were thus an important mechanism for building the sort of trust and relationships among the private sector, unions and government actors needed to address not only the compliance challenge they face, but also to facilitate their ability to constructively address other serious challenges confronting the sector.

The project held two Regional Consultative Committee meetings one in El Salvador in April 2008 and one in San Pedro Sula in August 2008 in which the tripartite members of the Consultative Committees from Honduras, Nicaragua and the Dominican Republic and key stakeholders from El Salvador and Guatemala participated. These meetings were extremely useful because by bringing together the Consultative Committees from each country, they were able to share experiences, support each other in the difficult process of advancing social dialogue and in the process create a regional dialogue on the benefits of labor compliance. They were also useful because of the demonstration effect whereby countries that had a more consolidated Consultative Committee motivated and empowered those who were struggling to establish or consolidate their own Consultative Committee to do so. According to Carlos Hernández Zúñiga who attended the CIMCAW Regional Symposium in San Pedro Sula in August 2008 as a representative of El Salvador's Superior Labor Council, "We are striving to institutionalize social dialogue; to attain greater social maturity. This kind of event is helpful in promoting social dialogue in a complete way".

All of the Consultative Committee members, without exception, have expressed a sense of relief because through the work of the Consultative Committees, they have been able to work together with other stakeholders whom they previously feared or didn't trust. CIMCAW provided the space for these actors and organizations that didn't previously have an opportunity to engage each other in a cordial and constructive climate and work together to solve an issue of common interest: improving working conditions and competitiveness of the apparel sector. In the words of Ygnacio Hernández, Union Leader from the Dominican Republic and member of the Tripartite Commission, "The relationship between employee and employer used to be difficult, but through social dialogue, participation and improvement have been stimulated. The project has brought about a successful coming together of both parties that can be incorporated to other projects as well".

The differences still exist, but they have not turned into an obstacle for finding common ground. The opportunities for the local stakeholders to engage have occurred not only at the national level, but at the regional level as well, making the result all the more significant and hopeful for the region.

REVISED FY08 APR

INDICATORS	Results as of Sep 07	Achieved during FY08	New Project total as of Sept 08	TARGET	%
Number of workers that benefit from documented improvements in factory working conditions	7,050	16,786	23,836	58,000*	41%
Number of people trained	264	545	809	1,123	72%
Inspectors trained	298	316	614	433	142%
Consultative Committees	3	—	3	4	75%
Leverage	\$1,471,639.00	\$1,123,811.00	\$2,595,450.00	\$3,740,555	69%
Number of New Brands	—	3	3	3 to 6	100%
Number of Factories trained	15	32	47	92	51%
Number of factories that have received TA (follow up)	5	12	17	46	37%

IMPROVED CONDITIONS AT THE FACTORY LEVEL

Nicaragua

- Factory managers worked with INEH to create a communications manual that covered topics such as the Importance of Corporate Responsibility; Communication; Managing and Understanding your authority; Conflict Management; Leadership; and Strategic Planning for Communication. Using the best practices outlined in this manual USLC wrote and implemented a new internal communication strategic plan.
- Installed a better ventilation system; more ergonomic chairs for workers; new chairs in the lunchroom; enlarged and improved the men's bathroom
- Anti-discrimination manual was created and implemented.
- Regular training with workers and managers on the use of safety equipment; To improve communication new speakers and a suggestion box were installed
- Improved Communication; Training of the Worker-Manager bipartite Commission to certify it to evaluate the situation at the factory; New training to inform factory workers and managers about the role of the safety and Hygiene committee and encourage them to report problems to this committee.
- Installation of safety and security signs; Improved efforts by factory management to support the Worker-Manager bipartite Commission
- Developed a comprehensive policy to reduce the rotation and absenteeism of workers; Management implemented an incentive program called "Calidad en la Fuente" to reward quality production and meeting targets; Implemented a No Smoking Policy to reduce risk of fire; Provided a bulletin board to the Hygiene and Safety committee to post notices.
- Created a new anti-discrimination policy and trained factory employees on its implementation

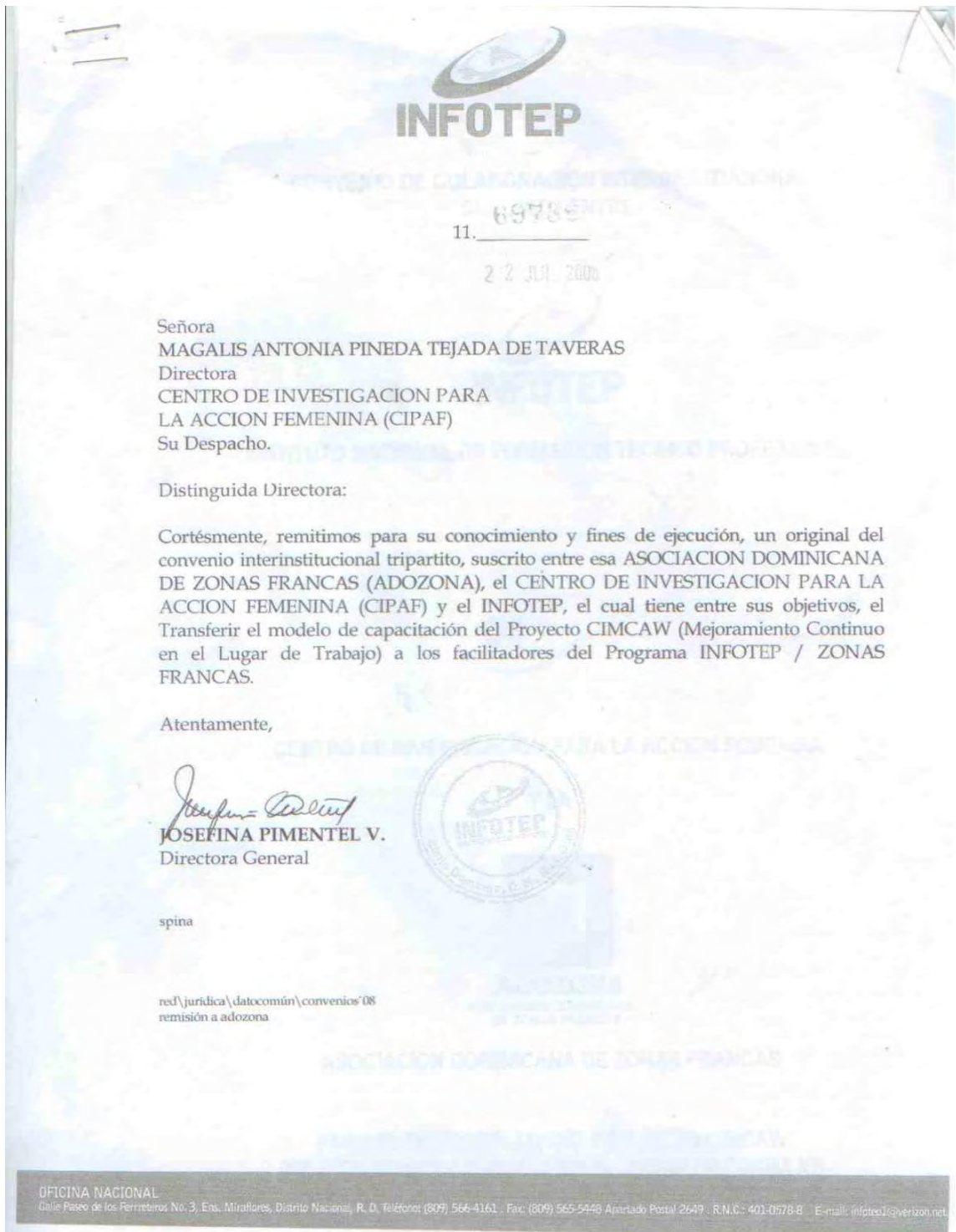
- Created a safety committee; Created three informative murals with information about unions, the community relations committee, and Human Resources
- Implemented a new policy that improved the conditions of the restroom facilities throughout the factory; Every employee was given a cup with lid so they may keep water near their worksite; Improved ventilation in work area
- Installed new advisory signs throughout the factory; Implemented a new policy for departure from the factory to make it safer and more orderly; Installed a suggestion box and created a policy for its use; Management directed maintenance to make repairing employee lockers a priority to reduce theft
- Anti-discrimination manual was created and implemented
- Anti-discrimination manual was created and implemented; Improved and Regular training on the proper use of safety equipment.
- Improved Communication and non-interference in the formation of a union.

Guatemala

- Brought in a consultant to meet with management and interview a sample of training participants. These participants reported improvements in the labor relationship among those supervisors who participated in the joint trainings. As a result of better communication excessive overtime was reduced.
- Increased productivity due to reduced tensions between union workers and managers.

ANNEX II COMPANION DOCUMENTS

INFOTEP MOU



CONVENIO DE COLABORACION INTERINSTITUCIONAL
SUSCRITO ENTRE:



INSTITUTO NACIONAL DE FORMACION TECNICO PROFESIONAL

CIPAF

CENTRO DE INVESTIGACION PARA LA ACCION FEMENINA

Y LA



ADOZONA
ASOCIACION DOMINICANA
DE ZONAS FRANCAS

ASOCIACION DOMINICANA DE ZONAS FRANCAS

PARA EL DESARROLLO DEL PROYECTO CIMCAW
(MEJORAMIENTO CONTINUO EN EL LUGAR DE TRABAJO)



CONVENIO COLABORACION INTERINSTITUCIONAL PARA EL APOYO DEL PROYECTO CIMCAW (MEJORAMIENTO CONTINUO EN EL LUGAR DE TRABAJO)

De una parte, el INSTITUTO NACIONAL DE FORMACION TECNICO PROFESIONAL (INFOTEP), Organismo Autónomo del Estado, investido de personalidad jurídica por la Ley No.116, del 16 de enero de 1980, RNC No. 401-05178-8, con su domicilio social establecido en la calle Paseo de los Ferreteros No.3, Ensanche Miraflores, de esta ciudad; representado legalmente por su Directora General, GLORIA JOSEFINA ALTAGRACIA PIMENTEL VALENZUELA, dominicana, mayor de edad, soltera, Licenciada en Educación, portadora de la Cédula de Identidad y Electoral No.001-0076130-3, de este domicilio y residencia, quien en lo adelante, para los fines y consecuencias de este acto, se denominará INFOTEP.

De la otra parte, el CENTRO DE INVESTIGACION PARA LA ACCION FEMENINA (CIPAF), entidad sin fines de lucro, RNC No. 4-01-50362-1, con su domicilio social en la Calle Hernán Suárez, Bloque 3, #5, en el sector El Cacique II, de esta ciudad, Capital de la República Dominicana; debidamente representada por su Directora, MAGALIS ANTONIA PINEDA TEJADA DE TAVERAS, dominicana, mayor de edad, casada, socióloga, portadora de la cédula de identidad y electoral No.001-1015841-7, de este domicilio y residencia, quien en lo adelante, para los fines y consecuencias de este acto, se denominará CIPAF.

Y la ASOCIACION DOMINICANA DE ZONAS FRANCA (ADOZONA), entidad sin fines de lucro, RNC No.4-01-50096-1, incorporada mediante el Decreto No. 579-88, del 18 de diciembre de 1988, con su domicilio social en la Avenida Zarasota #20, Cuarto Piso de la Torre Empresarial AIRD, Santo Domingo, Distrito Nacional, debidamente representada por su Vicepresidente Ejecutivo, JOSÉ MANUEL TORRES ROQUES, dominicano, mayor de edad, portador de la cédula de identidad y electoral No. 001-0071765-1, de este domicilio y residencia, quien en lo adelante, para los fines y consecuencias de este acto, se denominará ADOZONA.

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CONSIDERANDO:

Que INFOTEP, organismo autónomo de carácter no lucrativo y de patrimonio propio, encargado por la Ley No.116-80, de regir el Sistema Nacional de capacitación, perfeccionamiento, especialización y reconversión de los trabajadores.

CONSIDERANDO:

Que CIPAF es una organización no gubernamental dominicana, feminista, autónoma, pluralista, sin afiliación institucional a partidos ni iglesias, estrechamente vinculada a los movimientos sociales y organizaciones de la sociedad civil que interactúa con otros protagonistas socio-políticos para trabajar por la construcción de una sociedad más democrática, con más equidad y desarrollo humano.

CONSIDERANDO:

Que ADOZONA es una entidad sin fines de lucro conformada por asociaciones que agrupan a las diferentes empresas de Zona Franca y las Operadoras de Parques Industriales Privados ubicados en todo el territorio nacional; cuyo designio es representar y defender los intereses del sector en procura de un clima adecuado para su desarrollo.

CONSIDERANDO:

Que INFOTEP, CIPAF y ADOZONA tienen interés en desarrollar de manera conjunta el "Proyecto CIMCAW (Mejoramiento Continuo en el Lugar de Trabajo)".

POR TANTO, HAN CONVENIDO Y PACTADO LO SIGUIENTE:



1.2 OBJETIVOS ESPECIFICOS:

- 1.2.1 Desarrollar habilidades y competencias que permitan a los facilitadores del INFOTEP comprender y contextualizar la problemática del sector de zona franca en la República Dominicana después de la culminación del Acuerdo Multifibras
- 1.2.2 Transferir conocimientos sobre derecho laboral y relaciones humanas que posibiliten la propagación de estos conocimientos como parte de una estrategia de competitividad para las empresas de sector de la confección.
- 1.2.3 Transferir las técnicas y metodologías que posibiliten reproducir los contenidos de las capacitaciones de manera activa y eficiente.
- 1.2.4 Fortalecer las capacidades de los facilitadores del INFOTEP a fin de que puedan reproducir estos conocimientos en otras áreas de capacitación e incluso en otros sectores laborales.

INFOTEP, CIPAF y ADOZONA, establecerán conjuntamente un Plan de Trabajo y siguiendo las líneas generales del referido plan, establecerán las acciones correspondientes en las cuales se especificarán la naturaleza, el alcance y las responsabilidades de las partes con miras al logro de los objetivos del presente convenio.

TERCERO:

RESPONSABILIDADES DEL INFOTEP:

- 3.1 Seleccionar los facilitadores que recibirán el entrenamiento.

CUARTO:

RESPONSABILIDAD DE ADOZONA:

- 4.1 Promover los objetivos del presente convenio entre las asociaciones empresariales, los Comités Locales del Programa INFOTEP/Zonas Francas y sus miembros.

QUINTO:

RESPONSABILIDADES DEL CIPAF:

- 5.1 Contratar los facilitadores que impartirán la capacitación.
- 5.2 Facilitar las instalaciones y los equipos de apoyo didáctico para la ejecución de las acciones formativas.
- 5.3 Proveer el material de apoyo para la capacitación.
- 5.4 Suministrar los viáticos durante la capacitación (comidas, refrigerios).

SEXTO:

Queda convenido entre las partes, que el presente documento refleja el acuerdo de intención de hacer sus mejores esfuerzos para asumir los compromisos contraídos en el presente convenio, declaran y reconocen que solo se generarán obligaciones y responsabilidades específicas para las partes en la ejecución del presente convenio que no estén contempladas en el Plan de Trabajo, cuando sean solicitadas previamente mediante carta de solicitud dirigida por la parte interesada, a otra de las partes en el mismo, conteniendo las motivaciones que justifican la solicitud. Las partes gozarán de la facultad discrecional de aceptar o no el pedimento correspondiente, mediante una carta de aprobación o de reprobación. Cualquier asunto relacionado con el objeto del presente convenio será resuelto de común acuerdo por las partes y deberán hacerlo constar por escrito.

SEPTIMO:

Para la consecución de los objetivos de este convenio INFOTEP, CIPAF y ADOZONA designarán un equipo de coordinación, ejecución y seguimiento con un (1) representante de cada institución, los cuales deberán presentar informes periódicos sobre los resultados obtenidos a través de este Convenio. Estos representantes podrán ser removidos libremente por cada una de las partes, en cualquier momento de la vigencia de este acuerdo, informándose por escrito a la otra.

OCTAVO:

INFOTEP, CIPAF y ADOZONA supervisarán y analizarán el desarrollo del presente

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DECIMO: El presente convenio tendrá una duración de seis (6) meses, a partir de la fecha de la firma y será prorrogable, previo acuerdo por escrito de las partes; sin embargo, tanto INFOTEP, CIPAF y ADOZONA podrán dar por terminado el convenio en cualquier momento de su vigencia mediante aviso previo a las demás partes con cinco (5) días de antelación, tomándose las medidas pertinentes para evitar perjuicios entre las partes y a terceros vinculados al presente convenio. Las actividades y proyectos que se estén realizando a la fecha deberán continuarse hasta su terminación.

UNDECIMO: Para lo no previsto en el presente convenio, las partes se regirán por las normas del derecho común.

HECHO Y FIRMADO DE BUENA FE, en tres (3) originales de un mismo tenor y efecto, uno para cada una de las partes, en la ciudad de Santo Domingo, Distrito Nacional, Capital de la República Dominicana, a los veintidós (22) días del mes de julio del año Dos Mil Ocho (2008).


POR INFOTEP:


LICDA. JOSEFINA PIMENTEL
Directora General

POR CIPAF:


LICDA. MAGALIS PINEDA
Directora

POR ADOZONA:


LIC. JOSE MANDEL TORRES
Vicepresidente Ejecutivo

Yo, **DR. JUAN PEREZ ALVAREZ**, Abogado - Notario Público de los del Número para el Distrito Nacional, con matrícula del Colegio Dominicano de Notarios No.3906, CERTIFICO Y DOY FE, que las firmas que aparecen al pie del presente documento han sido estampadas en mi presencia, en forma libre y voluntaria por los señores: JOSEFINA PIMENTEL V., MAGALIS ANTONIA PINEDA TEJADA DE TAVERAS y JOSE MANUEL TORRES ROQUES; de generales que constan, quienes me han declarado bajo la fe del juramento que son esas las firmas que acostumbran a usar en todos los actos públicos y privados. En la ciudad de Santo Domingo, Distrito Nacional, Capital de la República Dominicana, a los veintidós (22) días del mes de julio del año Dos Mil Ocho (2008).

DR. JUAN PEREZ ALVAREZ
Notario Público



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cipaf-adozona

TIER SYSTEM FOR CORPORATE AFFILIATION & PROCESS FOR JOINING

I. INTRODUCTION

An important lesson from Continuous Improvement in the Central American Workplace (CIMCAW) is that enhancing workplace labor standards in the apparel industry requires the active participation of the private sector at the regional and international level. At the international level, major apparel brands and retailers are critical partners, as they possess extensive experience, offer global best practices, and are in a position to positively influence suppliers' behavior. Achieving sustainable improvements in working conditions in the maquilas of Central America requires more than just brand participation, it requires an intensive multi-stakeholder effort, and that's precisely what the CIMCAW project offers.

The Value of CIMCAW

The CIMCAW Project brings brands and retailers tremendous value added through its innovative multi-stakeholder capacity building program at the factory level and via the promotion of social dialogue around the benefits of compliance with labor standards. The program provides subsidized training and technical assistance at the factory level. Participation in the program allows brands to leverage resources and substantially share the costs of this program. Additionally, as a result of the fact that CIMCAW has established a tested model that is viewed as credible and legitimate by key stakeholders in the region, it is also of strategic value to participating brands and retailers. Through participation in the project, brand partners have the opportunity to link to key stakeholders in the region and thereby enhance their local networks and relationships with these actors, which include governments, industry associations, factories, workers, NGOs, and unions. The strategic value of participation in the project is enhanced by the positive profile CIMCAW enjoys outside of the region. Key actors are taking notice of our work and the CIMCAW Alliance responds in the spirit of sharing lessons learned and advancing efforts to improve working conditions.

II. A TIERED SYSTEM FOR BRAND AND RETAILER AFFILIATION TO THE CIMCAW PROJECT

The CIMCAW Alliance realizes that one size does not fit all when it comes to participation in the project; brands and retailers have different needs and capacities. In response, CIMCAW has developed a tiered system for corporate affiliation to the project. The following matrix outlines 3 levels of affiliation that a company can choose, depending on its needs, interests, and capacity.

CORPORATE AFFILIATION TO CIMCAW

	Alliance policy & strategy development	Worker-Manager Training & Follow Up *	Participation in Multi-stakeholder Dialogue Activities (e.g., conferences, workshops)	Resource Contribution in Support of Project Implementation	Corporate HQ and Field Staff Engagement	Recognition as CIMCAW Partner and Enhanced Brand Reputation by Supporting Locally Relevant, Sustainable Approaches	Direct Access to Industry Best Practices Developed by CIMCAW	Shared Costs & Responsibilities among Participating Brands and Suppliers for Sustained Compliance	Meaningful Engagement at the Local & International Levels with Key Stakeholders	Greater & More Sustainable Impact on Workplace Labor Standards
Tier I	√	√	√	√	√	√	√	√	√	√
Tier II		√	√	√*	√*			√		√
Tier III		√	√	√*	√*			√		√

* The difference between Tier II and Tier III lies in the level of their combined cash and in-kind contribution to the Alliance. Affiliate able to provide over \$100,000 in combined cash and in-kind contributions will be recognized as Tier II affiliates and while not considered partners in the alliance Tier II affiliates will be recognized as supporters in key project documents.

Tier I Affiliation: These companies are considered **full partners** in the CIMCAW Alliance. As full partners they will enjoy recognition as a CIMCAW partner (logos on key project documents alongside existing partners), direct access to industry best practices developed by CIMCAW, meaningful engagement at the local and international levels with key stakeholders in the sector and greater and more sustainable impact on workplace labor standards. In addition, they will encourage their suppliers to participate in the joint-worker manager training and multi-stakeholder activities of the project. Being a full partner implies that:

1. The company is prepared to make a contribution to the Alliance and project objectives. The company will participate in policy setting and strategy development along with the rest of the CIMCAW partners.

For example, by one or more of the following:

- participating in key alliance meetings and conference calls where project planning and strategy is discussed.
 - providing input and/or comment on project documents and plans
 - sharing, when and if possible, best practices and experience in managing compliance.
- 2) A company staff person working in the corporate headquarters is designated as the point person to link with the project.
- 3) A company staff in one of the Central American countries is designated to link with the project (for companies that have field-based staff and sufficient capacity).
- 4) There is agreement to participate, when possible, briefings/presentations to factories and at certain strategic points of the factory trainings.
- 5) There is agreement that the company will help talk with its suppliers/factories to encourage them to participate in the trainings. For example:
- communicate to suppliers that a project briefing or training will be taking place, and encourage participation.
 - help facilitate, when possible, introductory meetings of project staff with potential participating suppliers.
 - directly encourage supplier factories to commit to participating in the training and comply with terms of commitment.
 - help facilitate, when possible, meetings with factories to discuss follow-up to training.
- 6) There is agreement to participate in multi-stakeholder dialogue events, when possible.
- 7) The company will provide an estimated in-kind contribution that would account for contributed staff time, travel etc by any brand employee.
- 8) The company will make a cash contribution that reflects the value the company places on the alliance.

Tier II Affiliation: Companies that opt for Tier II affiliation to CIMCAW may not have the capacity or depth of supply chain in Central America to warrant a full partnership in the alliance. As such this level of affiliation is more limited than the Tier I. As a Tier II **affiliate**, they will enjoy recognition as a supporter

of the CIMCAW Alliance in key public documents and greater and more sustainable impact on workplace labor standards and will be in a position to share the costs and responsibilities among other brands and suppliers for sustained compliance, rather than bear these costs alone. As part of their commitment as a Tier II affiliate, they will encourage their suppliers to participate in the joint-worker manager training and multi-stakeholder activities of the project. Tier II affiliation implies a company's commitment to:

- 1) Participate, when possible, in briefings/presentations to factories, and, at certain strategic points of the factory trainings.
- 2) Talk with its suppliers/factories to encourage them to participate in the trainings. By for example:
 - communicating to suppliers that a project briefing or training will be taking place, and encourage participation.
 - helping facilitate, when possible, introductory meetings of project staff with potential participating suppliers.
 - directly encouraging supplier factories to commit to participating in the training and comply with terms of commitment.
 - helping facilitate, when possible, meetings with factories to discuss follow-up to training.
- 3) Participate in multi-stakeholder dialogue events, when possible.
- 4) Provide an in-kind contribution that would account for contributed staff time, travel etc by any brand employee.
- 5) The company will make a cash contribution that reflects the value the company places on the alliance.

Tier III Affiliation: Companies that opt for Tier III affiliation to CIMCAW will benefit from access to joint worker-manager training and multi-stakeholder dialogue activities. As a Tier III **affiliate**, they will be in a position to affect greater and more sustainable impact on workplace labor standards and to share the costs and responsibilities among other brands and suppliers for sustained compliance, rather than bear these costs alone. Tier III affiliation is more limited than Tier II and implies that companies will:

- 1) Participate, when possible, in briefings/presentations to factories, and, at certain strategic points of the factory trainings.
- 2) Talk with their suppliers/factories to encourage them to participate in the trainings. By for example:
 - communicating to suppliers that a project briefing or training will be taking place, and encourage participation.
 - helping facilitate, when possible, introductory meetings of project staff with potential participating suppliers.
 - directly encouraging supplier factories to commit to participating in the training and comply with terms of commitment.
 - helping facilitate, when possible, meetings with factories to discuss follow-up to training.
- 3) Participate in multi-stakeholder dialogue events, when possible.

- 4) Provide an in-kind contribution that would account for contributed staff time, travel etc by any brand employee.
- 5) Strive to provide a token cash contribution that symbolizes their commitment to the Alliance.

III. PROCESS FOR JOINING THE CIMCAW ALLIANCE AS AFFILIATE OR FULL PARTNER

As part of its strategy to improve the working conditions in and competitiveness of the textile and apparel sector in Central America, the CIMCAW Alliance seeks to expand the number of like-minded brand and retail partners committed to the Alliance model. The following outlines the process for becoming affiliates or partners of the CIMCAW Alliance.

I. Process for Joining the Alliance as an Affiliate (tier II or III) or Partner (tier I)

- 1) All Alliance partners will be consulted on the expansion of the Alliance to include new partner (tier I) organizations. In the case of prospective affiliates (tier II or III) only the Steering Committee members will be consulted.
- 2) New partners and affiliates will be considered based on their contribution to the project objectives, alliance, and commitment to the project model. Due diligence will be carried out on all new partners to ensure the credibility of the project. A more streamlined due diligence process will be carried out on prospective affiliates.
- 3) An international Alliance Partner who has done due diligence nominates a candidate to the existing international Alliance Partners. The nomination must be done in writing.
- 4) Consensus will be sought on such decisions, which will include the CIMCAW Project Director.
- 5) International Alliance Partners are to consider, reach a decision, and respond to the nomination within 10 working days. In the case of prospective affiliates, since full membership is not being considered it is asked that the Steering Committee members streamline their consideration and reach a decision more swiftly, if possible.
- 6) DAI will negotiate final terms of participation with brand and/or retailer this includes commitment, participation and contribution. The new brand or retail affiliate or partner will provide a non-binding Letter of Commitment to the DAI.

DECISION-MAKING PROTOCOL

The Alliance partners of the above-referenced GDA project launched in September 2004 agree that project decisions be made based on the following guidelines:

1. BUDGET

- a) All Alliance partners and the Project Director will be kept informed about: a) the availability of existing funds for the project and; b) new funds and funding strategies that are being pursued for the project.
- b) All Alliance partners will be consulted on budget proposals for allocation of project funds.
- c) Deadlines for budget review and decision making will be clearly set out to allow for timely review by all partners.
- d) DAI, in consultation with the Project Director, has final responsibility for project budget reporting and ensuring a consensus-based decision making process for significant financial issues.

2. HIRING OF PERSONNEL & PARTNER STAFF ASSIGNMENTS

- a) All Alliance partners will be consulted and informed on processes for hiring of senior project management personnel. If Project Director recruitment is required at any point during project implementation all Alliance partners will be asked for recommended candidates and the interview process for candidates shall include at least one Alliance partner in addition to DAI.
- b) Senior technical consultants being considered by any Alliance partner or the Project Director for project implementation activities will have their resumes circulated to all Alliance partners for comment.
- c) Local project staff may be hired by the Project Director without partner consultation.
- d) Alliance partners agree to respond within 10 working days on any such hiring consultation.
- e) Each Alliance member will assign their staff and advisers to work on this project according to organization's capacity, the individual's expertise and the needs of the project and will done in consultation with the Project Director. Each Alliance partner is responsible to ensure that their respective staff/advisers are bound by non-disclosure/confidentiality agreements.

3. PROJECT IMPLEMENTATION

- a) All Alliance partners will be consulted in developing the work plan that will reflect all project activities and their proposed timeframes for implementation. The work plan will include quarterly Alliance meetings (to discuss the design and progress of activities) and the status of project implementation. It will also include other preparatory/planning meetings and stakeholder consultations. The agreed upon work plan will be submitted to USAID for final approval.
- b) All Alliance partners will be informed at least 2 weeks in advance about the scheduling of meetings related to this project that were not included in the work plan. Unscheduled country trainings or other critical project activities will be set up with at least 3 weeks' notice given to Alliance partners. All

Alliance partners will be updated on the outcome of key meetings, key events and activities in a monthly project report prepared by DAI and the Project Director and circulated electronically.

4. LOCAL PROJECT PARTNERS

- a) All Alliance partners will be consulted on the process and final decision making for selecting the local partner organizations who will be working on the activities of this project. Key input will come from the Project Director and be informed by the country diagnostics.
- b) Final decisions will be made according to the consensus reached and finalized by the Project Director except in the case of Guatemala where all decisions will be finalized by the Alliance Partners.

5. NEW ALLIANCE PARTNERS

- a) All Alliance partners will be consulted on the expansion of the Alliance to include new partner organizations.
- b) Such partners will be considered on the basis of their contribution to the alliance, to the project objectives and in keeping with USAID's contract stipulation to broaden project participation. Due diligence will be carried out on all new partners to ensure the credibility of the project.
- c) Consensus will be sought on such decisions which will include the Project Director.

GUIDELINES FOR CONSULTATION PROCESS

In order to keep the consultation process efficient, DAI will maintain a schedule of tasks and upcoming decisions and/or items for review. All input requests will note the deadline for input, allowing 10 working days whenever possible for responses. Good faith effort will be made to accommodate work and travel schedules so as to allow for input from all parties and enable a consensus-based decision.

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COMMUNICATIONS PROTOCOL

The Alliance partners (made up of all signatories to the CIMCAW Memorandum of Understanding, in addition to USAID and other donors supporting the project with funding) of the above-referenced GDA CIMCAW project launched in September 2004 agree to adhere to the following set of guidelines for written and verbal communications and public events:

I. Use of Alliance Partner Logos

- a) Any use of an Alliance partner logo on any external publications or other information/media products (including web sites) shall be cleared by the Alliance partners.
- b) USAID's logo must appear on all project related external publications or information/media products (including web sites). However, products produced by an Alliance partner that are not project publications and contain only ad hoc references to the project do not require USAID's logo.

II. External Marketing Brochures/Flyers

- a) The text of any brochure/handout/flyer produced by the project for external marketing and information sharing shall be cleared by all Alliance partners.
- b) The production of all such project marketing materials will be coordinated by DAI as project manager.
- c) USAID's logo must appear on all project marketing materials.
- d) Brochures/handouts/flyers not produced by the project but by an Alliance partner containing ad hoc references to the project shall adhere to the language of the official project communications that has been cleared by all Alliance partners. This language is contained in the official project description attached to this protocol (see Annex 1) and also reflected in official project brochures, press releases, and the Memorandum of Understanding. Such materials do not require clearance of Alliance partners.

III. Journal/Magazine Articles

- a) Articles written by Alliance partners for promoting and marketing the project shall be sent to DAI for circulation and clearance by all Alliance partners. Final versions will be shared with all Alliance partners.
- b) There should be a reference in all such articles to USAID's funding role.
- c) USAID's logo must appear in all Journal/Magazine Articles.
- d) Articles written by Alliance partners that reference the project as part of their organization's overall marketing and external communications shall adhere to the language of the official project description and communications noted in II. D. These references should convey a message consistent with agreed project message/language, and be clear about the organization's specific contributions. A copy of these articles should be provided to the Project Director and steering committee members for comment prior to their publication.

e) Articles written by USAID referencing the project shall be encouraged to utilize language of official project communications. They will be circulated by DAI for comments to Alliance partners whenever possible. These articles do not require Alliance clearance.

IV. Speeches

a) Speeches delivered by Alliance partners for promoting and marketing the project shall be circulated to all alliance partners and utilize language based on the official project description and communications.

b) USAID speeches referencing the project shall be encouraged to utilize language of the official project communications and copies circulated to Alliance partners whenever available.

V. Press Releases

a) All press releases on the project shall be coordinated by DAI and cleared by all Alliance partners. These releases should utilize language based on official project communications.

b) Press releases by Alliance partners for their organizational needs that may contain a reference to the project shall utilize the language of official project communications but do not require Alliance clearance. It is acknowledged that the project approach and tools are built on other Alliance partner initiatives and are not exclusive to this project.

c) DAI will coordinate the distribution and clearance of press releases with USAID where needed.

d) USAID press releases on the project shall whenever possible be circulated for comments to all Alliance partners. They do not require Alliance partner clearance.

e) USAID's logo must appear in printed Press Releases.

VI. Web sites

a) The official web site for the project will be maintained by DAI. The content will be cleared by Alliance partners and be based on the official project description and communications.

b) The project web site must contain reference to USAID and its logo.

c) Web sites of any Alliance partner may reference the project utilizing language in the official project documents but need not be cleared by Alliance partners. However the use of an Alliance partner's logo on a web site must be cleared by the Alliance partner involved.

VII. Project Proposals

a) Reference may be made to the GDA project in other project proposals and requests to donors. Clearance by Alliance partners is not needed. The language should reflect as much as possible language cleared in official project communications.

b) Alliance partners should be informed in advance of submission about project proposals for Central America that are submitted to donors utilizing any of the CIMCAW technical approach, modules, tools and curriculum while recognizing that the project approach and tools are built on other partner initiatives and are not exclusive to this project (point V.b. above).

VIII. Partner visits to the region

- a) Alliance partners visiting the region to participate in project activities noted in the work plan will have their trips confirmed with the Project Director.
- b) Alliance partners visiting the region for purposes that are not directly related to the project implementation but have overall linkages with labor standards will be shared with the Project Director for information and overall coordination purposes.

IX. Project Reporting to Donors

- a) Quarterly and other required reporting to donor(s) shall be prepared and submitted by DAI as the Project Director. These reports will be circulated to all Alliance partners for information rather than review or comment.

X. Videos/photographs

- a) The production of videos and photographs for project promotion/marketing/training shall be coordinated by DAI and cleared by all Alliance partners.
- b) Any videos or photographs produced by the project must contain the USAID logo in a visible place.
- c) All such materials will be kept with DAI and may be utilized by the project whenever deemed appropriate.

XI. Project Publications/Manuals/Training Materials

- a) They shall be circulated to all Alliance partners for comments and clearance unless such clearance is waived by an Alliance partner.
- b) Any manual, training materials, or document that is developed (i.e. created or tailored for the project) as part of this project must contain the USAID logo in a visible place. Training materials that have been previously developed and/or published by other organizations, including the Alliance partners, need not have the USAID logo if they are not significantly tailored with project funds for project use.
- c) All such materials will be kept by the Project Director and DAI Publications Department and may be utilized by the project whenever deemed appropriate.

XII. PowerPoint Presentations

- a) All presentations should utilize the language of the official project description and communications. They do not require Alliance clearance.
- b) Alliance partners should inform the Project Director when public presentations are being made on the project.
- c) USAID's logo must appear in all PowerPoint Presentations.

XIII. USAID Internal and External Communications on the Project

- a) USAID will seek to utilize language from or that is consistent with the official project description and project communications, particularly in materials produced for an external audience while recognizing that they are under no obligation to do so.
- b) In those cases where USAID requests comments from the Alliance, DAI or Project Director will circulate such communications and coordinate their response.
- c) All official communications from Alliance partners to USAID which reference the project will be transmitted through DAI and the Project Director as the designated USAID liaisons.

XIV. Project Communications among Alliance Partners

- a) The Project Director will directly communicate with all Alliance partners at each organization's head office and local levels.
- b) Alliance partners must designate someone who will function as principal project focal point for all normal project communications and implementation of project activities at the head office and local levels. Information exchange and decision making on the project for that Alliance partner will be coordinated by the designated focal point. It will not be incumbent on the Project Director to coordinate internal consensus for an Alliance partner.
- c) Alliance partner head office clearance will be sought for project budgetary issues.

XV. Proprietary Material and Intellectual Property

- a) Each Alliance partner agrees not to disclose to others the proprietary or confidential information of any other Alliance partner; to use such information only for the purposes intended by the CIMCAW Alliance MOU; to treat such information with the same degree of care that each Alliance partner uses to protect its own proprietary or confidential information; and to return such information to the disclosing Alliance partner when asked, or promptly after this MOU is completed, whichever first occurs.
- b) The Alliance partners agree that all intellectual property is first governed by the USAID guidelines and within this framework Alliance partners shall have equal rights in all intellectual property created and first reduced to practice under this MOU. But each Alliance partner shall have exclusive rights to Intellectual Property based on data developed under this MOU that each Alliance partner develops individually or has developed previously in a manner unrelated to this MOU.

XV. Public Events

- a) All planned public events held at either the local or international levels that feature the project will be coordinated by the Project Director and included when possible in the project work plan that is submitted for approval to USAID.
- b) The Project Director and Steering Committee should be informed of those public events where Alliance partners will be presenting the project including conferences, panel discussions and workshops that arise outside the work plan. The official project description will form the basis of any public representation of the project.

c) Any public event requiring USAID participation from outside the USAID regional office (USAID/G-CAP) will be coordinated by USAID/G-CAP. USAID/G-CAP will clear travel for all USAID participants to participating countries where project related events are planned.

d) Public events featuring the project will have proper attribution to all Alliance partners including USAID.

XVI. Guidelines for Clearance of Communications

a) Text requiring Alliance partner clearance shall be sent electronically by DAI and/or the Project Director to the person designated as the Communication Liaison for each Alliance partner. A period of 10 working days whenever possible shall be allowed for returning comments/clearances. A good faith effort will be made to accommodate work and travel schedules so as to allow for input from all parties and enable a consensus-based decision. Such responses should be copied to all Alliance partners

b) DAI will ensure follow-up with an email or telephone communication where clearance is not received after 10 days. No response from an Alliance partner after such follow-up shall mean the text can be released as transmitted.

c) To discourage multiple responses coming from a single Alliance partner, staff from the same organization are asked to coordinate their firm's response in a single email.

d) DAI will incorporate all suggested revisions and transmit to all Alliance partner's final versions of any communications requiring Alliance clearance. Should there be issues with incorporating a partner's revision, DAI will bring the proposed text to the Alliances attention for collective deliberation. Consensus among all partners will be obtained for the release of key external project documents and all alliance partners agree to seek in good faith to come to consensus as quickly as possible so as to not delay project activities.

e) USAID shall be prominently acknowledged in all publications or other information/media products developed under this project, and the product shall state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgements should read as follows:

"This [publication, video or other information/media product (specify) was made possible through support provided by the U.S. Agency for International Development, under the terms of Award No. 596-A-00-04-00225-00. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development.

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CONSULTATIVE COMMITTEE MEMBERS BY COUNTRY

Country	Sector	Organization	Name	Position/Title	Email Address	Telephone	Cell
Honduras	Private Sector	Asociación Hondureña de Maquila - AHM	Martha Benavides	Technical Director	direcciontecnica@ahm-honduras.com	504 556 5526	504 9926 1775
Honduras	Private Sector	Asociación Hondureña de Maquila - AHM	Lidia Girón	Labor Adviser Assistant	servicioslaborales@ahm-honduras.com	504 556 5526	504 9862 3228
Honduras	Government	Secretaria de Trabajo y Seguridad Social STSS	Lucía Rosales	Regional Director - San Pedro Sula	lucyfino_25@hotmail.com	504 550 4962	504 9942 6156
Honduras	Trade Union Movement	Confederacion Unitaria de Trabajadores de Honduras CUTH	Efraín Aguilar	Deputy	cuthloftf@cuth.hn	504 550 8019	504 9701 1856
Honduras	Trade Union Movement	Confederacion Unitaria de Trabajadores de Honduras CUTH	Fabia Gutiérrez	Deputy at Choloma	fgutie2004@yahoo.es	504 617 2504	504 9913 2504
Honduras	Trade Union Movement	Confederacion Unitaria de Trabajadores de Honduras CUTH	Idalmi Carcamo	Education	idalmic@yahoo.es	504 557 1671	504 9963 8700
Honduras	Trade Union Movement	Confederacion General de Trabajadores CGT	Evangelina Argueta	Deputy at Choloma	cgتماquila@globalnet.hn	504 669 0617	504 9995 7834
Honduras	Trade Union Movement	Confederacion General de Trabajadores CGT	Nohemy Salinas	Education	cgتماquila@globalnet.hn	504 669 0617	
Nicaragua	Private Sector	Nien Hsing group	Doris Escalona	Legal Advisor	doris_escalona@nienhsing.com.tw	505 263 2064, 505 882 7169	
Nicaragua	Private Sector	Nien Hsing group	Westley Hurtado Santamaria	Labor Relations Manager (substitute for D.Escalona)	westley.hurtado@nienhsing.com.tw	505 851 7708, 505 263 2064	
Nicaragua	Private Sector	USLC Nicaragua	Jorge Duarte	Administrative Manager	uslcrhumanos@newcom.com.ni	505 263 1530 x116	505 856 0412
Nicaragua	Government	Corporación Zona Franca (CZF)	Zayda Montenegro	Legal Advisor	zmontenegro@czf.com.ni	505 263 1530	
Nicaragua	Private Sector	Asociación Nicaragüense de la Industria textil y de Confección (ANITEC)	Dean García Foster	Director	director@anitec.net, deangarciaf@hotmail.com	505 886 4274	
Nicaragua	Government	Ministry of Labor	José León Arguello	Secretary General, Ministry of Labor	joseleonarguello@mitrab.gob.ni	505 222 7206, 505 885 1269	

Country	Sector	Organization	Name	Position/Title	Email Address	Telephone	Cell
Nicaragua	Trade Union Movement	Central de Unificación Sindical (CUS)	Félix Rodríguez	Secretary of ethics and transparency of the consultative counsel of CUS	fedetrasep@yahoo.com	505 930 0974, 505 270 0108	
Nicaragua	Trade Union Movement	Sindicato Central de Trabajadores de Nicaragua autónoma (CTNa) FSTTVZF	Martha Cárdenas	Secretary of Federacion de Zona Franca	lorena26@yahoo.com	505 882 7169	505 834 4546
Nicaragua	Trade Union Movement	Sindicato Central Sandinista de Trabajadores/Federacion de Zona Franca (CST/ZF a CST)	Pedro Ortega	Secretary of Confederacion de Zona Franca	fesitexs@hotmail.com	505 876 9271	
Nicaragua	Trade Union Movement	Sindicato Central Sandinista de Trabajadores/Federacion de Zona Franca (CST/ZF a CST)	Harling Bobadilla	Secretary of Confederacion de Zona Franca (substitute for P.Ortega)	fesitexs@hotmail.com	505 876 9271	
Dominican Republic	Government	Industrial Promotion Corporation, CFI - Now Proindustria	Janel Ramirez	Inspector	janelramirez03@hotmail.com	809 530 0010 x 245	
Dominican Republic	Government	National Council of Free Zones, CNEZF	Richard Benoit	Legal consultant	r.benoit@cnzfe.gov.do	809 686 8077 x 269	
Dominican Republic	Private Sector	Dominican Association of Free Zones, ADOZONA	Manuel Batista		cidav.corp@codetel.net.do	809 383 6099	
Dominican Republic	Government	State Secretariat of Labor, SET	Ramon A. Lopez	Executive Director	fusni@codetel.net.do	809 383 8266	
Dominican Republic	Trade Union Movement	Fenatronas	Santo Sanchez	Vice-president	s_sanchez_reyes@hotmail.com		
Dominican Republic	Trade Union Movement	Futrazona	Mayra Jimenez	Secretary General	mayrajimenez1@hotmail.com		
Dominican Republic	Trade Union Movement	Fedotrazona	Ygnacio Hernandez		yhernandez_hiciano@hotmail.com	809 506 8882	
Dominican Republic			Patricia Bobea	Legal department			