



Gap Inc. **WAL★MART** Limitedbrands **Timberland** 

Quarterly Report No. 15

Continuous Improvement in the Central American Workplace
CIMCAW

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Submitted to Sandra Lorena Duarte, CIMCAW CTO for Approval

Signature: _____

Date: _____

QUARTERLY REPORT #15 APRIL 01 – JUNE 30, 2008

Continuous Improvement in the Central American Workplace USAID Global Development Alliance

The Continuous Improvement in the Central American Workplace Project continues to work toward improving working conditions in the textile and apparel sector of Central America through capacity building around labor standards compliance and enforcement and promoting social dialogue. In doing so, the project will help increase factories' ability to meet the growing demands for social compliance as well as increases their competitiveness. The CIMCAW project submits the following Quarterly Report on project activities carried out between April 1 and June 30, 2008.

The format for the CIMCAW Quarterly Report follows:

- Part I EXECUTIVE SUMMARY
- Part II KEY ACCOMPLISHMENTS THIS QUARTER
- Part III STATUS OF THE PROJECT ACCORDING TO INDICATORS
- Part IV ALLIANCE AND MANAGEMENT UPDATE
- Part V SUMMARY OF LESSONS LEARNED
- Part VI CHALLENGES AND PROPOSED SOLUTIONS

CONTINUOUS IMPROVEMENT IN THE CENTRAL AMERICAN WORKPLACE, FIFTEENTH QUARTERLY REPORT, APRIL - JUNE 2008

I. EXECUTIVE SUMMARY

This is CIMCAW's 15th quarterly report, covering the period from April 1, 2008 to June 30, 2008. During this quarter CIMCAW's activities have ramped up considerably, in terms of training (both in factories and with inspectors), follow up, technical assistance, and the development of CIMCAW marketing materials and technical instruments.

Summary of the quarter's achievements:

- CIMCAW successfully delivered trainings to a total of 217 workers and managers: in Nicaragua (120), Honduras (20) Dominican Republic (37) and Guatemala (40). Ten factories participated in CIMCAW trainings: in Nicaragua (7), Honduras (1), Dominican Republic (1), and Guatemala (1).
- CIMCAW directly trained 13 inspectors and 6 independent auditors in Guatemala.
- Under the terms of the Memorandum of Understanding (MOU) between CIMCAW and Cuple y Gana, the two projects developed and implemented activities in support of the Ministries of Labor in the region. CIMCAW more than doubled the number of activities originally planned for the Ministries, without increasing the budget.
- CIMCAW developed Inspection Protocols for five countries, and held validation events in which **78** inspectors from Guatemala (11), Honduras (13), DR (13), Nicaragua (11) and El Salvador (30) participated. The protocols were then used to train labor inspectors, and private auditors.
- **147 inspectors were trained during the quarter, raising the cumulative total inspectors/auditors trained by CIMCAW to 500.**
- Consultative Committees in Nicaragua, Honduras and Dominican Republic (DR) met, on average, once a month. These meetings were facilitated by CIMCAW Local Partners.
- The CIMCAW Steering Committee met regularly to discuss project strategy and to plan the Regional Symposium that will be held in San Pedro Sula, Honduras, in August 2008.
- In April, the project held the fifth regional Partner's meeting and the first regional meeting of CIMCAW Consultative Committees in San Salvador, El Salvador. This was the first opportunity that Consultative Committee members from Dominican Republic, Nicaragua and Honduras had to share their experiences and lessons learned from working with CIMCAW to develop a multi-sectoral dialogue around workers rights.
- Ongoing efforts to build the capacity of Local Partners (LP) continued. The RO provided additional one-on-one training to LPs on CIMCAW methodologies for documenting impact from training, follow-up and technical assistance.
- During this quarter, CIMCAW produced Regional Bulletin issues #2 and #3, and published 6 Success Stories. These documents are part of the rich technical and methodological legacy that CIMCAW leaves in the region, for other initiatives working to support workers rights.

II. KEY PROJECT ACCOMPLISHMENTS THIS QUARTER

CIMCAW Training Report

Joint Worker-Manager

- **Current Quarter:** 217 workers and managers were trained during the quarter: 120 in Nicaragua, 20 in Honduras, 37 in Dominican Republic, and 40 in Guatemala.
- **Cumulative:** A total of 720 workers and managers have been trained to date: 443 in Nicaragua, 20 in Honduras, 126 in Dominican Republic, and 131 in Guatemala,
- **Goal:** The CIMCAW target for total number of workers and managers trained is 1,123. Therefore, 403 are still pending.

Inspector/Auditor Training

- **Current Quarter:** 147 inspectors and Auditors were trained during the quarter: 19 in Guatemala (13 inspectors and 6 external auditors); 75 in El Salvador; 24 in Honduras; and 29 in Guatemala. Trainings in El Salvador, Honduras and Guatemala were carried out under the terms of the MOU with the Cumple y Gana project.
- **Cumulative:** A total of 500 Ministry inspectors and external auditors have been trained by CIMCAW.

CIMCAW Impact Report: A total of 11,650 workers impacted, to date

By March 31, 2008, CIMCAW had documented improvements in factories affecting 8,850 workers.

During this quarter, an additional 2,800 workers were positively impacted by improvements documented by CIMCAW, in HANSAE factories. These improvements include: a new communications policy, the creation of an internal committee for continuous improvement; improvements to the Occupational Safety and Health commission, and the creation of a Hygiene Committee.

Cumulative workers impacted by CIMCAW: A total of **11,650, to date**.

Local Partner Capacity Building

The following section is organized according to the project's deliverables as defined by the agreement with USAID. Please note that some deliverables are country specific.

II.1. NICARAGUA

Deliverable 2: Multi-Stakeholder Dialogue

Consultative Committee Functioning, Meeting Regularly

The Nicaragua Consultative Committee (CC) continued to meet on a monthly basis. The key issues addressed during the meetings this quarter include:

- Discussion of the approach to recruit additional factories to participate in the CIMCAW program.

- Planning the CIMCAW Regional Symposium. LP INEH estimates that 13 delegates representing the government, union and private sectors will participate.

Work with the Corporacion de Zonas Francas to recruit new factories to participate in CIMCAW has proven to be extremely successful. More information is provided in the section on Deliverable 4.

Three members of the Nicaragua CC (one from each sector) participated in the Fifth Regional Partners' meeting and First Regional CC meeting in El Salvador, April 2008.

Local Partner INEH, Wal Mart and SAI participated in a meeting on Social Business Responsibility organized by the Corporacion de Zonas Francas and Pronicaragua. During the meeting, INEH, Wal-Mart and SAI presented on CIMCAW activities.

Deliverable 4: Capacity Building and Technical Assistance at the Factory Level

Joint Worker-Manager Trainings

A total of 120 workers and managers, from 7 factories, with a population of 7785 workers, were trained in rounds 5, 6, and 7 in 2008. A Hansae Factory participated in the 5th round of training, which started on January 26, 2008 and ended on April 12, 2008; the training report was delivered on April 15th, 2008. An Atlantic Apparel Factory participated in the 6th round of training which started on February 9, 2008 and ended on April 19th, 2008; the training report was delivered on April 23rd. All seven of the Nicaraguan factories trained in 2008 agreed to participate in CIMCAW Technical Assistance and Follow Up.

With the completion of the seventh round of training, Nicaragua has achieved 88% of its target for the total number of rounds of training delivered. It is very likely that CIMCAW will meet and exceed its target by the end of the next quarter: Round 8 is planned for July (100%), and two more rounds of training have been requested by 4 more factories.

Table 1: Nicaraguan Factories that started training in Second Quarter and reported in Third Quarter FY 2007-2008

FACTORY	Total # of WORKERS at the time of TRAINING	WORKERS TRAINED		MANAGERS TRAINED		TOTAL	Accepted Technical Assistance and Follow-Up
		MALE	FEMALE	MALE	FEMALE		
Hansae (*)	2800	13	11	7	5	36	YES
Atlantic Apparel (**)	2055	10	4	6	14	34	YES
	4855	23	15	13	19	70	

Source:(*): 5th Training round report, INEH, Nicaragua.

(**): 6th Training round report, INEH, Nicaragua.

Table 1 – Training Session Schedule

No..	Module	HANSAE	ATLANTIC APPAREL
1	Introduction to New Global Context for the Maquila Sector Human Relationships and Team Work	Jan 26, 2008	Feb 09, 2008

2	Obligations and Rights of Workers and Employers	Feb 09, 2008	Feb 23, 2008
3	Freedom of Association and Collective Bargaining	Feb 23, 2008	Mar 08, 2008
4	Gender Discrimination in the Labor World and Child Labor	Mar 08, 2008	Mar 29, 2008
5A	Occupational Health and Safety – Part I	Mar 29, 2008	Apr 05, 2008
5B	Occupational Health and Safety – Part II	Apr 12, 2008	Apr 05, 2008

Thanks to a new recruitment strategy developed by the Nicaragua CC to increase the number of factories participating in CIMCAW' joint training, **fifty** workers and managers from **five new factories** participated in Round 7 trainings (June 14 and 15, 2008). It is important to note that upper management from all factories participated. The training reports were delivered to the five factories the week of June 23rd - 27th, 2008. See summarized information in Table 2.

Table 2: Factories Participating In 7th Round of Joint Training, Montelimar, June 14 and 15, 2008

	FACTORY	Total # WORKERS at the time of TRAINING	WORKERS TRAINED		MANAGERS TRAINED		TOTAL	Accepted Technical Assistance and Follow-up
			MALE	FEMALE	MALE	FEMALE		
1.	Tide Manufacturing	60	1	2	0	2	5	YES
2.	Premiere, S.A.	800	2	2	2	3	9	YES
3.	Calypso Apparel	820	6	2	2	2	12	YES
4.	Cupid	900	3	7	4	2	16	YES
5.	VF Jeanswear	250	2	2	1	3	8	YES
	TOTAL	2930	14	15	9	12	50	100%

The six prior rounds were delivered over 12 weeks, in 6 eight hour sessions with two weeks between each session. INEH reports an average of 50% of participants completed all 6 sessions (50% success).

For the seventh round, INEH modified the structure and timing of training; however they presented the same content and used the same materials developed for other rounds. (see table 3).

Round seven was delivered in two full days at a site removed from the factories (Montelimar Resort). One hundred percent of the participants completed the training (100% success). At the conclusion of the training, each factory developed a report of issues for improvement, which INEH included in their training reports. These reports were delivered by INEH along with SAI's field consultant to each factory. Five factories agreed to receive the follow up and technical assistance proposed by the project, a significant success of the training, given the reluctance shown by other factories to participate in follow up and technical assistance.

The following comments were made by participants in Round 7 training:

- Workers said they will go back with better knowledge of their rights and obligations, and means to implement them.
- They now have better knowledge of what a union is.
- They recognize the importance of working as team and of improving communication skills.
- Workers said that it was paramount to have the opportunity to share with their bosses the issues that they thought needed improvement, and to search for solutions together.

- All the training content was important; they were glad that the training was held at Montelimar.

It is important to mention that additional Nicaraguan factories have requested training; INEH has started to organize round 8 to take place on July 25th and 26, 2008. The following factories have confirmed their participation: China United Internacional Corp, S.A. (2500 workers), Koramsa (750), Ju Yin (1200), Seratex (650), Yutex (900), Formosa, S.A. (1500), Sae Tecnotex (3500), and Sinonica (1000).

Due to the demands for training, INEH is starting to organize training rounds 9 y 10. Round 9 was specifically requested by the management of Sae Tecnotex, for their managers and workers exclusively.

Training Follow Up/Technical Assistance:

Seven factories have agreed to continue with these activities. INEH has delivered all the reports to the factories and started the process of planning training follow up and technical assistance. Yolanda Brenes, SAI, assisted INEH in this process.

Hansae (2800 workers): INEH met with Carlos Serrano and Arnulfo Cuadra, delegates from the Management of Hansae Nicaragua on April 15, to coordinate the delivery of CIMCAW technical assistance. They agreed to have CIMCAW develop an internal workshop for supervisors and area managers to be held on May 17 and 24. Their priority is to improve communications and relationships with workers. The main issues identified for follow up during the trainings were lack of cleanliness in bathrooms and dining areas, poor communications between workers and managers, and irregular use of safety gear. INEH shared this information with Hansae supervisors and managers during follow up and technical assistance provided on May 24th.

During a workshop delivered by Laura Carter, from CIMCAW partner ITGLWF, during the last week of June 2008, union representatives from the Central Sandinista de Trabajadores (CST) at Hansae reported that they had seen notable improvements in working conditions after participating in CIMCAW's joint trainings. A significant outcome of joint worker-manager training is that the two unions at the factory, CST and the Central de Trabajadores de Nicaragua-Autónoma (CTNa), began to coordinate activities for the first time. After participating in CIMCAW training, the two unions agreed to submit joint collective agreement proposals. This workshop delivered by Laura Carter was the fourth of four sponsored by ITGLWF as part of the Alliance Outreach deliverable in CIMCAW's work plan.

The same unions also reported noticeable improvements in health and safety after CIMCAW training. The unions had been requesting improvements in worker seating and air quality for some time, and had even taken their complaints to the Ministry of Labor which ruled in their favor. However, Hansae had not responded to their requests. After the CIMCAW workshop, during which participants jointly mapped out the health and safety hazards at the plant, the company moved quickly to install six dust extractors and to modify worker seating.

The same unions also reported that their membership had grown as a result of CIMCAW. In addition, a new union has been formed: Hansae has several production units in different locations, but until recently only Unit #26 was unionized. As a result of CIMCAW training (which included sessions on freedom of association), Unit #28 also became unionized.

During a visit to Hansae by Karla Cook (Wal Mart), Sandra Lorena Duarte (USAID), and INEH Vice General Manager Charles Sung Hwang, and HR Manager Carlos Serrano observed that since the CIMCAW trainings, the working relationship and communications between workers and supervisors have improved; currently both workers and managers are making better use of mailboxes for communications at the factory. Training participants that were

interviewed said that the trainings allowed them to have a broader view of their rights and obligations. They are also now more conscious of the risks they are exposed to when they do not follow health and safety rules. They mentioned their willingness to participate in additional CIMCAW training. INEH delivered the final training report to HANSAE. A total of 2800 workers have been impacted by documented improvements at Hansae factories.

Karla Cook, Sandra Lorena Duarte and INEH also visited an **Atlantic Apparel** factory. Factory manager Franklin Melendez recognized that after participating in CIMCAW Round 6 trainings, managers have a better understanding and improved methods of communicating with the unions. Atlantic Apparel has four unions at their factory, where 700 out of 2044 workers are unionized. During the visit, INEH helped them to calculate worker overtime according to Nicaraguan labor code. Another topic discussed during the visit was the company's dismissal policy. Melendez explained that it is company policy to minimize firings, but it is not always avoidable. Recently, the factory have been negatively affected by rumors that the factory will close down and fire union members, provoking uncertainty among the workers. The factory is looking for methods to improve communications with workers. Atlantic Apparel managers agreed to participate in follow-up and technical assistance provided by the project.

The last factory to be visited by the group was **Cupid Nicaragua S.A.** General Manager; Jose Peschard Bustamente accompanied the group during the visit. The factory participated in the 7th round of CIMCAW trainings. Peschard mentioned that the goals of the CIMCAW project coincide with the Cupid's belief that providing good labor conditions is a good business practice. They perceive working with the CIMCAW project as a win-win situation. Attending the training helped Cupid managers to understand the meaning of conflictive topics such as Freedom of Association. Managers learned that the best negotiation technique is teamwork. Peschard expressed his approval of the trainers, and praised the joint manager-worker training experience. He particularly valued the opportunity to work in a manager-worker team to identify challenges and solutions for the company during the training. According to Peschard, all this has had a positive impact among the participants and the rest of the workers of the factory; training has contributed to a healthy environment in the factory and increasing trust among the workers.

At the end of the quarter, CIMCAW met with senior managers and a factor inspector at Yujin Nicaragua, SA. We presented the project and answered specific questions on the CIMCAW training methodology and content. Yujin Nicaragua, SA is interested in the two-day training for their three factories: Saratex (650 workers), Yutes (900 workers) and Yujin (1,200). Yujin and INEH plan to hold the 8th round of CIMCAW training, July 25 – 26.

Deliverable 5: Capacity Building for Auditors

Inspectors Trained Or Reached In Working Group Sessions/ Other Actors Reached In The Working Group Sessions.

On June 11, 11 inspectors from the Nicaraguan Ministry of Labor validated the Inspection Protocols developed by CIMCAW. This was the fourth of five validation activities planned in the region under the MOU with the Cumple y Gana project. CIMCAW consultant Carolina Quinteros, charged with developing impact indicators as part of the Management Improvement Manual, also participated in the event.

II.2. HONDURAS

During this Quarter, Honduran factories began to participate in CIMCAW joint trainings. Honduras was selected as the Host Country for CIMCAW's Regional Symposium meeting planned for August 13 – 15, 2008 in San Pedro Sula.

Deliverable 2: Multi-Stakeholder Dialogue

Consultative Committee Functioning

The CC continued to meet at least once per month with an active agenda and full participation from all sectors.

Four members of the CC [Marta Benavides – Asociacion Hondurena de Maquilas , Evangelina Argueta – CGT (union), Lucia Rosales – Ministry of Labor, and Efraín Aguilar – CUTH (union)], actively participated in the Fifth Regional Partners meeting and the First Regional Consultative Committee meeting.. During the meeting, the delegates from Honduras proposed two strategies to increase CIMCAW impact in Honduran factories. The first was to draft an agreement between CIMCAW and the IDB/AHM project. This proposal was endorsed by the Steering Committee members, but was not approved by the AHM board of directors. The second strategy proposed that the project support a Training of Trainers (ToT) activity in Honduras. The rationale was that once the trainers are trained, they can continue training members of their respective sectors, even after the CIMCAW project ends. This proposal was approved by the CC, and by the CIMCAW SC after the ITGLWF delegate visited Honduras; participants in the sectoral meetings directly requested that the CIMCAW SC approve the proposal. The ToT is planned for the fourth quarter of FY 2007-2008.

In May 2008, the Honduras CC members decided to follow Nicaragua's model by modify the training program by reducing the training program, initially designed as 40 hours of instruction, to 32 hours. By doing so, the CC hopes that it can recruit more factories to participate in CIMCAW training, as was the case in Nicaragua.

Deliverable 4: Capacity Building and Technical Assistance at the Factory Level

Joint Worker-Manager Training

One Honduran factory participated in CIMCAW joint training during the quarter. On June 14th, 20 Shinsung Modas employees (12 workers and 8 managers, out of 1750 total workers), began the 32-hour joint training program. Originally, this training had been planned for May, 2008. The training is scheduled to end on July 19th.

The CIMCAW Honduras implementation team contacted the following factories, to invite them to participate in joint worker-manager training:

- Jerzees Group. There are 4 Jerzees factories in Honduras; it is their policy to provide the same training to all their workers.
- Hansoll (1500 workers)
- Grupo Kattan
- Star SA (Anvil)
- Gildan
- Liberty

All expressed interest in participating, especially after learning about the Freedom of Association Module, and are waiting for their headquarters to give clearance.

On June 27, the ITGLWF conducted a briefing on the CIMCAW project for trade union representatives in San Pedro Sula, Honduras. The event was held at the offices of the FITH/CUTH.

The workshop was attended by representatives of both organizations participating in the project: FITH/CUTH and the CGT. Both organizations were represented by their respective members on the consultative committee as well as by

union leaders from six different factories. A total of 29 participants attended, of whom 17 were women. Eleven participants were from the CGT and its factory unions while 18 were from the FITH/CUTH and its constituent unions.

Laura Carter (ITGLWF) presented an overview of the aims and activities of the project as well as ITGLWF's role in the project. She then led a discussion on how to ensure that workers and unions benefit from CIMCAW. Homero Fuentes, CIMCAW liaison for Honduras, presented an overview of the difficulties that the project had faced in Honduras as well as where things are now, with the launch of the first training.

Aims and activities of the project.

Laura Carter explained the general context of the project. She outlined how the MFA had globalized the industry to the point where countries like Honduras are now dependent on the industry. She explained that the phase-out of the agreement had meant all countries are in open competition with China, and the impact this is having on developing economies. Central American countries cannot hope to compete with China on low costs and therefore need to focus on all four elements of competitiveness, including producing goods made in decent conditions, which is increasingly becoming a market requirement.

Codes of conduct and social auditing have provided only limited gains in securing decent work and it is now increasingly recognized that the best way to ensure lasting and sustainable improvements is through mature industrial relations in the workplace. To achieve this, employers need to take ownership of the process and workers need to be aware of their rights and able to defend them – which is the aim of the project. In short, unions that were able to engage in dialogue and negotiations with their employers are playing an important role in ensuring the sustainability of the industry to the benefit of all concerned.

Ensuring workers and unions benefit from the project. Laura then explained union involvement at all levels of the project. In view of the fact that the trainings have only just begun in Honduras, participants acknowledged that much depends on how many trainings CIMCAW can conduct before the end of the contract.

There was discussion about how unions should take advantage of the more favorable climate that is likely to result from the project. One of the biggest obstacles to unionization is the fear of victimization; however, factories that had been trained on the importance of social compliance are more likely to respect the right of freedom of association. Unions need to take advantage of this new environment to strengthen their numbers.

In addition, when particular workplace issues and problems are raised during the training sessions, unions should consider taking these up as trade union issues. While remedying the problems identified in the trainings is the responsibility of management, and technical assistance is made available for that purpose, it is the responsibility of unions to promote awareness of these issues among their own members and raise them with management as appropriate in order to ensure satisfactory solutions.

Unions should also see the project as a training opportunity for their members, activists and leaders on basic worker rights. Unions need to ensure that a balance of both union members and non- members attend the trainings. The Federations are also invited to approach non-unionized factories that have participated in CIMCAW to seek a guarantee that the right of workers to organize and bargain collectively will be respected. In addition, the Federations are urged to take advantage of their participation in the Consultative Committee to address the need for employers and government to do more to promote respect for labor standards as a means of securing competitiveness.

The members of the Consultative Committee outlined their recent discussions. They stressed their opposition to working with PROCINCO and as well as the need for CIMCAW to maintain its multi-stakeholder focus. They expressed interest in planning to do as many trainings as possible before the end of the project, and if possible, to extend the project end date in order to complete more trainings. The two CC members indicated they have no objection to training trainers from the different sectors so that they could continue to provide training to their own constituencies after the end of the project.

Deliverable 5: Capacity Building for Auditors

Inspectors Trained Or Reached In Working Group Sessions/ Other Actors Reached In The Working Group Sessions.

On May 14, thirteen inspectors from the Honduran Secretary of Labor of participated in the Inspection Protocol validation event. This was the second of five validation events planned under the terms of the MOU with the Cumple y Gana project. On June 24 and 25, twenty four inspectors were trained in the use of the protocols.

II.3. EL SALVADOR

Deliverable 1: Needs Assessment for Coalition Building

Validation of the Diagnostic Study

CIMCAW organized three successful sectoral meetings on July the 2- 4, 2008, to share and validate the findings of the diagnostic study. On July 2 the Project presented the final diagnostic study to 23 representatives of the public sector, including delegates from the Ministry of Labor, Supreme Court and National Assembly. On July 3 the project presented the study to 7 members of the private sector, including the General Director of the Asociacion Salvadorena de Industrias de la Confeccion (ASIC), FUNDEMAS (an organization responsible for promoting Corporate Social Responsibility in El Salvador), the Fundacion Salvadorena para el Desarrollo Economico y Social (FUSADES), and representatives of Fruit of the Loom factories in El Salvador (12,000 workers). On July 4, the diagnostic study was presented to 12 members from unions and NGOs working with workers rights in El Salvador (GMIES, DIGNAS, FESPAD, CEAL). The ILO representative in charge of monitoring the implementation of the CAFTA White Book participated as well.

All three sectors that participated in the validation meetings endorsed the creation of a labor subcommittee of the tripartite Consejo Superior del Trabajo that will serve as the Consultative Committee in El Salvador; Worker representatives requested that the subcommittee include participation of unions that are not represented in the Consejo.

Deliverable 2: Multi-Stakeholder Dialogue

Once the labor subcommittee of the Consejo Superior del Trabajo of El Salvador, is created and begins to function as the Consultative Committee, the tripartite organization will promote the CIMCAW project approach and activities. CIMCAW will have achieved 125% of the target for this deliverable.

The Steering committee requested the RO to coordinate all activities related to social dialogue with other projects working on labor issues in El Salvador. In June, the RO met with the Global Fairness Initiative (GFI) to plan 3 upcoming activities around social dialogue for El Salvador. The first, in which CIMCAW, GFI and the Ministry of Labor participated, took place on June 26.

Deliverable 3: Tailored Training Design

During the quarter, Glenda Vaquerano delivered the first draft of CIMCAW training manuals developed for El Salvador, for review by the RO, SAI and the Ministry of Labor of El Salvador. The final version will be published in July 2008. With the publication of training manuals for El Salvador, CIMCAW will have achieved 125 percent of the target for this deliverable.

Deliverable 5: Capacity Building for Auditors

Inspectors Trained or Reached In Working Group Sessions/Other Actors Reached In Working Group Sessions.

On June 9, 30 inspectors from the Ministry of Labor of El Salvador participated in the validation of the Inspection Protocols developed by CIMCAW. This was the third of five validation activities planned in the region under the terms of the MOU with the Cuple y Gana project. On July 8-9, 75 inspectors were trained in the use of the protocols.

II.4. GUATEMALA

Deliverable 1: Needs Assessment for Coalition Building

Plan developed for Addressing Challenges in Guatemala

CIMCAW's Local Partner in Guatemala, COVERCO, continues to be a great asset to the project. During the quarter, they continued to provide regular updates to the regional office, adapted the work plan to address VESTEX's concerns, and contacted and visited factories to encourage their participation in the CIMCAW training. COVERCO participated in meetings with unions and the Ministry of Labor with the goal of promoting a tripartite dialogue in the country.

Deliverable 2: Multi-stakeholder Dialogue

Consultative Committee

Despite several efforts with the support of USAID, US Embassy officials, and Wal-Mart, the project was not able to meet with VESTEX executives during the quarter.

Despite this setback, the project continued to collaborate with other sectors in Guatemala. In May, COVERCO and the COP participated in the 1st National Workshop on Competitiveness, organized by the Guatemalan Ministry of Labor and the GFI project. Attendees from the GOG included the Minister and Vice Minister of Labor, the General Inspector, the Supervisor of Inspections, and the Supervisor of International Affairs. Other attendees included the IDB, Lucy Chang, Fundacion Soros of Guatemala, and Fundacion Mario Lopez Larrave. The event provided an excellent opportunity to lobby for and promote social dialogue. The COP raised the need to define a space for a tripartite dialogue on workers' rights, with the Inspector General.

CIMCAW Local Partner COVERCO and COP followed up by participating in a lunch meeting with the Inspector General and the Director of International Affairs from the Ministry of Labor, in the hopes of securing the GOG's participation in a tripartite committee. The Vice Minister, General Inspector, Supervisor of Inspection and the Director of International Affairs committed to endorse tripartite dialogue and invited CIMCAW to make a presentation in July. If the meeting goes as expected, delegates from Guatemala may participate in the CIMCAW Regional Symposium, planned for August 14 and 15, 2008.

Deliverable 4: Capacity Building and Technical Assistance at the Factory Level

Joint Worker-Manager Trainings

Guatemala started joint trainings: As a result of efforts by COVERCO with the support of CIMCAW corporate partner Gap Inc., SAE-A International (6000 workers) started training on June 21. Forty participants (25 workers; 15 foreign managers and human resources managers) attended the first round of training, which will end on July 12, 2008. The C-site factory (700 workers) committed to participate in a second round of training, planned for July 11-12. Both GAP and Wal-Mart played an important role supporting COVERCO as they engaged with SAE-A International and C-Site. The outcome of both trainings will be reported on QR #16.

Despite the reluctance of VESTEX executives to meet with the project, COVERCO directly approached the following factories:

- C-Site (700 workers), SAE A International (3,000 workers), TEXPIAS I, II, III (2,800 workers) and Winners (3796 workers). Still pending to receive clearance form Korean Headquarters to participate.
- Shin Won (1,200 workers). GAP is giving close follow up to their engagement.
- Polar Industrial (500 workers); LNK Trading S.A. (500 workers); Tejidos Pralin (500 workers).
- Industrias Chichimecas (180 workers), Manufacturas del Caribe (700 workers).
- LNK Trading S.A. (500 workers),
- Tejidos Pralin (500 workers)
- Hansae (783 workers). Wal-Mart is giving close follow up to their engagement.

COVERCO attended to the Apparel Sourcing Show de VESTEX, where they contacted Shin Won (1,200 workers); Polar Industrial (500 workers); and LNK Trading S.A. (500 workers).

Manuel Garcia, ITGLWF, came to Guatemala on April 7 for meetings with the labor sector. Along with COVERCO and the COP, he attended a workshop organized by ITGLWF for union representatives in Guatemala. During the meeting, union members expressed their willingness to participate in CIMCAW and suggested that the training provided to the textile sector should be extended to other sectors. The idea was raised at the CIMCAW Fifth Partners Regional Meeting in El Salvador, but was not approved.

This activity with ITGLWF was the second of four developed by ITGLWF as part of the ALLIANCE OUTREACH deliverable defined in CIMCAW's work plan.

Deliverable 5: Capacity Building for Auditors

INSPECTORS TRAINED OR REACHED IN WORKING GROUP SESSIONS/ OTHER ACTORS REACHED IN THE WORKING GROUP SESSIONS.

On April, CIMCAW directly trained 13 Ministry of Labor inspectors and 6 external auditors.

On May 12th, 11 inspectors from the Ministry of Labor of Guatemala participated in the validation of the Inspection Protocols developed by CIMCAW. This was the first of five validation activities planned in the region under the terms of the MOU with the Cumple y Gana project. On July 2, 29 labor inspectors were trained in the use of the protocols.

II.5. DOMINICAN REPUBLIC

Despite the crisis which has led to the close down of many factories in the Dominican Republic, CIMCAW has had several important successes in the country during the quarter. Local partner, the Center of Research for Feminine Action (CIPAF), continues to promote labor issues and has developed a robust network in supporters from the different sectors.

Deliverable 2: Multi-Stakeholder Dialogue

Consultative Committee Functioning (Deliverables 2.3 and 10.3)

During this quarter, CIPAF and the Tripartite Commission continued to meet every month. Together, they organized a meeting of the Multi-Fiber Arrangement Forum (MFA). With technical and financial support from CIMCAW, the MFA met with all stakeholders from the Dominican apparel sector to evaluate current challenges facing the sector and develop potential actions for improving the sector's situation and outlook. In addition to the RO and local partner CIPAF, the following members of CIMCAW's alliance participated in the meeting: International Textile, Garment and Leather Workers Association (ITGLWA) and Wal-Mart.

The Second National Meeting on Good Social-Labor Practices planned for May, 2008, was rescheduled for August 22, 2008.

Maria Graciela Cuervo and Magaly Pineda (CIPAF), along with 3 representatives from the Dominican Consultative Committee (CC)—Manuel Batista (Asociación de la RD de Zonas Francas); Ramón López (Director Ejecutivo de la Comisión Tripartita, representando el MIT); Ignacio Hernández (Coordinadora sindical de trabajadores de Zonas Francas de la Comisión Tripartita, FEDOTRAZONAS)—attended the Fifth Regional Partners Meeting and The First Regional Consultative Committee Meeting.

Pilot Program for Collaboration with National Training Institute

CIPAF successfully negotiated the terms of an MOU to develop and deliver training for INFOTEP. The MOU will be signed on July 22nd, 2008. This agreement with INFOTEP is important because it promotes the sustainability of the project by incorporating the project's methodology in the INFOTEP's training protocol. This action responds to one of the strategies for continuing spreading the methodologies and contents of CIMCAW in the tailoring and all sectors of the Dominican Republic economy (Deliverable 2.2). The first INFOTEP training of trainers is scheduled to take place in July.

Deliverable 4: Capacity Building and Technical Assistance at the Factory Level

Joint Worker-Manager Trainings

According to CIPAF, during the life of the project they have approached 70 factories. Only five factories have attended Good Practices Workshops (7%); and four then participated in CIMCAW training.

In March, Timberland agreed to allow workers from several of their plants to participate in CIMCAW training. Training was held April 24-25; with the participation of 37 workers and managers (28 men and 9 women) from Plant #4 of the RFC factory (they produce leather boots, 179 total workers). CIPAF invited the workers to choose among themselves the 25 workers that would attend the training. It is important to note that this is the first factory participating in CIMCAW trainings and that is not from the textile sector. Expanding CIMCAW beyond the apparel sector has consistently been of interest to USAID and CIMCAW was able to do so only in the Dominican Republic.

CIPAF delivered the training report to the factory on May 28. The following members from RFC were present: Juan Rodríguez, Pedro Tavares, Manufacturing Director, Julio César, Plant # 4 Manager, David Tineo, Production Supervisor, Ana Cristóbal, and Human Resources Supervisor.

The DCOP made a follow up visit to Timberland on June 2, 2008. During this visit, Human Resources Manager Juan Rodríguez expressed Timberland's interest in participating in follow up activity and technical assistance. In addition, he communicated Timberland's decision to allow additional factories to participate in CIMCAW joint trainings

On July 2, after considerable delays due to the crisis in the Dominican maquila sector, CIPAF delivered the training report to the management of the Grupo M factory (1,296 workers) that received training in November 2007. CIPAF confirmed Grupo M's willingness to allow a second group of workers and managers from another factory to receive training (1500 workers). CIPAF is planning the training for next quarter.

Training Follow Up/Technical Assistance

Training follow up/Technical Assistance is planned for Timberland RFC Plant #4.

Deliverable 5: Capacity Building for Auditors

Inspectors Trained Or Reached In Working Group Sessions/ Other Actors Reached In The Working Group Sessions.

On June 13, 13 inspectors from the Secretary of Labor of Dominican Republic participated in the validation of the Inspection Protocols developed by CIMCAW. This was the fifth of five validation activities planned in the region under the terms of the MOU with the Cumple y Gana project.

On July 15-16, CIMCAW and CyG will train 22 inspectors in the use of the protocols. Louis Vanegas (an external consultant from New Balance) will deliver the training.

II.6. REGIONAL OFFICE ACTIVITIES

Deliverable 1: Needs Assessment for Coalition Building

Diagnostic in El Salvador

1. As a follow up to the approved country approach, three sectoral meetings were held to validate the findings of the diagnostic study. The meetings were held July 2-4, 2008.

Project Approach by Country (El Salvador):

2. Train two factories in El Salvador: **Billabong**, a CIMCAW partner agreed to allow training in two of their factories. Contacts have been established between Billabong and the RO. Training is planned for to take place in August 2008, once the Salvadoran training manuals are ready. Glenda Vaquerano, Sandra Lorena Duarte and the COP met with the General Manager of **Hanes**-owned Buenaventura Factory, Eng. Luis Anleu. Members of CIMCAW's alliance will contact Hanes headquarters directly to encourage Hanes to allow CIMCAW to provide training for their 8 factories in El Salvador, and 16 factories in Honduras (16).

3. The training manuals for El Salvador have been prepared by Glenda Vaquerano and draft versions has been circulated submitted for technical review and comment. Final versions will be submitted for approval by the end of July 2008.
4. The project continued to work with the Ministry of Labor in El Salvador, providing inspector working group trainings (under the terms of the CIMCAW/CyG MOU, discussed below, deliverable 5).
5. The project continues to promote social dialogue: Part of the agenda of the sectoral meetings held during the quarter was to build consensus among the three sectors on the best ways to advance social dialogue on workers compliance. The project did not plan to organize a space for social dialogue in El Salvador, but actions are moving in that direction. In case there is success, this will be an extra deliverable of the project.

A country strategy for El Salvador was successfully developed. Glenda Vaquerano was hired to act as the El Salvador Country Representative and Ana Lillian Rosales was hired to handle the communications, contacts and logistics. With the development of this country approach, CIMCAW has completed this deliverable.

Deliverable 2: Multi-Stakeholder Dialogue

Consultative Committee (CC)

One of the most significant achievements of the CIMCAW project is the establishment and strengthening of the multi-stakeholder Consultative Committees. Delegates from each sector from Honduras, Nicaragua and Dominican Republic participated in the first Regional Consultative Committee meeting in El Salvador.

In Guatemala, the project started to have multi-sectoral meetings with the support of the Ministry of Labor and the Tripartite Commission. The board of this multi-stakeholder commission agreed develop a plan with CIMCAW and has scheduled meetings for July 2008. These activities are being developed with the participation of GFI.

During this quarter, members of the Regional Office participated in CC meetings and workshops in Guatemala and El Salvador.

A success story was written with the outcomes of this deliverable, focusing the interest in the potential that these bodies have in keeping the interest and promoting actions toward the compliance of workers' rights in their countries.

Deliverable 3: Tailored Training Design

During the editing process of the manuals developed in each country, it was seen that most of them need strong revision to put them back into the teaching format that existed in the original version. As the project is willing to leave these manuals for permanent use in the region, it was decided to start this process by the end of the present quarter. The new version is planned to be delivered for the beginning of August.

CIMCAW developed a success story on the outcomes of this deliverable - on the methodologies and instruments that CIMCAW is leaving to the region.

Deliverable 4: Capacity Building and Technical Assistance at the Factory Level

Joint Worker-Manager Trainings

-Seven new Nicaraguan factories participated in training (rounds 5, 6 and 7), and 6 others have requested training for the next quarter.

-2 factories were trained in Guatemala (1 more ready for training for next quarter and 2 more proposed by Billabong, total 3),

-1 in Honduras (with 3 more ready to define dates)

-1 in Dominican Republic (and 2 more planned for next quarter).

-El Salvador has 2 more planned for next quarter.

Most of these factories have agreed to participate in follow up and technical assistance. The trainings will be finished by the end of August; however trainings in Nicaragua and El Salvador are scheduled to be completed by the middle of September. Unfortunately, the project will end before we are able to measure impact, typically three months after the delivery of the training report to the factories.

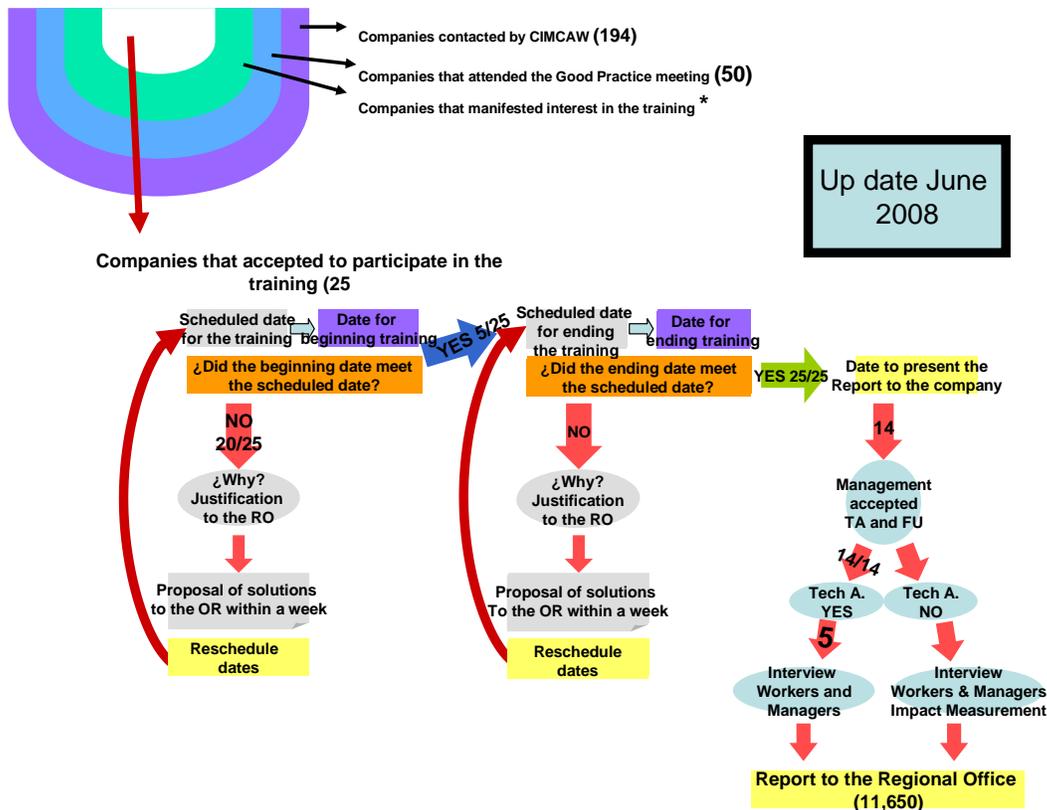
From May 2007 to June 2008, the project delivered 30% of the total training rounds planned (Nicaragua accomplished 75%). A total of 17 factories have completed training (53% of the low range target of factories). A total of 299 people have been trained (36% of the target).

Over the life of the project, 11,650 workers have been benefited, 39% of the lower target.

Table 2
Training and Impact Targets for the Period Covering May 2007 to June 2008,
as Proposed by the CIMCAW LP's

Variable/Country		Honduras	Guatemala	Nicaragua	D. Republic	Total
# of training round by country	Planned	5	6	4	8	23
	Performed	1	2	3	1	7 (30%)
# of factories participating in training	Planned	8 to 10	12 to 15	8 to 12	4 to 6	32-43
	Performed	1	2	13	2	17 (53% of low)
# of participants	Planned					690
	Performed	20	40	168	71	299 (36%)
# of Workers to be benefited by documented improvements in factory labor practices (life of the project)	Planned Total (Low)	8,100	9,720	10,800	1,485	30,105
	Performed Total		4,050	7,600		11,650 (39%)

The graphic below illustrates CIMCAW efforts to recruit factory participation in the project, as well as the outcome.



Since the beginning of the project on September 30th 2004, the alliance has approached 194 factories (28 in the last quarter) and invited them to participate in the good practices workshops; 50 (26%) accepted our invitation. Of these, 25 (8 in the last quarter) or about 13% of the 194 approached have participated in the trainings. Up to June, 14 reports have been delivered from the local partners to the same number of factories (11 in the last quarter) and 56% (14 of the 25) have accepted the Technical Assistance and Follow up process (11 in the last quarter).

Intangible benefits of the factory recruitment process. While the tremendous effort that the project has exerted to recruit factories and the slow uptake is not ideal, through this process the project has been able to engage a broad variety of factories and even if they are not in a position or have decided not to participate in the training program in many cases the recruitment process has taken a couple of hours and has been directed at high-level factory management. In this regard, the process of recruiting has engaged the factories around labor standards and pushed

them to think about the benefits of compliance in the changing global context. While not directly adding to CIMCAW's impact, these are intangible benefits of the project that can't be underestimated.

A success story was written with the outcomes of this deliverable, focusing the interest in the lessons learned in the development of CIMCAW's approach.

Added to this, SAI field team with close collaboration of SAI headquarter and the RO started to develop a study where the impact of these trainings is been measured among workers and managers that have participated in CIMCAW's joint training.

Together with this study, DAI and the RO defined the terms of reference for performing a study where the methodology and didactic of CIMCAW's joint trainings will be analyzed, with the purpose of leaving recommendations to the local partners for future training activities.

Training Follow Up/Technical Assistance

The project has completed a manual for Local partners and factories that have been trained by the project, which contains a set of suggested indicators for evaluating impact in the factories. These indicators are consistent with those developed for the Inspection Protocols in each country, under the terms of the MOU between CIMCAW and the Cumple y Gana project. These tools were presented at the Fifth Regional Meeting, in April 2008.

These documents contribute to Deliverable 8.1 "Develop tools and methods to improve workplace conditions" and Deliverable 6 "Build NGO Capacity to Deliver High Quality Workplace Trainings".

Deliverable 5: Capacity Building for Inspectors/Auditors

As mentioned in last quarterly report, the MOU between CIMCAW and Cumple y Gana (CyG) has provided for the more efficient and effective delivery of training to inspectors from the Ministries of Labor in five countries. In addition, the MOU has allowed CIMCAW to leverage Cumple y Gana's financial and human resources, and has eliminated the possible duplication of efforts of the two projects.

During this quarter, CIMCAW carried out events to validate the inspection protocols, which will become the official instruments used by the Ministry of Labor inspectors in each country. CIMCAW worked closely with partner Social Accountability to develop the protocols. The outcomes have been mentioned before in this report.

CIMCAW began to develop a study to measure the impact of inspector training implemented by the project. The results of the study will be shared at the Regional Symposium in August, 2008.

Deliverable 6: Increase Capacity of Local Partners:

CIMCAW's fifth Partners Regional Meeting took place in El Salvador, April 17 -18. During the two days, 27 members of the international alliance and local partners, together with 10 members of the Consultative Committees (CC) from Honduras, Nicaragua and the DR, exchanged information on successes, challenges and opportunities. This was the first time that CC members met at a regional level; their participation provided important feedback to all the local partners on the development of the social dialogue in their respective countries, and the empowerment they have gained through the project. The CC's are beginning to make decisions that could positively impact workers rights in these three countries. They highlighted the role of CIMCAW local partners in this process and are interested in exploring options to continue project activities after September 2008. All the meeting participants agreed that the process of creating a culture of

compliance demands long term efforts. They acknowledged that substantial advances had been achieved through CIMCAW, but that the development of sustainable impacts requires a long-term investment.

In summary, CIMCAW is achieving most of the indicator targets proposed in the Project Monitoring Plan (PMP). Robust methodologies for training and social dialogue have been developed so the local partners can provide technical assistance, follow up and impact evaluation to factories. In addition to the direct efforts that the local partners and brands have made to reach more factories, the project has taken several other actions to bring documented improvements to as many workers as possible during the remaining months of the project. These actions include:

- An initiative developed through the Corporacion de Zonas Francas in Nicaragua.
Workers potentially impacted: 30,000,
- A joint venture between the Asociacion Hondurena de Maquila/Interamerican Development Bank and CIMCAW.
Workers potentially impacted: 30,000
- Alliance between Fair Labor Association (FLA) and CIMCAW to reach factories under FLA umbrella. # Workers potentially impacted: 30,000.

The project took advantage of the opportunity that all CIMCAW Partners would be present to hold the First Regional Consultative Committee meeting. The purpose of this meeting was to permit the members of the consultative committees from Honduras, Nicaragua and Dominican Republic to exchange their experiences and to share it with the international partner.

A success story was written based on all the information shared during this event.

Deliverable 7: Brand Recruitment:

CIMCAW achieved its goal of adding up to 6 new brands to the Alliance, when we welcomed brand affiliates Billabong and Coldwater Creek last quarter as tier III affiliates during quarter 14.

During quarter 15, efforts continued to recruit other new brands, including New Balance and Anvil Knitwear.

Deliverable 8: Develop Tools and Methods to Improve Workplace Conditions

The manual is under editing and design. The technical content is ready and the indicators have been built. The purpose of this effort is to provide Local Partners with indicators that they could use in the. Follow up phase of their work with the factories.

Significant achievement of the project and element of sustainability. The development of this set of indicators as well as the CIMCAW the Manual contribute to the sustainability of the CIMCAW model and advance labor standards compliance efforts in the region by providing tangible and user-friendly tools that didn't previously exist.

Deliverable 9: Leverage:

Reaching our target:

The CIMCAW project continued to work closely with alliance partners to more accurately capture leverage contributions. This quarter two new brand partners, Coldwater Creek and Billabong, joined the alliance. Billabong made in-kind

contributions to the project but prefers to report all leverage at the end of the project. Thanks to these efforts the alliance contributed \$121,587 (for a detailed breakdown of leverage contributions please see separate financial pipeline and leverage report) of leverage toward our overall target of \$3,740,555. To date, the alliance has contributed a total of **\$2,479,477.00** in leverage.

Deliverable 10: Evaluation and Dissemination

Cooperation with Labor-Related Initiatives:

Collaboration on Inspector training under the CIMCAW/Cumple y Gana MOU is underway.

During the quarter, CIMCAW participated in GFI meetings in El Salvador and Guatemala. CIMCAW and GFI agreed to work together to develop of social dialogue in both countries.

CIMCAW observed that the CIMCAW Alliance and the Fair Labor Association are working individually to pursue the same goals: raising labor standards and improving working conditions in Central American apparel factories. Both initiatives seek to: (1) ensure a voice for NGOs and trade unions in their program development and/or delivery; (2) enable workers' voices in the change process in their workplace; and (3) engender systemic level changes in factory compliance. In addition, the major brands working with CIMCAW and FLA often source from the same factories. After a series of conversations between CIMCAW and FLA field staff in Central America, CIMCAW proposed to draft an MOU to set forth the terms of concrete collaboration between CIMCAW and the FLA in the region. CIMCAW's Steering committee approved the draft MOU, and it is now under review by the FLA.

Other Dissemination Efforts

Reporting. Pavlova Galindo continues to support CIMCAW by coordinating weekly reports, travel notifications, monthly calendar up dates and the bilateral communications with USAID.

Webpage. The webpage is being redesigned and updated.

Regional Bulletin. Two new issues of the regional bulletin, based on information from QR 13 and QR 14, were produced during the quarter.

All the reports and information produced by the project and that are not of public domain, were uploaded to the Salesforce.com portal, for easy access by CIMCAW partners.

Brochures and flyers. New project brochures and promotional flyers in Spanish and English have been delivered to the Local Partners and USAID.

Success Stories. Six success stories have been drafted.

Studies. Three studies were initiated during the quarter: 1) A study of the impact of CIMCAW's joint training in factories. 2) A study of the impact of Inspector trainings. 3) A study of the training methodologies developed b CIMCAW partners to deliver joint worker-manager trainings. These studies will be completed and the results disseminated during the next quarter.

Project Sustainability

The *Continuous Improvement* in the Central American Workplace is designed to achieve sustainability at multiple levels. The project does this by enabling transformation at the factory, national and international levels, ensuring the continuation of similar progress (e.g., improved working conditions and social dialogue) after the life of the project.

CIMCAW's current budget is programmed up to September 2008. Acknowledging this situation and convinced that the change of attitude of the various stakeholders towards a culture of compliance, demands long-term and systematic actions the Alliance is committed to delivering a project with sustainable impact. Toward this end, the CIMCAW Alliance's is focused on:

- Achieving sustainable results at the factory level;
- Providing Local Partners with capacity building;
- Strengthening the tripartite Consultative Committees so that they can effectively promote social dialogue;
- Working with the National Training Institute in the Dominican Republic (INFOTEP) to disseminate the CIMCAW model and expand its reach in a sustainable way.
- Harmonizing the training manuals and disseminating them to the industry associations and regional stakeholders as well as factory Human Resource departments in the region;
- Developing and disseminating of CIMCAW's Manuals to regional stakeholders;
- Implementing Follow up work with the factories aimed at sustainable and continuous improvements in working conditions.
- Coordinating with other initiatives (Cumple y Gana, GFI, FLA), sharing our methodology and tools so that they can be used outside of our project and applied outside of the textile and apparel sector.
- Participation of Consultative Committee members in regional planning meetings and regional multi-stakeholder's forums, to strengthen their empowerment and sharing across the region in an effort to support their future role as champions of the model in the future.
- Enhancing the sustainability of the continuous improvement model through more intensive localization and the sharing of lessons in best practice
- Promoting multi-stakeholder dialogue. Convening historically conflicted actors together to discuss an issue of common interest and collaborating to develop a solution achieves significant inroads to improve industrial relations, creating an enabling environment for capacity building, and ultimately establish a culture of compliance. CIMCAW does this through the work of its Consultative Committees and also via National and Regional workshops and events.

All this issues will be shared and discussed as part of the 6th Partner's Regional Workshop and the Second Regional Consultative Committee's Workshop planned for August 13^t 2008 in San Pedro Sula, Honduras. The Steering Committee as well as the local partners and CC members have been fully involved in the planning of this event, which will be the last official CIMCAW regional meeting. We hope that the different groups, brands and projects attending the meeting will continue the activities and approaches that CIMCAW has developed.

III. STATUS OF THE PROJECT IV. ALLIANCE AND MANAGEMENT UPDATE

Steering Committee Established and Functioning

The Steering Committee has been actively evolved in:

- ✓ Engagement of new partners
- ✓ Orientation on partnership with GFI in social dialog.
- ✓ How to increase of brand partners' support to the Local Partners efforts around factory recruitment
- ✓ Agenda and organization of the 6th Regional Partners Meeting and 2st CC Regional Meeting.
- ✓ Moving toward an agreement with FLA

During the quarter, the RO continued to develop agendas, facilitate the discussions and disseminate notes from SC meetings.

Communication with USAID & Data Quality Assessment

USAID/EI Salvador has continued to be closely involved in the supervision of the project. The CTO, the RO and DAI continued to have weekly teleconferences on project activities. The RO has provided USAI with weekly reports since the month of August.

The RO attended three meetings at USAID headquarter in San Salvador. DAI Home Office Technical Backstop Tim Sparkman participated in one of these meetings.

Management/Administrative

Personnel

In May, former CULTIVAR COP Symantha Holben replaced Abby Najera as CIMCAW DCOP. Symantha supports CIMCAW from her San Pedro Sula office. DAI Project Coordinator, Jaime Holland, joined the Regional Office in Guatemala City as Project Specialist in early April. Stephanie Schwartzkopf has taken over Jaime's project coordination duties in the DAI Home Office. Tim Sparkman has assumed Samira Salem's responsibilities as Home Office Technical Backstop while she is out on maternity leave.

The RO hired Iris Porras in May as Project Assistant. In order to increase SAI's presence in the region, Yolanda Brenes was assigned as Field Coordinator. Carolina Quinteros was hired to support the technical work the CIMCAW Follow up and Technical Assistance process, as well the inspector training developed together with CyG.

As CIMCAW activities in El Salvador began increase, the project hired Glenda Vaquerano (who developed the Diagnostic Study for El Salvador) to manage the technical activities of the project in the country.

In June, Miriam Vanegas was hired to coordinate logistics of the Regional Symposium planned for August 2008. She will also replace Homero Fuentes as Honduras liaison.

V. BRIEF SUMMARY OF LESSONS LEARNED

Two templates that were developed for use by the local partners, the Training File template and the Training Report template have contributed to:

- systematic data management to better capture data from training and follow up.

- improved and more logical recording of information needed to document impact, an issue of great concern in the project. Now that the local partners have a template to use, this data should be easily retrievable for reporting purposes.

VI. CHALLENGES AND PROPOSED SOLUTIONS

CHALLENGES

- In Honduras, Homero Fuentes has decided to leave the project. Actions should be taken in order to promote the acceptance of the new team members to the CC.
- Provide training to all factories that now have requested training and get 50% of them to accept Follow up (FU) and Technical Assistance (TA).
- Lack of time for developing FU and TA. As project is closing activities on August 31st and shutting down on September, there is not enough time for developing the impact evaluation after 3 month after delivering training.
- We are competing for the same factories with other projects. In Honduras, with the AHM/IDB project, in Guatemala, Honduras and Nicaragua with the 3.0 project developed by FLA
- Development of activities in El Salvador
- Development of activities in Guatemala, VESTEX meeting continue to be a challenge.
- Lack of VESTEX support jeopardizes our ability to train Coldwater Creek supplier factories who want to see evidence of VESTEX support before committing.
- Standardization of projects' publications and development of top quality communications materials.
- Continue the activities with INFOTEP in the Dominican Republic.
- Need for more capacity in the RO.

PROPOSED SOLUTIONS

- RO has hired new personal, so the team is organized. One of the persons worked with Homero and is in charge of the technical issues. A new person is taking Homero's duties. As part of the RO follow up, Symantha Holben, DCOP will give direct support to the team.
- Every local partner is prepared to provide the trainings.
- SAI is coordinating with LP to provide TA and FU, but this activity will be limited since the project is shutting down Sept 30.
- We have developed a plan for working with AHM in Honduras but did not progress.
- The plan with FLA is been reviewed by them, CIMCAW is waiting for their approval.
- The RO is giving direct support to the people working in the field and started to move the country plan.
- The RO and COVERCO shift the approach by working through the tripartite committee, with the direct support of the Ministry of Labor and the endorsement of the workers sector.
- We have proposed a conversation between the Coldwater Creek suppliers and a factory manager in Nicaragua that has successfully completed the training in order to assuage their concerns and answer any questions regarding the training.
- Billabong factories are willing to jump in.
- Hired an external Communication Expert
- INFOTEP agreed to sign the MOU. Ceremony planned for July 2008.
- A new DCOP has been hired;
- Full time project assistant has been hired.

