

**QUARTERLY REPORT  
OCTOBER 1, 2006-DECEMBER 31, 2006**

**Continuous Improvement in the Central American Workplace (CIMCAW)**

**USAID Global Development Alliance**

The Continuous Improvement in the Central American Workplace (CIMCAW) Project will demonstrate that improved working conditions increases garment factories' ability to meet the growing demands for social compliance as well as increases their competitiveness in terms of quality and productivity. The CIMCAW project submits the following Quarterly Report on project activities carried out between October 1, 2006 and December 31, 2006.

The format for the CIMCAW Quarterly Report will be as follows:

- Part I CIMCAW Extension
- Part II Key Accomplishments this Quarter
- Part III Update on Project & Alliance Management
- Part IV Challenges and Proposed Solutions

- Annex 1: Project Monitoring Plan
- Annex 2: CIMCAW Bi-Weekly Reports to USAID submitted this quarter
- Annex 3: CIMCAW Sept./October 2006 Update & Press Release
- Annex 4: Summary Report on the 1st Workshop of the 3rd Round of Worker-Manager Training in Nicaragua (Spanish)
- Annex 5: Report on a Consultative Committee meeting in Honduras
- Annex 6: Results of the pre- and post-test administered in the worker-manager training in Nicaragua
- Annex 7: Report on the union workshop in San Pedro Sula
- Annex 8: Agenda for Washington DC Alliance Partners' Meeting
- Annex 9: Lessons learned from CIMCAW
- Annex 10: Criteria and Process for Adding Brand & Retail Partners to the CIMCAW Alliance

# CONTINUOUS IMPROVEMENT IN THE CENTRAL AMERICAN WORKPLACE (CIMCAW) PROJECT

## I. CIMCAW EXTENSION

- A no-cost extension of the CIMCAW project was approved in September 2006. This is the first quarterly performance report submitted during the six month no-cost extension period. During the extension period, the project will continue to focus on key elements of the project workplan, including worker-manager training, social dialogue and inspector trainings. In addition, it will begin the training follow up.
- A new Chief of Party, Rafael Amador, was hired effective October 19, 2006. The Former Chief of Party, Homero Fuentes, will continue to support the project as the Principal Regional Advisor. The rest of the Regional Project Office team remained the same.

## II. KEY ACCOMPLISHMENTS, OCTOBER 1, 2006 TO DECEMBER 31, 2006

**Holiday Season:** As this quarter coincides with the Christmas holiday season, project activities slowed down by late November and by mid-December were minimal. The rhythm of the project during this period was dictated by the context in Central America and the Dominican Republic, where the stakeholders with which this project deals begin slowing down for the holiday season in late November and enter their holiday season in early/mid-December until the second week of January.

**Table 1**

<b>Strategic Objective 596-022: Economic Freedom: Open, Diversified Expanding Economies.</b>				
<b>INDICATOR 8: Number of workers that benefit from documented improvements in factory working conditions</b>				
<p><b>UNIT OF MEASURE:</b> Number of workers benefited</p> <p><b>SOURCE:</b> Implementing partner, drawing on data from local factories in each country where trainings have been conducted</p> <p><b>INDICATOR DESCRIPTION:</b> Number of workers that benefit from changes in labor practices in the workplace generated from joint worker-manager action plans.</p> <p><b>METHOD OF DATA COLLECTION:</b> Implementing partner collects data from factories</p> <p><b>FREQUENCY/SCHEDULE OF DATA COLLECTION:</b> Annually</p> <p><b>RESPONSIBLE FOR DATA COLLECTION:</b> Implementing partners CTO, Victoria Walton</p> <p><b>COMMENTS:</b></p>	<b>FISCAL YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>	
		<b>2005</b>	0	0
		<b>2006</b>	N/A	7,000
		<b>2007</b>	25,000	
		<b>2008</b>	35,000	
		<b>2009</b>	60,000	

## **COUNTRY-LEVEL ACCOMPLISHMENTS**

### **NICARAGUA**

#### **Two Rounds of Worker-Manager Training Completed in Nicaragua**

On **September 30, 2006**, CIMCAW delivered the final of six 8-hour joint worker-manager trainings to complete the first cycle of trainings in Nicaragua. This session was focused on occupational health and safety and delivered by Dr Edin Pop, an ILO consultant. 36 participants, representing 4 factories, attended the training

Anecdotal evidence suggests that the participative character of training sessions allows the building of better communication between workforce and managers.

Please note the module V on Occupational Health and Safety showed important results for participants. All participating factories asked to extend this module with one more 8-hours session, so that their delegates be able to use the acquired knowledge in identifying problems/situations to improve safety and health conditions at the workplace.

This was carried out by DR. Edin Pop, the ILO expert, who developed the methodology and contents of the material.

It is also important to point out that there are conversations among the Regional Office, Nicaraguan Local Partner and the ILO expert to develop a manual on OHS for Nicaragua. NOV 2006.

On **December 2, 2006**, CIMCAW held a joint worker-manager workshop in Managua, Nicaragua on “Worker Rights and Responsibilities.” A total of 50 participants, including 34 workers and 12 supervisors, participated in the second module of the training, which was facilitated by Fanor Avendano, head of INEH. Participating factories included FORTEX, SAE-TECNOTEX, CHAO HSING, and U.S.L.C. The training gave workers and managers the opportunity to voice concerns and identify problems with compliance. In the breakout sessions, groups discussed these compliance issues, including salary and employment benefits, disciplinary practices, and working hours. By the end of the workshop, participants demonstrated an increased knowledge of their rights and responsibilities and an eagerness to continue in the workshop series. CIMCAW will be providing follow-up technical assistance to interested factories to address their outstanding concerns regarding compliance.

During November, the third round of training started. Module I on “Team Work and Human Relations” was delivered on November 11th, 2006, with the participation of 17 supervisors (3 males, 14 females) and 31 workers (13 females and 18 males). Four factories participating in this training (FORTEX, CHAO HSING, USLC, SAE TECNOTEX (see Annex 2).

Module II on “Fundamental Rights and Obligations of Employers and Workers”, was delivered on December the 2nd, 2006, with the participation of 15 supervisors (2 males and 13 females) and 32 workers (11 females and 21 males).

### **CIMCAW Project Hosts Labor Standards Event in Nicaragua**

The Continuous Improvement in the Central American Workplace (CIMCAW) Project hosted a breakfast event in Managua on Friday, September 29, 2006. The event highlighted how compliance and enforcement of labor standards can lead to enhancing the 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.

Representatives from CIMCAW Alliance members USAID, the Minister of Labor of Nicaragua, INEH, Social Accountability International (SAI), and Development Alternatives, Inc (DAI) spoke at the breakfast to recognize the achievement of the factories and underscore the value of the tools offered by these trainings to sustainably improve labor standards through policy changes that affect the lives of many hundreds of workers in the maquilas of Central America. At the conclusion of the breakfast, certificates will be awarded to the managers of factories that have successfully completed the first two rounds of trainings administered by the CIMCAW project.

As a result of this activity, INEH received proposals from factories already participating in the program, asking to train more workers and new factories interested in participating. Factories that received the certificate recognizing their participation posted these up in their factories demonstrating the value that they give to the training program. The Consultative Committee also established regular monthly meetings.

### **Multi-stakeholder Dialogue and Consultative Committee Activities**

The Nicaraguan CIMCAW Consultative Committee, a multistakeholder committee that was established to support CIMCAW activities continued to meet regularly with CIMCAW's local partners INEH.

November the 24<sup>th</sup>, the following stakeholders were present: ANITEC, mesa laboral, CUT, INEH and the COP. The person from ANITEC proposed to get in touch with CECATEX (coordinadora regional de las comisiones nacionales de confección y textil en CA), in order to link the activities of the Project with them. The COP explained the development of the follow up methodology and committed to send a draft before November 28<sup>th</sup> (This was delivered). The CC was evaluating the possibility of developing a workshop to exchange and feedback Best Practices.

## **HONDURAS**

### **Honduras Event Generates Substantial Factory Interest**

On September 5, 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).

The event yielded positive results. Of the 32 factories represented, the majority expressed an interest in participating in the Project trainings. The active participation of Jesus Canahuati and AHM President, Ernesto Interiano, both well-respected local businessmen and leaders of AHM, indicated a serious commitment to the Project on behalf of AHM and implicitly underscored the importance of CIMCAW to the maquila sector in Honduras. Furthermore, the presence of numerous factory managers demonstrated a serious interest on their part in learning about the Project and its potential benefits for the Honduran maquila sector.

Doris Escalona, the Human Resource Manager of Nien Hsing Nicaragua and member of CIMCAW's Consultative Committee in Nicaragua, discussed CIMCAW's sustainable impact in Nicaragua and how the Project has effectively reduced communication barriers between labor unions and the private sector, and even within the unions themselves. She underscored the fact that CIMCAW has yielded both quantitative and qualitative results in Nicaragua and has proven to be an effective tool to increase the

competitiveness of Central American maquilas. Given CIMCAW's proven success in Nicaragua, Escalona voiced a desire to diffuse and replicate the Project's factory trainings throughout Central America.

The joint manager-worker trainings, in Honduras will include 40 hours of training, covering 8 topics, including the ILO's Fundamental Principles and Rights at Work to workers and managers.

A multi-stakeholder CIMCAW Advisory Committee has been established and is actively working. During this quarter, they have met twice in October, twice in November and once in December. Homero Fuentes attended all the meetings, the COP attended two (one in November and one in December).

**CIMCAW improving the industrial relations climate through dialogue.** In Honduras, the Consultative Committee that has been established, CIMCAW is bringing diverse stakeholders together. The stakeholders appreciate the fact that the CIMCAW project has provided a neutral forum for them to get together and engage in dialogue on an issue of common interest. The stakeholders have told us that they find the CIMCAW meetings useful and want to continue working together to develop the work plan and training program.

### **Workshops with Stakeholders**

In Honduras, on November 09<sup>th</sup>, a workshop with managers of participating factories took place in San Pedro Sula. Elena Arengo from SAI, Homero Fuentes and Rafael Amador from CIMCAW participated. On November 25<sup>th</sup>, a workshop with 16 union leaders coming from 3 workers organization took place in San Pedro Sula. Homero Fuentes and Rafael Amador from CIMCAW and Manuel Garcia from FITTVC participated in the event. A general conclusion of the participants is that they view the project useful, and they believe the project can support them to achieve stronger results by increasing actions concerning workers rights, that they have still limitation in developing (see Annex 7).

### **Consultative Committee Work and Factory Engagement**

In the months of October and November, 3 meetings were held with the Honduran Consultative Committee and with individual factories. The aim of the meetings with the Consultative Committee was to decide on a local partner and advance in the development of the training program and the meetings with the factories was to confirm their interest in participate in the training and share information regarding the CIMCAW program.

In summary, for various reasons the Consultative Committee was not able to agree on a local partner, but asked Homero Fuentes to play the role of local coordinator until one was found; there were advances made in the development of the training program. Two modules have been completed and validated. The training guide and methodology has also been validated by members of the Consultative Committee. They Consultative Committee agreed to the proposal put forth by the project, that in the absence of a local partner we would hire consultants to work on the remaining modules of the training program, tailoring it to the needs of Honduras.

Several factories expressed their interest in participating in the project. It is a general opinion of the factories to see the activities of the project as an investment for the factories. The main concern in the factories deals with the freedom of association. We have provided feedback from and links to private sector participants in other countries on this point and all indications are that in those countries that have participated in the training, this has not been an issue from the private sector perspective (see Annexes 2 and 5).

## **Dominican Republic Training Curriculum**

During December, local partners in the Dominican Republic organized a workshop with workers representatives, in order to decide about the content of the manual to be used during the Workers and managers training. The draft version of these manuals will be validated on a workshop on January 12, 2007.

In Dominican Republic: a workshop with workers was developed with the participation of 12 union leaders of the 3 federations working in free trade zones. The goal for the workshop were to review the contents of the manuals that were going to be used in the Managers-Workers trainings, as well as to advance in the use of methodological issues concerning train of trainers activities. During this meeting, the participation of the factories in the project was confirmed (Grupo M and Interamericana).

## **Workshops with Stakeholders**

As a separate activity of the CIMCAW project, but that deeply involved CIPAF in its organizing, was the TIMBERLAND meeting. Around 60 persons from all the sectors participated in this activity. This meeting did not have much attention from the media due to a specific decision of TIMBERLAND. It is important to state that this activity WAS NOT PART OF CIMCAW, even though, TIMBERLAND is an international partner. The project was not mentioned or received any connection with the activity. This attitude raises several doubts about the interest of TIMBERLAND in the project, the legitimacy that they give to CIMCAW, the lack of coordination and communication with the project, etc.

During December, a meeting with the Executive Director of the Tripartite Commission of the Dominican Republic took place. The possibility and interest of organizing the tripartite meeting was discussed, considering the inclusion of Good Practices examples, presented by the international partner's brands.

## **EL SALVADOR**

### **INSPECTORS' TRAINING**

In November and with SAI's staff participation (Elena Arengo and Yolanda Brenes), New Balance (Luis Banegas) and CIMCAW (Rafael Amador), two workshops for

inspectors from the Ministry of Labor of El Salvador, took places. At the end of the first workshop, Victoria Walton from the local USAID office and officials from the Ministry of Labor of El Salvador participated (the advisor in the negotiations of the DR CAFTA of the Ministry of Labor, Lic. Carlos Zuniga). The first workshop was done between November 27 and 29. The second one between November 30 and December 2. The distribution according to gender in each workshop is shown in table 3.

**Table 3, Inspectors training in El Salvador November 27-December 02, 2006, according to Gender**

	Males	Females	Total
First Work Shop	20	18	38
Second Work Shop	19	13	32
TOTAL	39	31	70

During the training, a pre and post test was given to all participants. The results are presented in Annex 6.

According to SAI's analysis, the issues that presented the main concerns during the training were:

#### Child Labor:

Even though the participants could not mention the fact of this problem, they were unable to present examples in how to gather information and evidence in order to verify 1) the existence or not of the problem, 2) if the factory is in compliance of the norms and laws of the country, which are these norms and laws y what is prohibited. It is suggested that during the training, more examples should be presented in order to seek for evidences and verification of this type of information, provide more interview and research techniques.

#### Teenager Labor:

- The question related to "what kind of protection should be provided to the teenagers workers?", most answered that they should not work under dangerous and unhealthy conditions, but most were unable to give examples concerning the number of working hours, if overtime working was legal or not, an whether the law considered time for their education. The issue of teenagers working should be straightened.

#### Overtime:

- This is perhaps, the most problematic issue founded in all the test. The question

in the test is: "Overtime work should be: 1) \_\_\_\_\_ and 2) \_\_\_\_\_.  
Most of the inspectors do not answers that overtime is volunteer and at the same time, there is not a homogeneous statement concerning how these should be paid, the legal amount of hours per week and/or month that they should work. Again, this issue should be straightened as well.

## REGIONAL LEVEL ACCOMPLISHMENTS

### Brand Engagement

- **Meetings with Brands at the BSR Annual Meeting**

As part of our efforts to engage major multinational brands, DAI attended the Annual Business for Social Responsibility (BSR) meeting in New York City in November 2006. We met with Wal-Mart, Coldwater Creek, H&M, Jones Apparel. Three of these expressed interest in the Alliance, *but were concerned with amount of time remaining in project*. We also met with our partners, Timberland, and Gap Inc.

- **DAI speaks on behalf of the CIMCAW Project at the Bellagio Forum for Sustainable Development's Conference "Sustainability: *plus* Human Rights."**

DAI was invited to participate in the Bellagio Forum for Sustainable Development's Conference, "Sustainability plus: Human Rights", to present the CIMCAW Project. The Forum members represents top European foundations and companies interested in social and environmental rights and the event entailed a 3-day dialogue with European foundations, NGOs, and European and American corporations on how to effectively link human rights with sustainable development. DAI delivered a presentation focused on how CIMCAW provides a model for rights-based development.

- **CIMCAW Brokers Meeting with Wal-Mart for USAID El Salvador**

On October 17, 2006, CIMCAW organized a meeting with Wal-Mart for USAID El Salvador and the Office of Global Development Alliances in Washington. Mission Director Debbie Kennedy joined GDA Deputy Director James Thompson in visiting Wal-Mart's Global Headquarters in Bentonville, Arkansas last week to present the GDA model for alliances. They spent a morning with Rajan Kamalanathan, Wal-Mart Vice President for Ethical Standards, and his team to talk about USAID's global leadership role in alliances. USAID presented several innovative examples of alliances, with best practices drawn from El Salvador's Regional program. The CIMCAW Labor Standards GDA was presented to Wal-Mart and was met with significant interest. Wal-Mart confirmed that the single biggest challenge the Ethical Sourcing group faces in Central America is freedom of association. They would like to look closer at how CIMCAW is addressing this key issue. They recognize the value alliances offer for doing this since they are only one voice in a factory. Wal-Mart also flagged its corporate commitment to advancing buyer commitment to finding a single code of conduct that can be utilized across the entire apparel industry. Wal-Mart agreed to several follow-up meetings in November with USAID to explore concrete opportunities. In the expectation that

CIMCAW would be able to obtain an 18-month extension and that Wal-Mart would decide to join the alliance, the Alliance updated its brand orientation packet and its criteria and process for new brand and retailers to join the Alliance (see Annex 10).

Wal-Mart recognized that GDAs are effective ways to find solutions to the complex problems facing government, business and civil society in developing countries. Wal-Mart is an important potential partner for USAID in Central America given its developing country focus for both procurement and new market access. Wal-Mart offers tremendous possibilities for achieving scale and impact on critical development problems facing the region, including environment, sustainable agriculture, HIV/AIDS, education, and labor standards issues.

### **Project Monitoring Plan (PMP) Refined**

A significant effort undertaken during this quarter has been the refinement and implementation of the follow up activities and the Project Monitoring Plan (PMP). (See Annex 1 for PMP). The PMP was reviewed and validated by the project partners and was presented to USAID which also reviewed and approved.

### **Training Follow Up Methodology further Defined**

A sub-committee composed of international partners was created to further develop the scope and methods for the training follow up. By the end of the quarter a working draft Follow Up Guidelines was developed. With this defined, it is expected that it will be implemented in each country where factories are participating in the workshops for managers and workers.

### **Joint Worker-Manager Trainings Approach**

During this quarter, the CIMCAW project started the third round of worker-manager trainings in Nicaragua. During this new round, two activities were added during the training:

1. The application of a pre and post test was introduced as part of the methodology of the training, together with the general evaluation format that was used in the other 2 rounds. With this new pre and post test evaluation, it is expected that the participants as well as the teachers, acknowledge the performance of their training and could be able to identify those issues that still presents some problems, and that have to be reinforced before leaving the class room. This same methodology was used during the Inspector's training given by SAI.
2. Workers and managers were asked to systematically identify problems, root causes and solutions as part of the training. This activity was based on the experience developed during CIMGUAW in Guatemala and fits perfectly well with the methodology of follow up and impact measure mentioned above.

It is expected that all the new workshops to be developed during the extension of 6 month will use this methodology.

### **Coordination with Donors and Other Initiatives**

- **ILO** participated in the joint workers-managers trainings corresponding to the module on occupational health and safety. It was delivered by Dr. Valentina Forastieri, ILO's Main Specialist on Occupational Working, Safety and Health Conditions in the Safe Work Program and by ILO's expert on Occupational Health and Safety, Dr. Edin Pop.
- The Project continued discussions with **Cumple y Gana** about coordinating on either a workshop or training. At the ground level there was an initial meeting held between Cumple y Gana representatives and CIMCAW's Nicaraguan Local Partner INEH on Oct 29. Please note, Cumple y Gana asked INEH for this meeting, because Doris Escalona (Nien Hsing Corporation) explained them about our Project and suggested them to interview INEH as an important step for CyG tool's implementation in Nicaragua.
- In December, CIMCAW held 2 meetings with Salomon Cohen of the **Central American Labor Rights Project (CALRAP) funded by the Department of State**, DAI, SAI and other international partners, in order to explore the possibility of jointly organizing a conference around compliance assurance in El Salvador in February 2007 that would be similar to the conference we organized in Guatemala in February 2006. A number of issues arose that made it impossible to move forward with this idea, most importantly perhaps is the fact that the project did not have sufficient funds between them to realize this event.
- Discussions are being held with **FLA** to coordinate activities in the DR and to share the Project's developed training material.

### **Meetings with USAID/Washington**

DAI met with Kimberly Ludwig to discuss labor standards and partnerships (December)

### **Development of Printed Material**

CIMCAW developed informative brochures to be delivered to direct beneficiaries at the participating factories. Brochures include information regarding objectives and activities of the Project as well as key details on benefits for workers, producers, apparel brands and Ministries of Labor.

Educational materials developed for joint managers-workers training include an overview of local and international legislation to be applied for labor themes described below.

1. Global context of the apparel industry
2. Rights and obligations of workers
3. Social responsibility management systems
4. Non-discrimination
5. Forced labor
6. Child labor
7. Working hours
8. Salaries
9. Economic and social benefits
10. Right to the freedom of association and collective bargaining

11. Women's rights
12. Maternity
13. Harassment and abuse
14. Occupational health and safety
15. Environment

### **III. UPDATE ON PROJECT & ALLIANCE MANAGEMENT**

- Hiring of new COP Rafael Amador for 6-month extension, OCT 2006  
Dr. Rafael Amador has been selected and approved by CIMCAW Alliance members to serve as the new Project Director for the Alliance, effective October 17, 2006. Dr. Amador, a native of Nicaragua, is a consummate project manager, focused on achieving sustainable impact as evidenced by the results of his work managing various projects, including the U.S. Department of Labor-financed CERSSO regional project. Dr. Amador possesses excellent project management, and experience working with multi-stakeholder initiatives. The Alliance partners are confident that under Dr. Amador's direction, the CIMCAW project will deliver broader and deeper impact, while ensuring sustainability. Homero Fuentes, former CIMCAW Project Director, will remain engaged in the Project as Lead Technical Advisor.
- Hiring of STTA Communications Expert, SEP 2006
- Hiring of part-time Project Assistant, JULY 2006
- Acquisition of salesforce.com client relationship management platform to facilitate contact storage, OCT 26 2006
- Continued updating of the website
- Meetings in Honduras to look for Local Partner, public presentations and other activities managed from the Regional Office in Guatemala
- During part of November and December, instituted weekly telephone conference between the CIMCAW, DAI and USAID office in El Salvador.
- Contributed bi-weekly reports to USAID.
- The regional team (Homero Fuentes, Abby Najera, Haydee Vivar and Rafael Amador), met at least once a month in order to review planning of activities and delivers. With Haydee, bilateral meetings with the COP and frequent meetings with DAI were planned to start in January in order to double check the planning with the budget, in order to guarantee to accomplishment of the activities and goals.
- A meeting with Dominican Republic local partner representative, Magaly Pineda took place in Guatemala on November 22<sup>nd</sup> together with Homero Fuentes and Rafael Amador. The main point of the agenda was to find out the situations that were limiting the development and achievement of activities and results in the Dominican Republic. Administrative decision were taken (support local partner with more personnel) and an action plan was defined for the rest of the extension period. During December, CIPAF was very active organizing the Inspector's training workshops to take place on January 15<sup>th</sup> to 20<sup>th</sup>.

## Alliance Management

- Held bi-weekly telephone conference calls facilitated by DAI to support project implementation.
- Held successful Alliance partner meeting in DAI headquarters in November 2006. Larry Brady attended and provided USAID's perspective on the project and its priorities. The purpose of the meeting was to take stock of lessons learned, reach consensus on how to best integrate those lessons into the work of the project going forward and discuss the possibility of another extension and what it would look like (see Annexes 8 and 9 for agenda and lessons learned document).

## IV. CHALLENGE AND PROPOSED SOLUTIONS

Challenge	Proposed Solutions
<b>ALLIANCE</b>	
<ul style="list-style-type: none"> <li>* Concurrent efforts to promote compliance</li> <li>* Coordination</li> <li>* Holiday schedule-- Due to the fact that the Christmas Holiday season is fairly prolonged in Central America, it minimizes the amount of time that the project has to carry out activities.</li> </ul>	<ul style="list-style-type: none"> <li>* Promote open dialogue among Alliance Partners to reach agreed decisions with full political support</li> <li>* Ensure that Alliance Partners link with their strategic local allies in the promotion of the project as a political and direct support to Local Partners efforts</li> <li>* Implement planning and methodology before execution</li> <li>* Anticipate the situation and plan around it to the best of our abilities.</li> </ul>
<b>REGIONAL OFFICE</b>	
<ul style="list-style-type: none"> <li>* Personnel</li> </ul>	<ul style="list-style-type: none"> <li>* Current staff new COP, main advisor, technical assistant and financial assistant more able to fulfill work requirements</li> </ul>
<b>LOCAL PARTNERS / CONSULTATIVE COMMITTEES</b>	
<ul style="list-style-type: none"> <li>• Slow implementation in the Dominican Republic</li> </ul>	<ul style="list-style-type: none"> <li>• A meeting with Dominican Republic local partner representative, Magaly Pineda took place in Guatemala on November 22<sup>nd</sup> together with Homero Fuentes and Rafael Amador. The main point of the</li> </ul>

Challenge	Proposed Solutions
	<p>agenda was to find out the situations that were limiting the development and achievement of activities and results in the Dominican Republic. Administrative decision were taken (support local partner with more personnel) and an action plan was defined for the rest of the extension period. A report is in Annex 5. During December, CIPAF was very active organizing the Inspector's training workshops to take place on January 15<sup>h</sup> to 20<sup>th</sup>.</p>
<p>* Role of Local Partner selected by all key stakeholders</p>	<p>* Support Local Partners and/or Consultative Committees proposals to enhance and do follow up of the program            * Promote exchange of information by means of quarterly meetings with Alliance Partners and Local Partners / Consultative Committees</p>
<b>DIRECT BENEFICIARIES</b>	
<p>* Social dialogue            * Improved relationships</p>	<p>* Promote information update on implementation of systems that comply with national and international labor legislation</p>
<b>BRAND ENGAGEMENT</b>	
<p><i>New brands have expressed concern about the limited amount of time remaining in project. This is a significant constraint to their joining the project.</i></p>	<p>This is a valid concern that will be eliminated should the project receive an extension.</p>

## ANNEX 1



# Performance Monitoring Plan

Continuous Improvement in the Central American Workplace  
**CIMCAW**

## I. CIMCAW Performance Monitoring Plan

This document contains the Performance Monitoring Plan (PMP) for the Continuous Improvement in the Central American Workplace Project (CIMCAW). This PMP defines indicators that enable us to capture the outcome and measure the impact of our activities and lays out the CIMCAW strategy for measuring impact. This document represents the result of extensive discussions with CIMCAW international alliance partners, USAID, local partners, and stakeholders on the CIMCAW Consultative Committees. The CIMCAW Alliance Partners will continue to refine this document in an effort to better address the unique project monitoring challenges the project faces.

The overall goal of this PMP is to establish a management tool for systematically reviewing project progress, troubleshooting problems and issues during project implementation, and assessing areas where project activities may need to be refocused. Understanding that this is a management tool above all else, CIMCAW's Project Director, COP Rafael Amador, will direct and oversee the PMP effort with support from his implementation team, key international and local partners.

The CIMCAW project faces the following three main project monitoring challenges and has designed its PMP to overcome these.

1. **Inability to establish clear baseline at the factory level prior to trainings due to closed door policy of factories.** The PMP effort is particularly challenging because of the factories resistance to providing relevant information and access to the factory floor to actors that are non-vendor, non-governmental actors. Factories have told us that they are suffering from audit fatigue; they are subject to a number of audits by different vendors and the labor inspectorate annually and each audit represents added costs to the factory. In addition to the cost factor, factories have a de facto closed door policy such that they only share production and compliance related information with vendors and the inspectorate. This lack of access makes it impossible for CIMCAW to establish a clear baseline from which we can measure impact. In an effort to overcome this challenge, the CIMCAW project has devised methods by which we can reconstruct the baseline conditions. In lieu of conducting a baseline audit of the factories, the CIMCAW project will: 1) structure the worker-manager trainings such that they result in the identification of existing compliance and management systems problems in the factories and/or; 2) administer surveys to workers and managers identify existing compliance and management systems problems in the factories and to the extent possible, interview a sub-sample of trained workers and managers. Another related challenge we face 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 will administer a final survey to factories that received training and interview workers and managers from these factories to capture any changes that can be attributed to CIMCAW interventions.
2. **Inability to establish *apriori* the specific improvements that may occur in a factory.** Given the demand-driven nature of the worker-manager trainings, it is impossible to

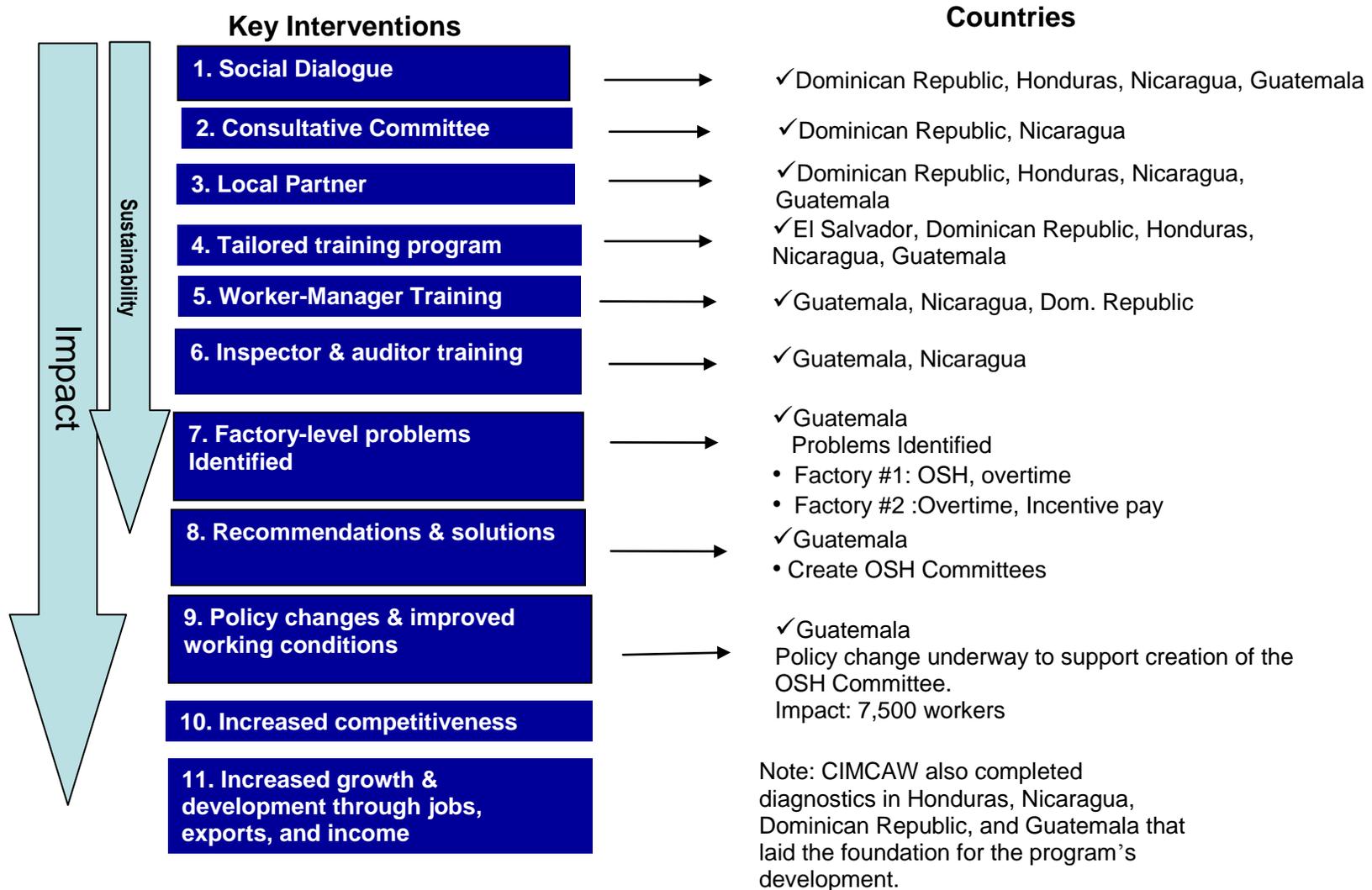
determine *apriori* what specific improvements might occur in participating factories.<sup>1</sup> The improvements in factory conditions are linked to the problems identified in the training exercise and surveys. As such, the indicator is defined in such a way to allow for a variety of improvements to take place, ranging from formation of required bipartite committees in the factory to policy changes regarding hours and wages.

3. **Insufficient time to capture full impact of worker-manager trainings at the factory level.** The CIMCAW project aims at effecting behavioral and systems changes at the factory level. Behavioral change is notoriously slow. Effectively capture behavioral change requires allowing sufficient time to pass between the intervention and the measurement efforts. Ideally, the project would allow a longer period to pass between the training intervention and the impact evaluation exercise. However, given the limited amount of time remaining in the life of the project, the impact evaluation exercise must be compressed. While we have designed our PMP to capture as much of the impact at the factory and sectoral level, we emphasize that in order to capture the full impact of CIMCAW's capacity building interventions on working conditions and competitiveness we would require more time.

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<sup>1</sup> It is important to note that CIMCAW defines "participating factories" as those factories that have directly participated in the worker-manager training as well as factories that belong to the same umbrella company and thus may be indirectly affected by policy changes engendered by the CIMCAW project.

## CIMCAW Summary of Interventions and Impact by Country



Note: CIMCAW also completed diagnostics in Honduras, Nicaragua, Dominican Republic, and Guatemala that laid the foundation for the program's development.

## CIMCAW PROJECT MONITORING PLAN

VARIABLE	DEFINITION OF THE VARIABLE	INDICATORS	INFORMATION SOURCE	COLLECTION METHOD	COLLECTION OF INFO		ANALYSIS OF INFO	
					WHEN	WHO	WHEN/HOW	WHO
<b>GOAL:</b>								
Improve working conditions in the textile and apparel sector and increases the sector's competitiveness.								
<b>Baseline Objective: Improved enabling environment &amp; improved social dialogue</b>								
1. Consultative Committees (CC) established and working.	CC composed of local stakeholders that meet on a regular basis according to a plan and agenda, to give follow up to the implementation of CIMCAW's Project activities in order to promote labor standards as a competitive advantage, and provide guidance to project.	3 CC established and working	Local Partner/ Project Coordinator	Local partner will report on progress in establishing and working with CC	Quarterly basis report on functioning of CC.	Project Director and/or Local Partner	N/A	N/A
		One CC meeting per month	Memorandum of each meeting	Local partner will report on progress in establishing and working with CC	Quarterly basis report on functioning of CC.	Project Director and/or Local Partner	N/A	N/A
2. Development of tailored training program in each country	Workers and Managers trained according to a completed labor standards training program, which has been reviewed and endorsed by local stakeholders.	Manuals published in each country: 5 Nicaragua 1 Guatemala 1 in DR 5 Honduras	Training Manuals	Local partner will report on progress and completion	Quarterly basis	Project Director and/or Local Partner	N/A	N/A
		"X" number of workers trained in each factory	Local Partner	Local partner will report on progress in establishing and working with CC	Quarterly basis	Project Director and/or Local Partner	N/A	N/A
		"Y" number of managers trained in each factory	Local Partner	Local partner will report on progress in establishing and working with CC	Quarterly basis	Project Director and/or Local Partner	N/A	N/A
3. Improved social dialogue around labor standards	Multistakeholder meetings, events, and activities sponsored by project	Number of meetings sponsored by the project where the CC invited other stakeholders in order to promote labor standard issues.	Local Partner	Project Director and/or Local Partner will meet with local stakeholders regularly and report progress on indicators	Quarterly basis	Project Director and/or Local Partner	N/A	N/A
		Members of the CC participating in meetings organized by other stakeholders	Local Partner	Project Director and/or Local Partner will meet with local stakeholders regularly and report progress on indicators	Quarterly basis	Project Director and/or Local Partner	N/A	N/A

VARIABLE	DEFINITION OF THE VARIABLE	INDICATORS	INFORMATION SOURCE	COLLECTION METHOD	COLLECTION OF INFO		ANALYSIS OF INFO	
					WHEN	WHO	WHEN/HOW	WHO
<b>Immediate Objective 1: Improved working conditions in the participating<sup>2</sup> factories</b>								
Improvements in labor conditions in participating factories	<p>"Improvements" could include, but are not limited to:</p> <ul style="list-style-type: none"> <li>- Bipartite committees formed where needed</li> <li>- Required safety equipment purchased for workers.</li> <li>- Worker-manager agreements</li> <li>- Policy changes that positively affect: <ul style="list-style-type: none"> <li>o Working hours</li> <li>o Health &amp; safety</li> <li>o Formal grievance procedures introduced</li> </ul> </li> </ul> <p>**Participating factory = factory that has received project training as well as factories that have not been directly trained, but belong to the same company as the trained factory and thus affected by company policy changes.</p>	Number of factories demonstrating improvements in labor conditions	Structured survey	<p>Primary information through survey administered and workers and managers who participated in trainings.</p> <p>Interviews of management when possible, to triangulate information gathered from training and surveys.</p>	<p>Initial identification of problems occurs at training or in initial survey administered to factories prior to follow up.</p> <p>The final survey to identify changes in factory will be administered as last step in training follow up.</p> <p>Note: similar to the trainings, participation in the follow up is voluntary.</p>	Local partner with international partner support	<p>Analyze structured survey designed to capture impact.</p> <p>Compare pre and post surveys, when possible</p>	Local partner with international partner support
Workers that benefited from improvements in working conditions	Unit = workers from participating factories	Number of workers that benefited from improvements in working conditions	-Factories' files -Policy improvements	-Survey administered to workers -Review of factory policies	-Initial survey administered to workers in training and a final survey will be administered as part of follow up. -As part of the follow up	Local partner with international partner support	<p>Analyze structured survey.</p> <p>Compare pre and post surveys, when possible</p>	Local partner with international partner support

VARIABLE	DEFINITION OF THE VARIABLE	INDICATORS	INFORMATION SOURCE	COLLECTION METHOD	COLLECTION OF INFO		ANALYSIS OF INFO	
					WHEN	WHO	WHEN/HOW	WHO
<b>Immediate Objective 2: Improved management systems in participating factories.</b>								
Improve management systems in the participating factories.	<p>“Change” could include, but is not limited to:</p> <ul style="list-style-type: none"> <li>• Factory use of new self-evaluation tools.</li> <li>• Factory use of indicators to track improvements in working conditions</li> </ul>	Number of “changes” to improve management systems. For example, number of factories using new self-evaluation tools and number of factories using indicators to track improvements in working conditions.	Managers of participating factories.	<p>Worker-Manager training workshop identifies and problems in the workplace and management systems related to labor standards.</p> <p>Survey administered to workers and managers in participating factories.</p> <p>Interviews of management when possible, to triangulate information gathered from training and surveys.</p>	Initial identification of problems occurs at training or in initial survey administered to factories prior to follow up. <p>The final survey to identify changes in factory will be administered as last step in training follow up.</p> <p>Note: similar to the trainings, participation in the follow up is voluntary.</p>	Local partner with international partner support	Compare pre and post surveys	Local partner with international partner support
<b>Immediate Objective 3: Improved competitiveness of participating factories</b>								
Improved competitiveness of participating factories.	<p>“Improved performance” can include, but is not limited to:</p> <ul style="list-style-type: none"> <li>-Reduction in worker turnover</li> <li>-Reduction of absenteeism after contact with the project.</li> <li>-Reduction in defective production</li> <li>- Premium contracts with new and/or buyers</li> </ul>	<p>20% decrease in worker turnover according to last year</p> <p>-20% decrease in absenteeism according to last year</p> <p>- Increase in x% of payment in new contracts</p>	Human Resource Department file in the Factory		If the follow up is voluntary.	Local partner with international partner support	Compare pre and post surveys	Local partner with international partner support

VARIABLE	DEFINITION OF THE VARIABLE	INDICATORS	INFORMATION SOURCE	COLLECTION METHOD	COLLECTION OF INFO		ANALYSIS OF INFO	
					WHEN	WHO	WHEN/HOW	WHO
Improved competitiveness of participating factories.	Increased buyer contact can include new or larger contracts, but can also include exposure to new buyers as a result of the project.	Number of participating factories that increase report increased contact with buyers	Factory management	Survey administered to management of participating factories.  Interviews of management, when possible.	Survey and/or interview prior to follow up and as part of follow up	Local partner with international partner support	Compare pre and post surveys	Local partner with international partner support
<b>Sub Immediate 1: Increased worker understanding in participating factories of labor rights and obligations, as well as the current context of the apparel sector.</b>								
Trained workers	Trained= completed CIMCAW training course  Unit: person who work in maquila in the lines (non-management).	Number of trained workers	Attendance list	Instructor notes number of participants	Each course	Instructor	Trimester	Local partner and/or Project Implementation Team
Increase in the understanding of national labor laws and regulations of workers in participating factories.	Average percentage change in the pre-post test scores.  Unit: A percentage point	At least, an 30% increase on those that had a pretest of 60% or more	Pre-post test for workshop participants	Instructors give test, collect grades and report in their training report.	Each course	Instructor	Trimester	Local partner and/or Project Implementation Team
		At least, an 50% increase on those that had a pretest of 50% or less	Pre-post test for workshop participants	Instructors give test, collect grades and report in their training report.	Each course	Instructor	Trimester	
<b>Sub Immediate Objective 2: Increased management understanding in participating factories of labor rights and obligations and improved management systems</b>								
Trained managers	Trained= attended entire CIMCAW course  Unit: persons who work in maquila management	Number of trained managers	Attendance list	Instructor notes number of participants	Each course	Instructor	Trimester	SAI or local partner

VARIABLE	DEFINITION OF THE VARIABLE	INDICATORS	INFORMATION SOURCE	COLLECTION METHOD	COLLECTION OF INFO		ANALYSIS OF INFO	
					WHEN	WHO	WHEN/HOW	WHO
Increase in the understanding of national labor laws and regulations of workers in participating factories.	Average percentage change in the pre-post test scores.  Unit: A percentage point	At least, an 30% increase on those that had a pretest of 60% or more	Pre-post test for workshop participants	Instructor	Each course	SAI	Trimester	
		At least, an 50% increase on those that had a pretest of 50% or less	Pre-post test for workshop participants	Instructor	Each course	SAI	Trimester	
				SAI	Trimester			

**Sub Immediate Objective 3: Improve the capacity of the Ministry of Labor Inspectors, and where possible other interested actors, in current auditing methods in the apparel sector.**

Number of MOL inspectors trained.	Trained= attended entire course  Unit: Trained government staff person (MOL or other such as vocational institutes)		Attendance list	SAI instructor notes number of participants	Each course	SAI	Trimester	SAI
Number of other actors trained.	Trained= attended entire course Unit: Trained staff from non-profit or for profit monitoring organizations.		Attendance list	SAI instructor notes number of participants.	Each course	SAI	Trimester	SAI
3. Increase in understanding of auditing methods by workshop participants.	Average percentage change in the pre-post test scores.  Unit: A percentage point		Pre and Post test	Instructors give test, collect grades and report in their training report.	Each course	SAI	Trimester	SAI





## ANNEX 2

# CIMCAW

*Bi-Weekly Report*

*09.13.06*



Limited brands

Gap Inc.

### **CIMCAW Project Hosts Groundbreaking Event in Honduras**

The *Continuous Improvement in the Central American Workplace (CIMCAW)* Project, in collaboration with the Association of Honduran Manufacturers, hosted an event in San Pedro Sula, Honduras on September 5, 2006, aimed at recruiting factories to participate in the Project's worker-manager labor standards training. Attendees included representatives from approximately 40 textile & apparel factories that produce for brands such as Gap Inc., Gildan, Adidas, Philips-Van Heusen, and Nike as well as representatives from CIMCAW Alliance members Gap Inc., DAI, Social Accountability International (SAI), and the International Textile Garment & Leather Workers' Federation (ITGLWF). The event yielded positive results. Of the 40 factories represented, the majority expressed an interest in participating in the Project trainings scheduled to begin later this month. The active participation of AHM Executive, Ernesto Interiano and President, Jesus Canahuati, both well-respected local businessmen and leaders of AHM, indicated a serious commitment to the Project on behalf of AHM and implicitly underscored the importance of CIMCAW to the maquila sector in Honduras. Furthermore, the presence of numerous factory managers demonstrated a serious interest on their part in learning about the Project and its potential benefits for the Honduran maquila sector. Honduran trainings will deliver 40 hours of training, covering 8 topics, including the ILO's Fundamental Principles and Rights at Work to workers and managers, affecting up to 35 factories.

# CIMCAW

*Bi-Weekly Report*

*09.27.06*



## **CIMCAW Project to Host Labor Standards Event in Nicaragua**

The Continuous Improvement in the Central American Workplace (CIMCAW) Project, in association with its local partner, the Nicaraguan Institute for Humanistic Studies (INEH), will host a breakfast event in Managua on Friday, September 29, 2006, from 7 – 9AM. The breakfast will be held in the Laurel Room of the Hotel Real Intercontinental Metrocenter. The event will highlight how compliance and enforcement of labor standards can lead to enhancing the competitive advantage of the Nicaraguan apparel manufacturing sector. In addition, recognition will be given to the representatives of factories that have supported the joint worker-manager training initiative.

Representatives from CIMCAW Alliance members USAID, INEH, Social Accountability International (SAI), and Development Alternatives, Inc (DAI) will speak at the breakfast to recognize the achievement of the factories and underscore the value of the tools offered by these trainings to sustainably improve labor standards through policy changes that affect the lives of many hundreds of workers in the maquilas of Central America. At the conclusion of the breakfast, certificates will be awarded to the managers of factories that have successfully completed the first two rounds of trainings administered by the CIMCAW project.

# CIMCAW

## *Bi-Weekly Report*

12.13.06



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### **CIMCAW Delivers Second Round of Worker-Manager Training in Nicaraguan Maquilas**

On December 2, 2006, CIMCAW held a joint worker-manager workshop in Managua, Nicaragua on “Worker Rights and Responsibilities.” A total of 50 participants, including 34 workers and 12 supervisors, participated in the second module of the training, which was facilitated by Fanor Avendano, head of INEH. Participating factories included FORTEX, SAE-TECNOTEX, CHAO HSING, and U.S.L.C. The training gave workers and managers the opportunity to voice concerns and identify problems with compliance. In the breakout sessions, groups discussed these compliance issues, including salary and employment benefits, disciplinary practices, and working hours. By the end of the workshop, participants demonstrated an increased knowledge of their rights and responsibilities and an eagerness to continue in the workshop series. CIMCAW will be providing follow-up technical assistance to interested factories to address their outstanding concerns regarding compliance.

## ANNEX 3

# CIMCAW

*Update – September/October 2006*



### ***CIMCAW Brokers Meeting with Wal-Mart for USAID El Salvador***

On October 17, 2006, CIMCAW organized a meeting with Wal-Mart for USAID El Salvador and the Office of Global Development Alliances in Washington. Mission Director Debbie Kennedy joined GDA Deputy Director James Thompson in visiting Wal-Mart's Global Headquarters in Bentonville, Arkansas last week to present the GDA model for alliances. They spent a morning with Rajan Kamalanathan, Wal-Mart Vice President for Ethical Standards, and his team to talk about USAID's global leadership role in alliances. USAID presented several innovative examples of alliances, with best practices drawn from El Salvador's Regional program. The CIMCAW Labor Standards GDA was presented to Wal-Mart and was met with significant interest. Wal-Mart confirmed that the single biggest challenge the Ethical Sourcing group faces in Central America is freedom of association. They would like to look closer at how CIMCAW is addressing this key issue. They recognize the value alliances offer for doing this since they are only one voice in a factory. Wal-Mart also flagged its corporate commitment to advancing buyer commitment to finding a single code of conduct that can be utilized across the entire apparel industry. Wal-Mart agreed to several follow-up meetings in November with USAID to explore concrete opportunities.

Wal-Mart recognized that GDAs are effective ways to find solutions to the complex problems facing government, business and civil society in developing countries. Wal-Mart is an important potential partner for USAID in Central America given its developing country focus for both procurement and new market access. Wal-Mart offers tremendous possibilities for achieving scale and impact on critical development problems facing the region, including environment, sustainable agriculture, HIV/AIDS, education, and labor standards issues.

### ***First Round of Worker-Manager Training Completed in Nicaragua***

On September 30, 2006, CIMCAW delivered the final of 6 8 hour joint worker-manager trainings to complete the first cycle of trainings in Nicaragua. 36 participants, representing 4 factories, attended the workshop, which addressed the issue of occupational health and safety. Dr Edin Pop, an ILO consultant, facilitated the workshop. Our local partner in Nicaragua has already begun round 2 of trainings and is scheduling round 3 for early 2007.

### ***Honduras Event Generates Substantial Factory Interest***

On September 5, 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).

The event yielded positive results. Of the 32 factories represented, the majority expressed an interest in participating in the Project trainings. The active participation of Jesus Canahuati and AHM President, Ernesto Interiano, both well-respected local businessmen and leaders of AHM, indicated a serious commitment to the Project on behalf of AHM and implicitly underscored the importance of CIMCAW to the maquila sector in Honduras. Furthermore, the presence of numerous factory managers demonstrated a serious interest on their part in learning about the Project and its potential benefits for the Honduran maquila sector.

Doris Escalona, the Human Resource Manager of Nien Hsing Nicaragua and member of CIMCAW's Consultative Committee in Nicaragua, discussed CIMCAW's sustainable impact in Nicaragua and how the Project has effectively reduced communication barriers between labor unions and the private sector, and even within the unions themselves. She underscored the fact that CIMCAW has yielded both quantitative and qualitative results in Nicaragua and has proven to be an effective tool to increase the competitiveness of Central American maquilas. Given CIMCAW's proven success in Nicaragua, Escalona voiced a desire to diffuse and replicate the Project's factory trainings throughout Central America.

The joint manager-worker trainings, in Honduras will include 40 hours of training, covering 8 topics, including the ILO's Fundamental Principles and Rights at Work to workers and managers.

### ***New CIMCAW Project Director Selected***

Dr. Rafael Amador has been selected and approved by CIMCAW Alliance members to serve as the new Project Director for the Alliance, effective October 17, 2006. Dr. Amador, a native of Nicaragua, is a consummate project manager, focused on achieving sustainable impact as evidenced by the results of his work managing various projects, including the U.S. Department of Labor-financed CERSSO regional project. Dr. Amador possesses excellent project management, and experience working with multistakeholder initiatives. The Alliance partners are confident that under Dr. Amador's direction, the CIMCAW project will deliver broader and deeper impact, while ensuring sustainability. Homero Fuentes, former CIMCAW Project Director, will remain engaged in the Project as Lead Technical Advisor.

## **COMUNICADO DE PRENSA – 26 DE SEPTIEMBRE**

### **El Proyecto MECOMAQ/CIMCAW Patrocina Evento Sobre Estándares Laborales en el Sector Textil y de Confección**

Managua, Nicaragua – El Proyecto Mejoramiento Continuo en la Maquila (MECOMAQ), en colaboración con su socio local, el Instituto Nicaragüense de Estudios Humanísticos (INEH), llevará a cabo un desayuno de trabajo en el Salón Laurel del Hotel Real Intercontinental Metrocentro, el viernes 29 de septiembre de 7:30 a 9:00 de la mañana. En el evento se dará reconocimiento a representantes de las fábricas que han apoyado la iniciativa de capacitación conjunta a trabajadoras, trabajadores y gerentes. También, se hará énfasis en cómo el cumplimiento con estándares laborales puede aumentar la competitividad del sector de confección en Nicaragua. Al final del desayuno, se hará entrega de certificados a representantes de las fábricas que participaron en las dos primeras rondas de capacitación del Proyecto. Estas capacitaciones han contribuido a elevar el conocimiento, tanto de la fuerza laboral como de las gerencias de las fábricas, sobre la situación actual de la maquila en Nicaragua. La Agencia de los Estados Unidos para el Desarrollo Internacional (*USAID*), que financia esta iniciativa, considera muy importante el mejoramiento de los estándares laborales en las maquilas de la región.

Representantes de *USAID* e INEH así como de los socios de la Alianza, *Social Accountability International (SAI)*, y *Development Alternatives, Inc (DAI)*, hablarán en el desayuno sobre los logros obtenidos por estas fábricas. También señalarán la importancia de las herramientas proporcionadas por las capacitaciones para mejorar, de manera sostenible y por medio de cambios en las políticas, los estándares laborales que afectan a miles de trabajadores en las maquilas de Centroamérica. Finalmente, el evento reforzará la sostenibilidad del Proyecto a fin de mejorar las condiciones laborales de los trabajadores nicaragüenses.

El Proyecto Regional para el Mejoramiento Continuo en la Maquila (MECOMAQ), que financia *USAID*, tiene como objetivo mejorar los estándares laborales e incrementar la competitividad en el sector de las maquilas en Centroamérica. MECOMAQ provee capacitación y busca proporcionar asistencia técnica a las fábricas de la industria de la

confección en Centroamérica para ayudarlos a enfrentar los desafíos resultantes del vencimiento del Acuerdo Multifibras (AMF) en enero de 2005.

CIMCAW/MECOMAQ representa una alianza pública – privada única que incluye los siguientes integrantes:

- ***Gap Inc, The Limited Brands, Timberland***: empresas multinacionales conocidas y líderes en cómo integrar la responsabilidad social de la empresa en las cadenas de producción.
- ***Social Accountability International (SAI)***: ONG especializada en la responsabilidad social de la empresa y en estándares laborales.
- ***Development Alternatives, Inc (DAI)***: firma de consultoría con amplia experiencia en la realización y administración de proyectos de desarrollo sostenible.
- ***International Textile, Garment, and Leather Workers Federation***: organismo internacional laboral que representa 10 millones de trabajadores del sector de la confección.
- ***La Agencia de los Estados Unidos para el Desarrollo Internacional (USAID)***

## ANNEX 4

### 1er Taller de la Tercera Ronda de Capacitación en Nicaragua CIMCAW/MECOMAQ

Sábado 11 de Noviembre del 2006.

La convocatoria del INEH fue excelente, 46 participantes. La mayoría eran trabajadores de planta u operarios. Falta más participación de la gerencia. El grupo es dinámico y participa. Por su nivel de participación e interés, dos de los asistentes (Danilo Téllez de SAE-A Technotec y Keny Erazo de FORTEX) pudieran tenerse en cuenta como reproductores o capacitadores de otros trabajadores.

Se aplicaron los pre y post test, los cuales habían sido elaborados en conjunto con los miembros del INEH, junto con Elena Arengo y Rafael Amador.

Dentro del contenido impartido por Elena, sería conveniente incorporar un poco mas de discusión en el momento en que se está abordando el asunto de “porque se debe de cumplir con los derechos laborales”, haciéndoles la pregunta: ¿En la empresa, quién se beneficia mas al ocultarle información o proporcionar información sesgada hacia el aparente cumplimiento de los derechos laborales? La respuesta esperada, en general, será que los asistentes digan que esa actitud “favorece” al Empleador. Si fuera esta la respuesta, esta se aprovecha para insistir en que esta actitud, al contrario perjudica al empresario, a los trabajadores y a la empresa, ya que el “engañarse” no les permite solucionar los verdaderos problemas. Este tema también se conecta con el hecho de para que sirve la implementación de los DDLL. La respuesta es que cumplir con la Ley es Rentable (además de ser un derecho humano!!!!).

La parte relacionada con el tema de las Relaciones Humanas y el Trabajo en Equipo fue impartida por Chéster Guevara, quien sustituyó a Wilfredo (quien ha sido el docente en las otras dos rondas y quien está supuesto a efectuar las capacitaciones de este módulo en Honduras, según lo acordado en la reunión con el Comité Consultivo del 081106), por problemas de horarios. Ambos son miembros del INEH. La dinámica fue adecuada y mantuvo la atención de los asistentes. Sin embargo, sería recomendable que se disminuyera o no se abusara de los aspectos anecdóticos y buscar como relacionar el tema con la realidad del mundo laboral (la mayoría de los ejemplos estaban relacionados con aspectos generales de la vida).

También sería conveniente buscar como relacionar el tema con medios de cómo mejorar los aspectos relacionados con el empoderamiento, autoestima, mejoramiento del diálogo entre los mismos compañeros y con los superiores o los subalternos, y como potencializar estos contenidos para mejorar el ambiente de trabajo. Hay que buscar como al final de las capacitaciones, dejarles herramientas que puedan seguir usando en su trabajo (Se espera que con la implementación de la metodología de monitoreo, seguimiento y evaluación de impacto que se esta realizando, se logre dar respuesta a este vacío).

## ANNEX 5

### Reunión con el Comité Consultivo de Honduras

San Pedro Sula 081106

Marta Benavides: AHM  
Fabia Gutiérrez: CUH (Central Unitaria de Honduras)  
Julio Figueroa: CGT  
Elena Arengo: SAI  
Homero Fuentes: CIMCAW  
Rafael Amador: CIMCAW

Hice una introducción insistiendo en el trabajo en equipo con Homero Fuentes. Reforzar el trabajo del comité asesor. La necesidad del asumir con mayor protagonismo y empoderamiento del proyecto de parte del comité. Los miembros manifiestan que su trabajo en el proyecto ha sido principalmente a nivel organizativo del mismo comité, pero aun no sienten que hubieren llegado a incidir en los mismos trabajadores. Si tienen claridad que el impulso de este proyecto incide en la misma empresa.

Los asistentes aceptaron la agenda propuesta por Homero.

#### **Antecedentes de las últimas reuniones (13 y 23 de Octubre):**

Homero informa de la intención de varias empresas de participar en el proyecto. Sin embargo, esta participación tiene que considerar las características de c/empresa involucrada y los avances que ellos hubieran tenido antes de entrar al programa.

Fabia plantea disposición de empresas para participar en el proyecto. Manifiesta una participación transparentes de los sectores involucrados en el comité consultivo. El que dirija las acciones en el país, tiene que tener la habilidad y flexibilidad para que se cumplan las actividades del proyecto.

Homero plantea que las fábricas ya lo comienzan a ver estas actividades como una inversión. La preocupación de las empresas está sobre todo en el tema de libertad de asociación. En algunos lugares esto se ha superado mediante la retroalimentación de experiencias vividas en otros países, a partir de la decisión de temas de interés por país.

Homero expresó sobre la realización de la actividad de mañana 9 de noviembre.

#### **Selección del Socio Local:**

Se ha avanzado a la pre selección de CDH (que no aparecía en el diagnóstico) y PROCINCO. Esta propuesta se encuentra en el seno del comité.

Favia plantea que aun el proyecto no ha comenzado en Honduras (sin embargo, ya tienen el comité consultivo reuniéndose), y plantea que hay que aprovechar los próximos 6 meses para lograr resultados. Ella se inclina por la decisión de un consultor y propone a Homero Fuente. Esta propuesta fue apoyada por Marta. Homero acepta, pero explicando que esto sería una situación de transición. En este sentido Rafael propone que en un plazo de dos meses, se tenga una persona o grupo definido por el comité consultivo, para que haga el reemplazo de Homero.

Martha habla que desde la AHM se ha reforzado el abordaje del tema laboral con el impulso de la RSE.

Se planificó la reunión con los dirigentes sindicales para el jueves 23 de noviembre, en SPS, en principio será de 1 a 5 p.m. Esta será igual a la que se hizo con los gerentes el día 9 de noviembre.

### **Selección del docente para capacitación el módulo de Relaciones humanas y Trabajo en Equipo.**

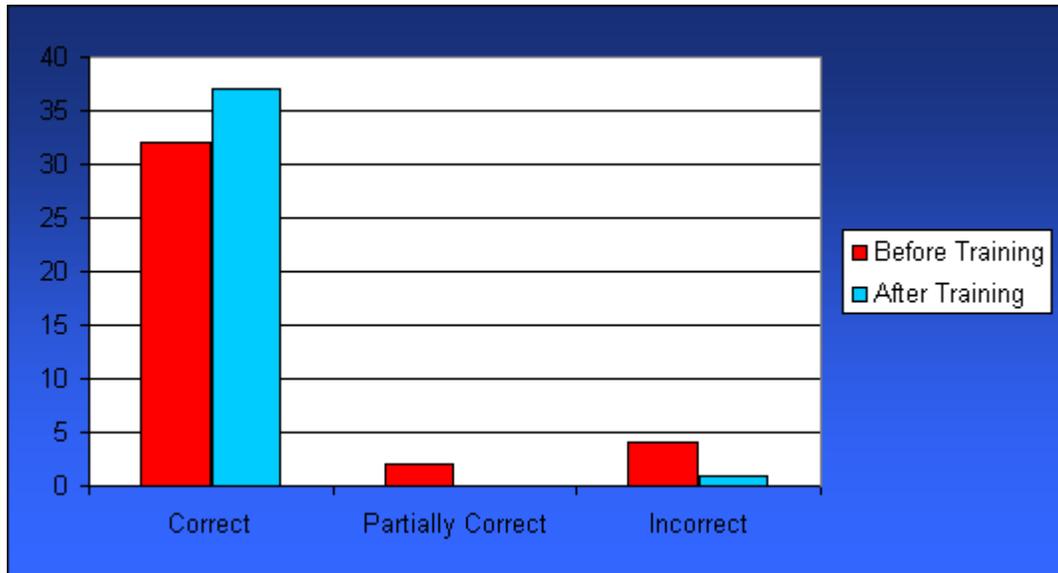
Se está proponiendo que sea el mismo docente de Nicaragua. Sin embargo, como parte del fortalecimiento local, Marta sugirió que participen en la capacitación, al menos unos 3 potenciales candidatos a asumir esta capacitación en el futuro.

## ANNEX 6

The following represent the results of the pre and post-test given during the worker-manager training workshop in Nicaragua November 27-29, 2006.

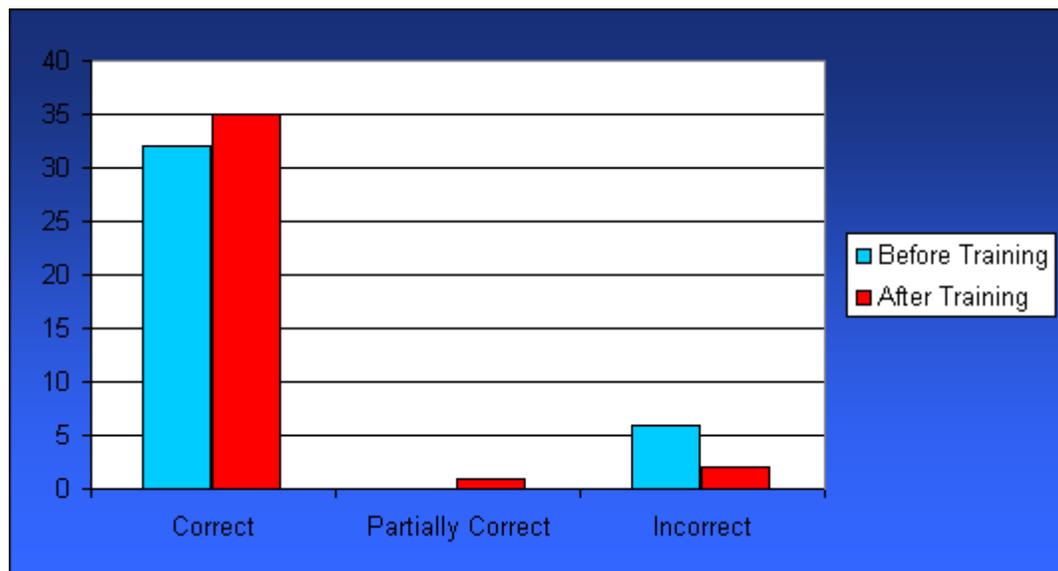
### 1. When is compliance with an ILO convention mandatory?

Before Training		After Training	
Correct	32	Correct	37
Partially Correct	2	Partially Correct	0
Incorrect	4	Incorrect	1



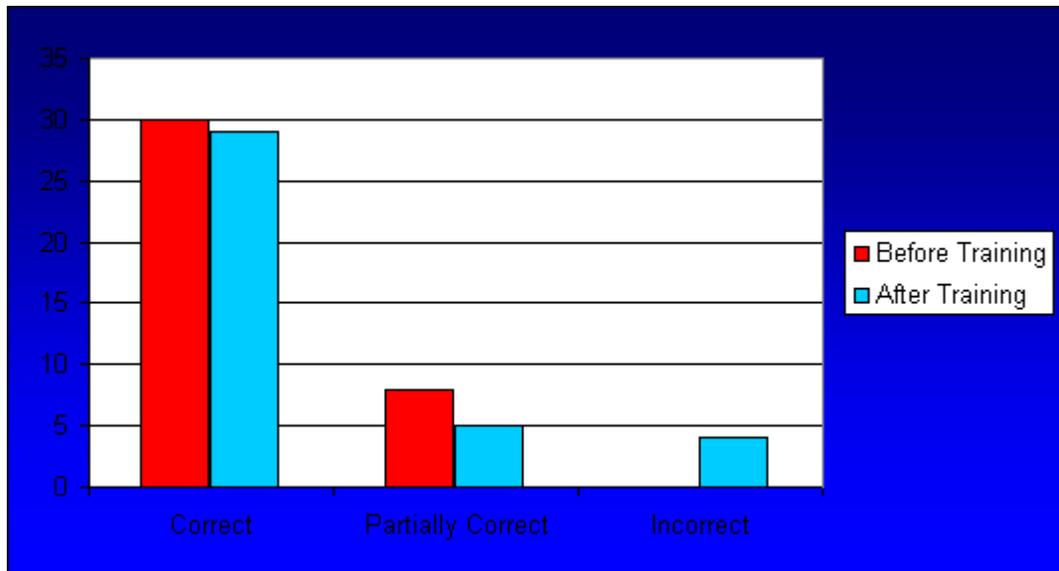
### 2. Give an example of forced labor in the maquila.

Before Training		After Training	
Correct	32	Correct	35
Partially Correct	0	Partially Correct	1
Incorrect	6	Incorrect	2



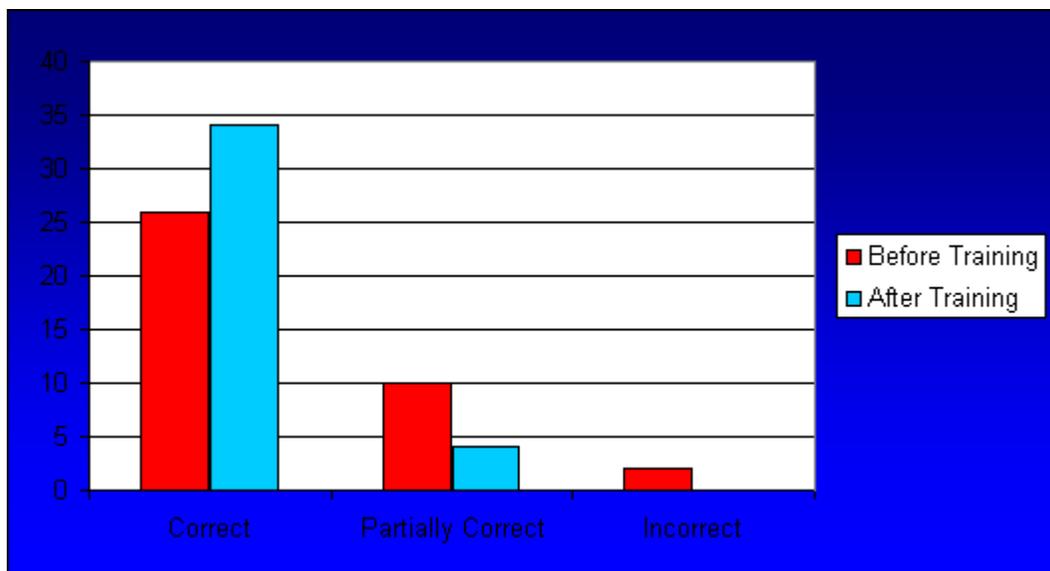
3. Give three examples of evidence that would determine if a factory is compliant with health and safety regulations.

Before Training		After Training	
Correct	30	Correct	29
Partially Correct	8	Partially Correct	5
Incorrect	0	Incorrect	4



4. Give two examples of discriminatory practices in the maquila.

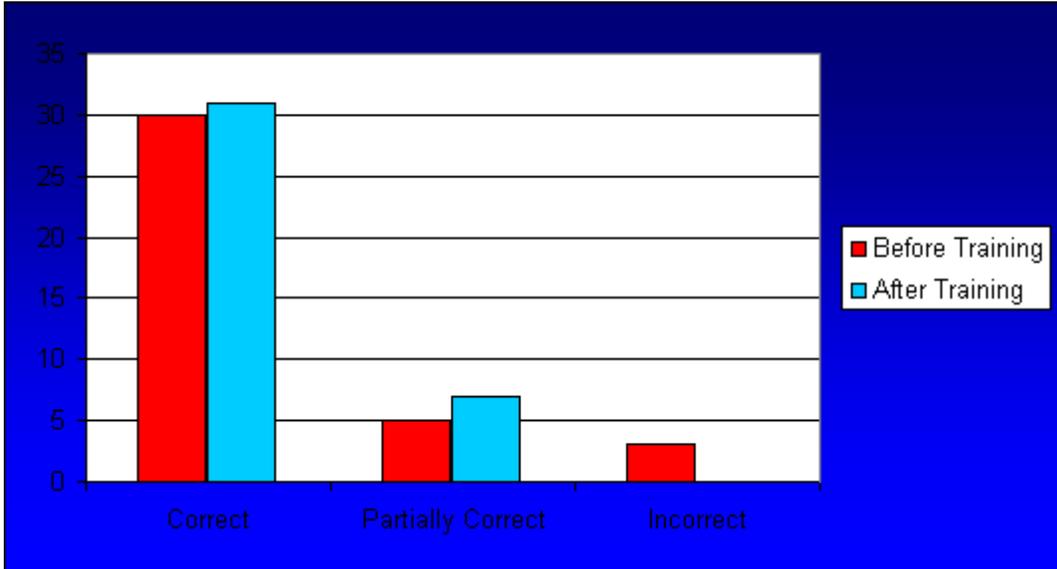
Before Training		After Training	
Correct	26	Correct	34
Partially Correct	10	Partially Correct	4
Incorrect	2	Incorrect	0



**5. What does Freedom of Association mean?**

Before Training	
Correct	30
Partially Correct	5
Incorrect	3

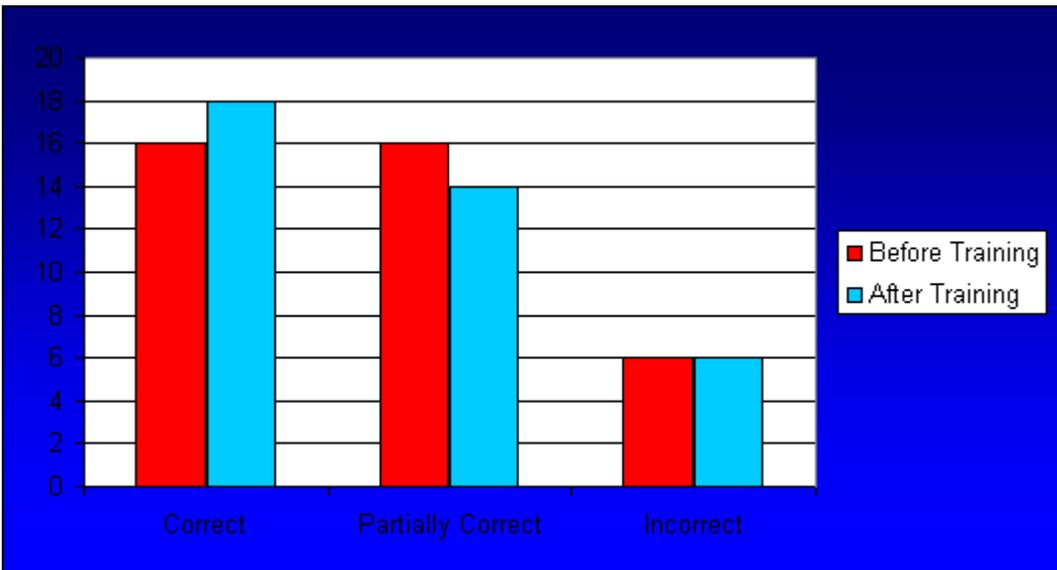
After Training	
Correct	31
Partially Correct	7
Incorrect	0



**6. What protections need to be provided to adolescent workers that are working in the in the maquila?**

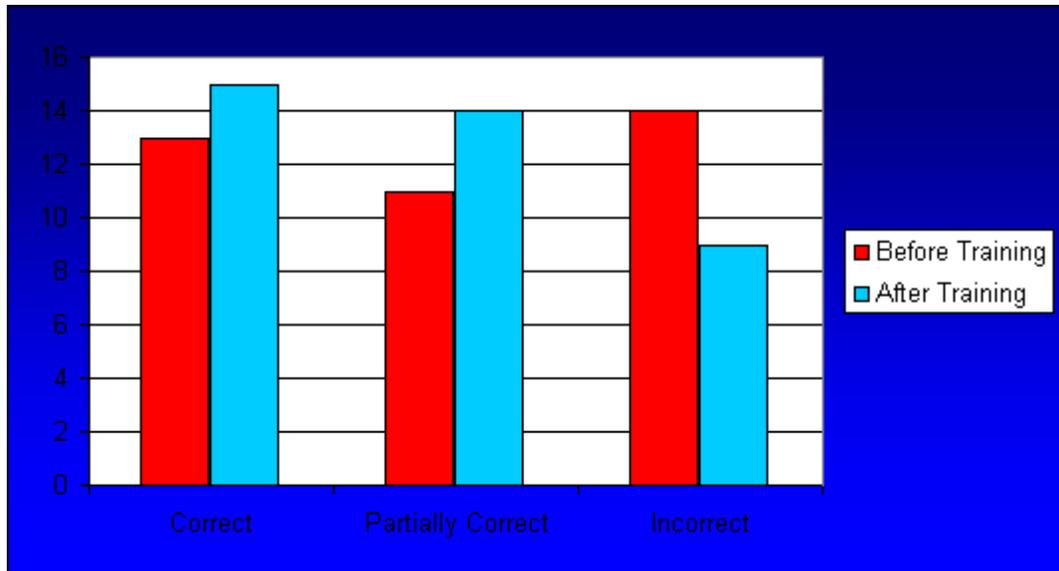
Before Training	
Correct	16
Partially Correct	16
Incorrect	6

After Training	
Correct	18
Partially Correct	14
Incorrect	6



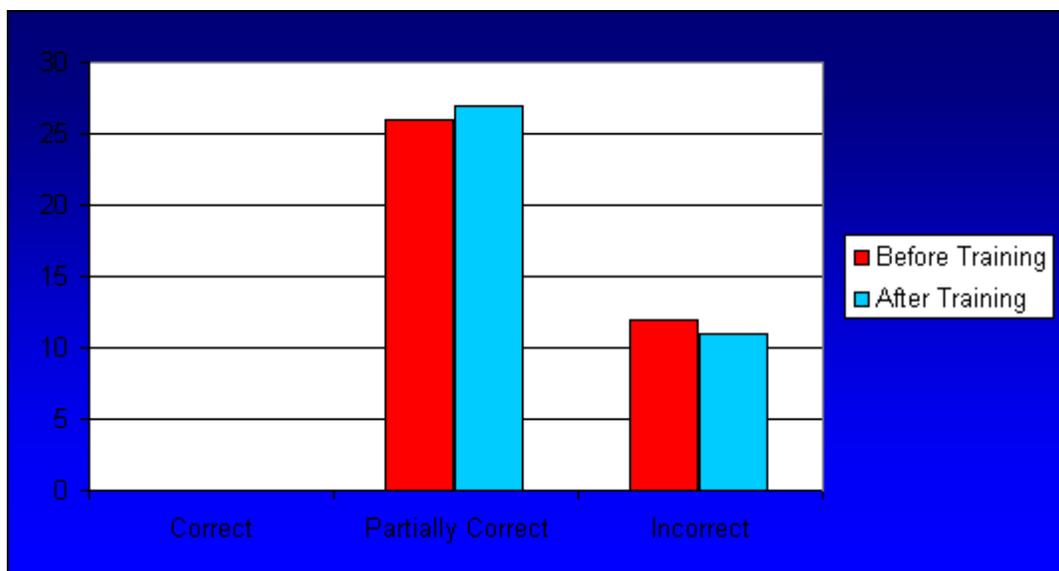
7. Give two examples of evidence that needs to be sought, in order to verify that a factory is compliant with the requirements against child labor.

Before Training		After Training	
Correct	13	Correct	15
Partially Correct	11	Partially Correct	14
Incorrect	14	Incorrect	9



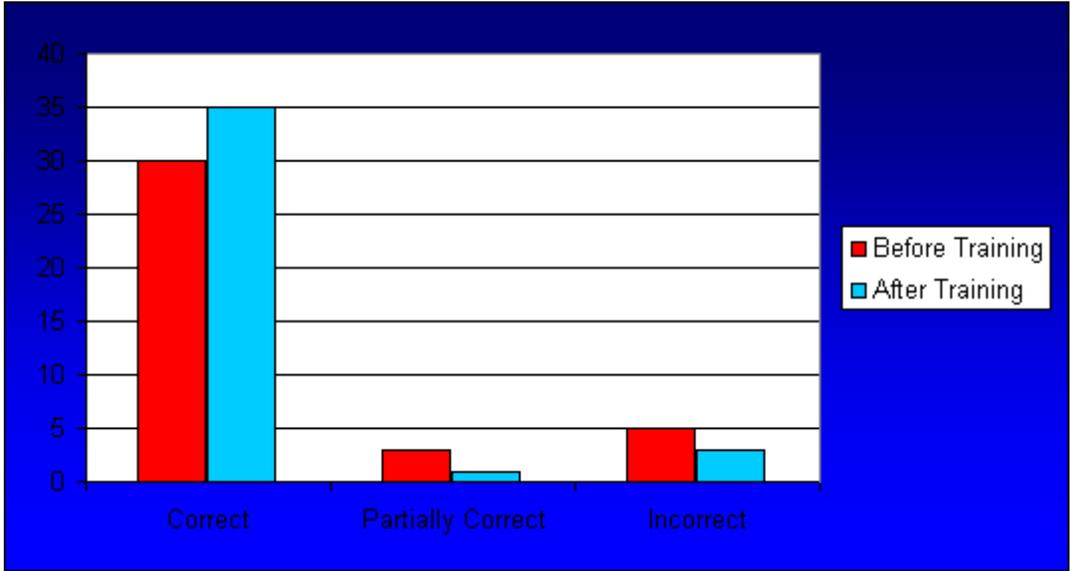
8. If a factory is to comply with the requirements in the labor code, over time should be:

Before Training		After Training	
Correct	0	Correct	0
Partially Correct	26	Partially Correct	27
Incorrect	12	Incorrect	11



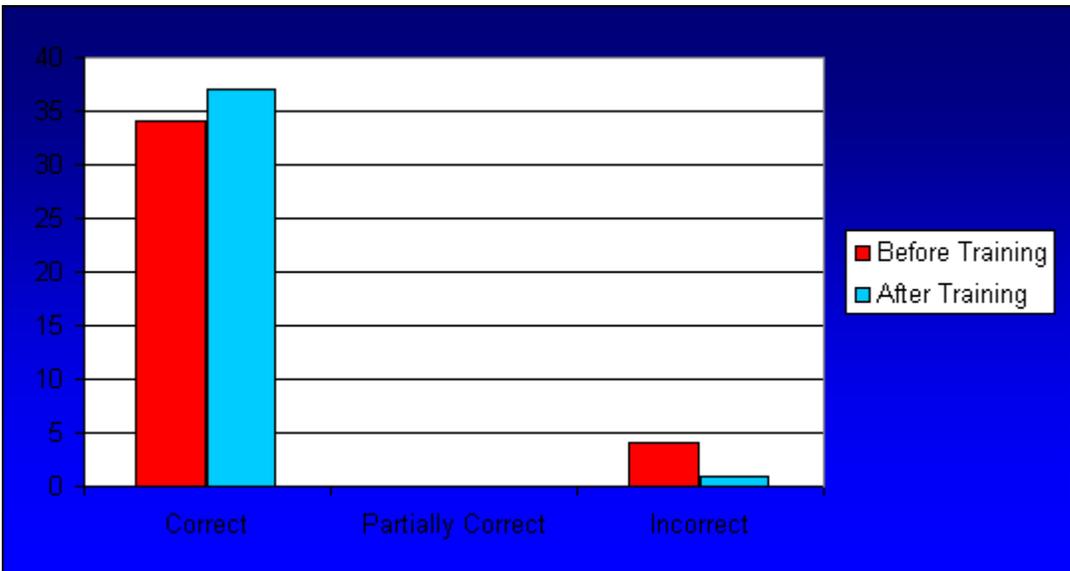
**9. What are some of the obstacles to exercising Freedom of Association in the maquila?**

Before Training		After Training	
Correct	30	Correct	35
Partially Correct	3	Partially Correct	1
Incorrect	5	Incorrect	3



**10. What benefits should be paid to workers, once they are terminated?**

Before Training		After Training	
Correct	34	Correct	37
Partially Correct	0	Partially Correct	0
Incorrect	4	Incorrect	1

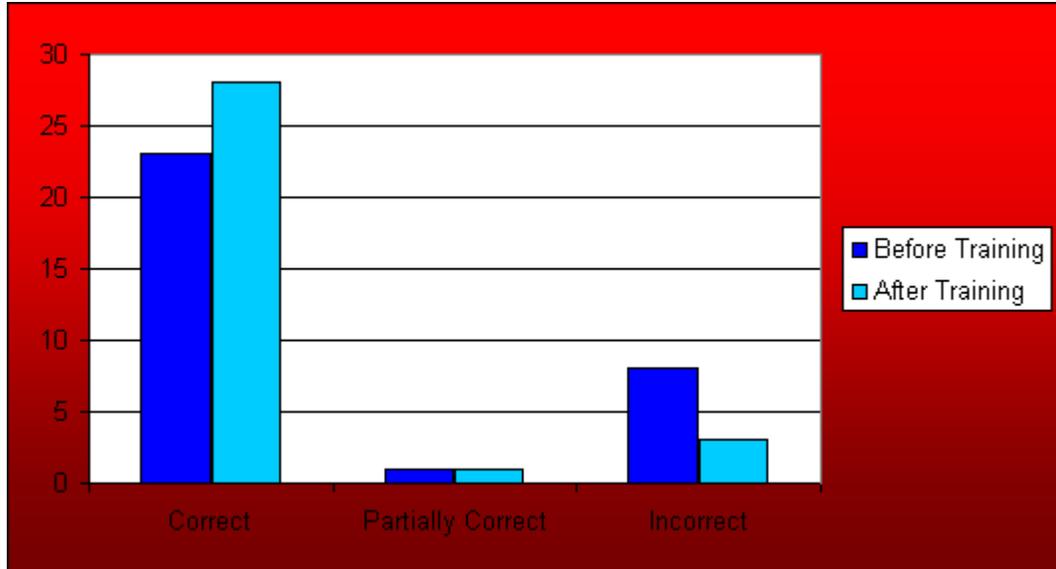


## 2 nd. Workshop:

### 1. When is compliance with an ILO convention mandatory?

Before Training	
Correct	23
Partially Correct	1
Incorrect	8

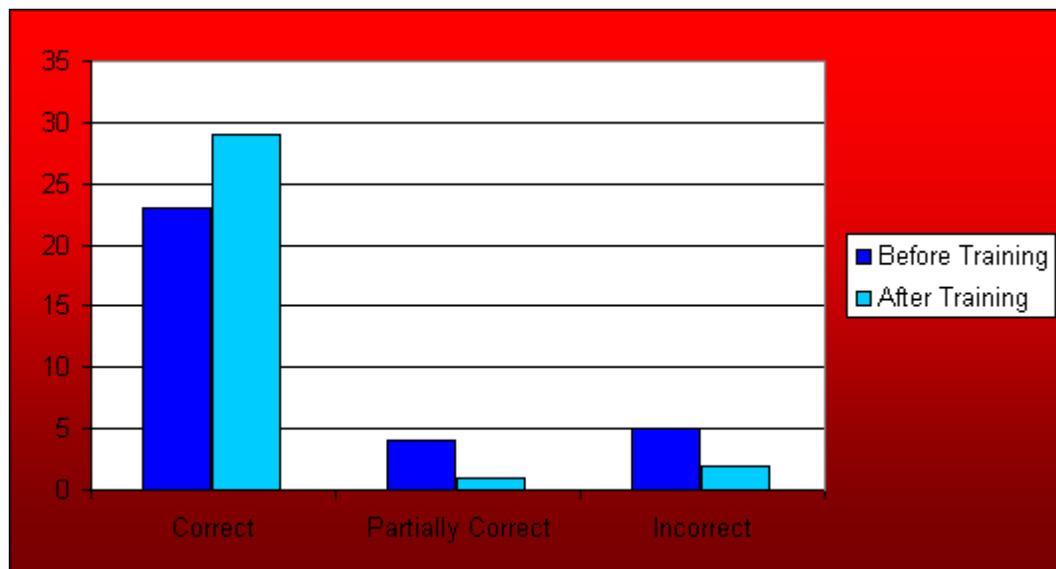
After Training	
Correct	28
Partially Correct	1
Incorrect	3



### 2. Give an example of forced labor in the maquila.

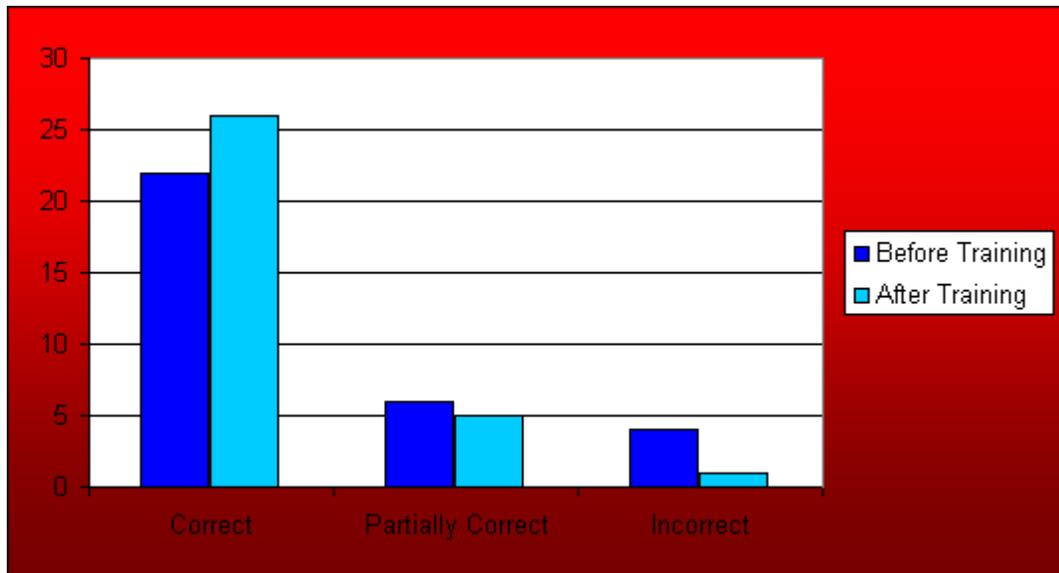
Before Training	
Correct	23
Partially Correct	4
Incorrect	5

After Training	
Correct	29
Partially Correct	1
Incorrect	2



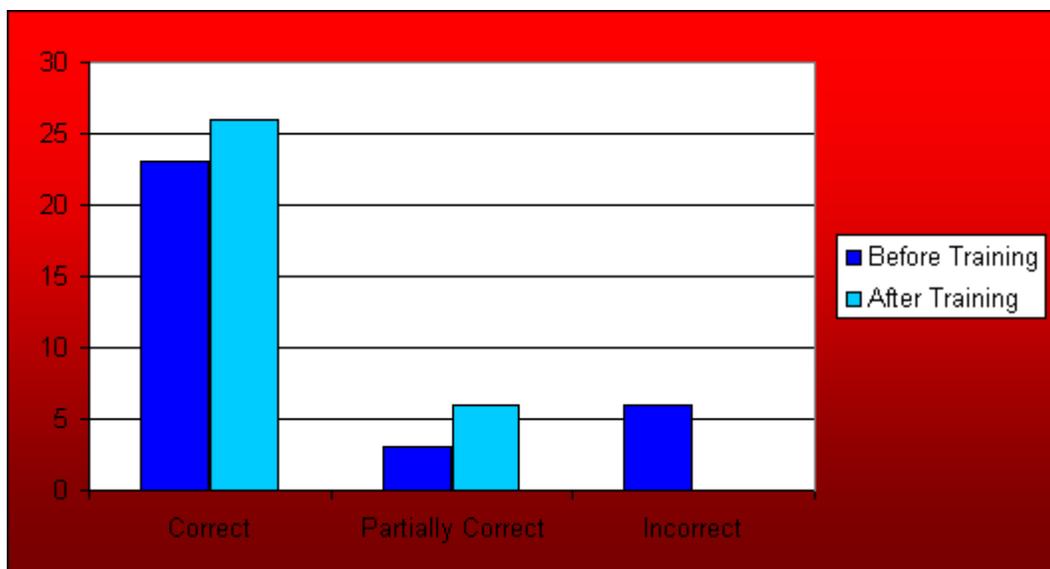
3. Give three examples of evidence that would determine if a factory is compliant with health and safety regulations.

Before Training		After Training	
Correct	22	Correct	26
Partially Correct	6	Partially Correct	5
Incorrect	4	Incorrect	1



4. Give two examples of discriminatory practices in the maquila.

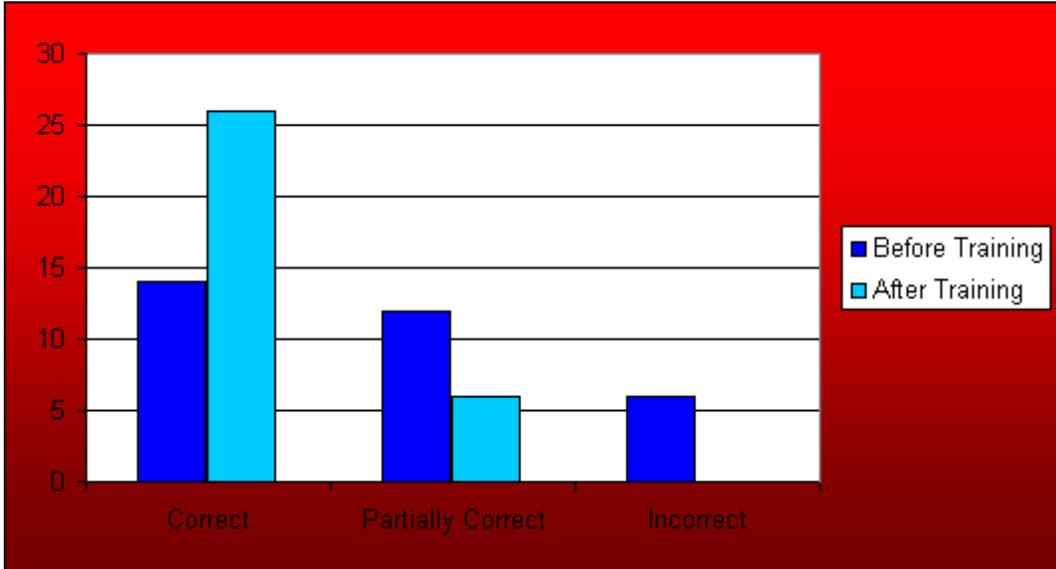
Before Training		After Training	
Correct	23	Correct	26
Partially Correct	3	Partially Correct	6
Incorrect	6	Incorrect	0



**5. What does Freedom of Association mean?**

Before Training	
Correct	14
Partially Correct	12
Incorrect	6

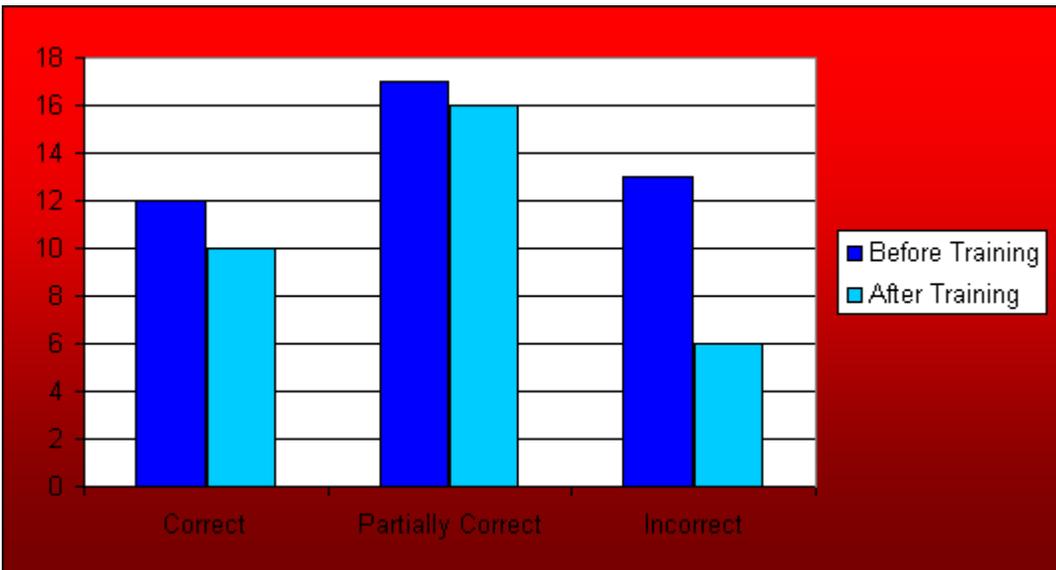
After Training	
Correct	26
Partially Correct	6
Incorrect	0



**6. What protections need to be provided to adolescent workers that are working in the in the maquila?**

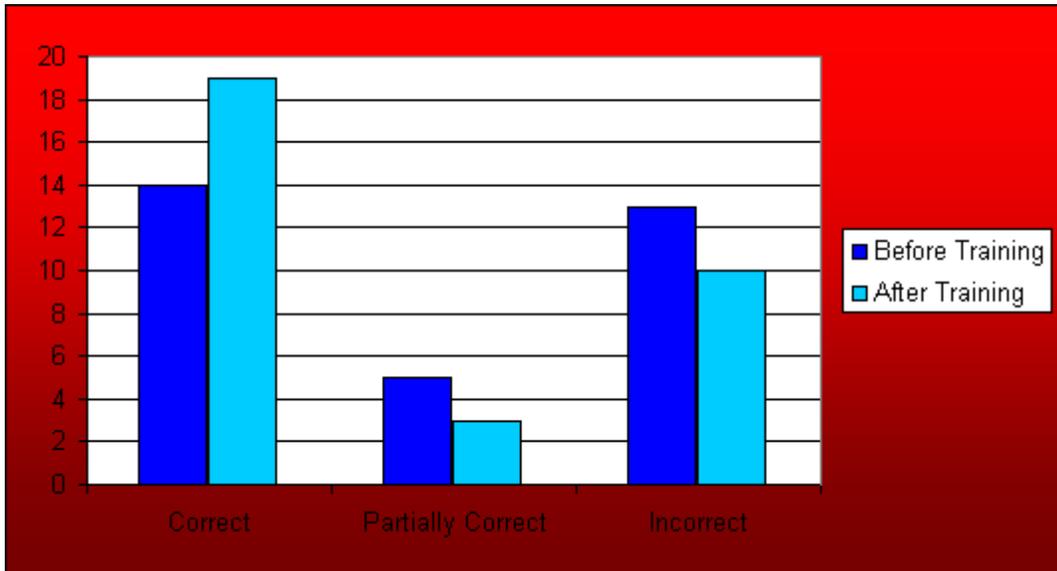
Before Training	
Correct	12
Partially Correct	17
Incorrect	13

After Training	
Correct	10
Partially Correct	16
Incorrect	6



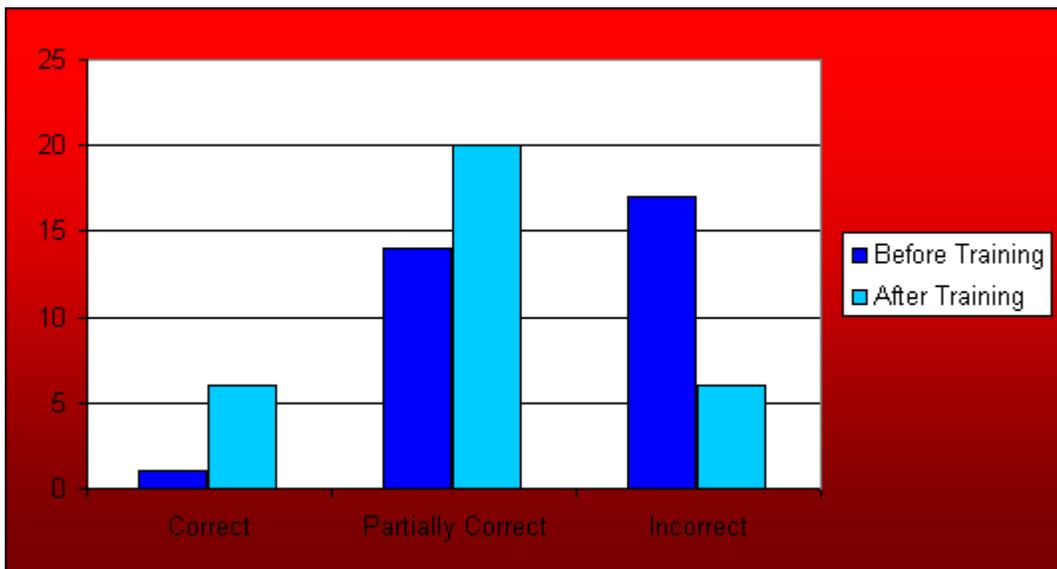
7. Give two examples of evidence that needs to be sought, in order to verify that a factory is compliant with the requirements against child labor.

Before Training		After Training	
Correct	14	Correct	19
Partially Correct	5	Partially Correct	3
Incorrect	13	Incorrect	10



8. If a factory is to comply with the requirements in the labor code, over time should be:

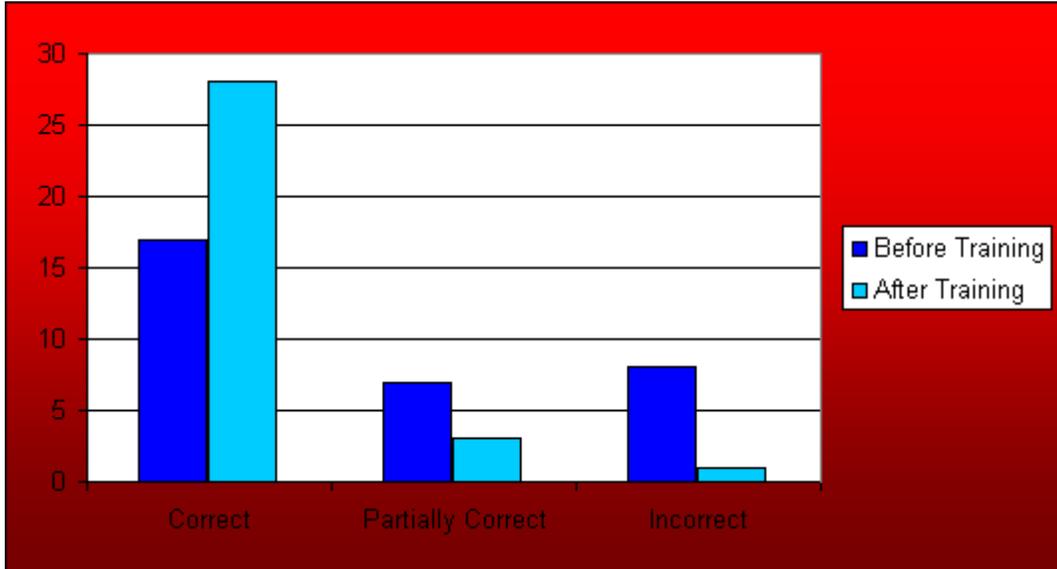
Before Training		After Training	
Correct	1	Correct	6
Partially Correct	14	Partially Correct	20
Incorrect	17	Incorrect	6



**9. What are some of the obstacles to exercising Freedom of Association in the maquila?**

Before Training	
Correct	17
Partially Correct	7
Incorrect	8

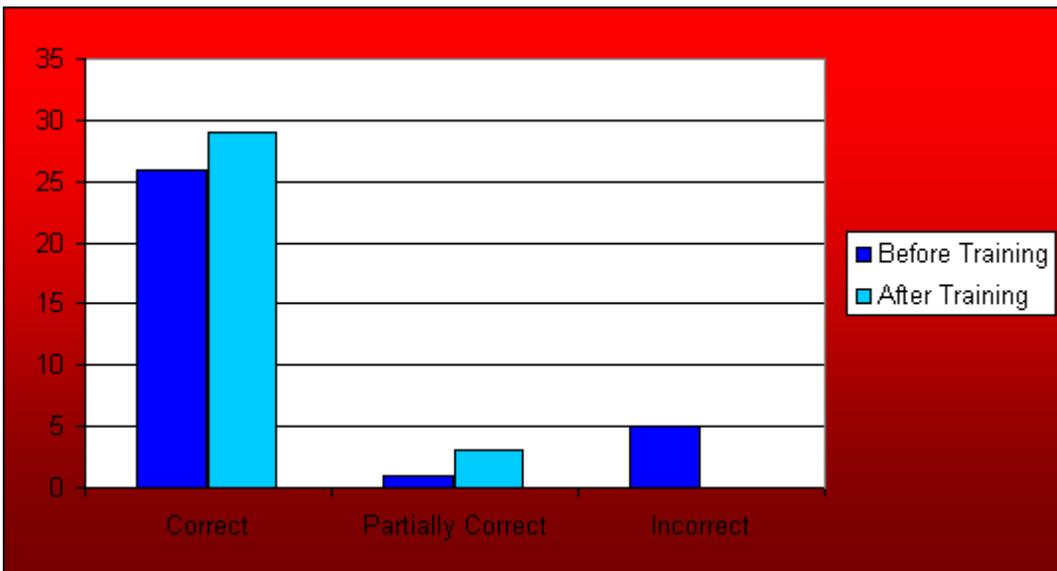
After Training	
Correct	28
Partially Correct	3
Incorrect	1



**10. What benefits should be paid to workers, once they are terminated?**

Before Training	
Correct	26
Partially Correct	1
Incorrect	5

After Training	
Correct	29
Partially Correct	3
Incorrect	0



## ANNEX 7

Taller con Trabajadoras/es en San Pedro Sula, Honduras

23 de Noviembre del 2006.

Participaron 16 líderes sindicales provenientes de 3 organizaciones (CUT, FIT, FESITRAN). Se hizo la presentación sobre las características del proyecto, el contexto mundial de la maquila a raíz del fin del acuerdo multifibra. Homero coordinó las presentaciones y Manuel García y Rafael Amador hicieron intervenciones en la medida que se profundizaba en la presentación de Homero.

Se logró la participación activa de al menos el 50% de los asistentes, se trató de orientar su participación a como ven ellas/os la apropiación del proyecto en su trabajo sindical.

Ocho de los asistentes trabajan en actividades de capacitación en sus respectivas organizaciones. Se les pidió que aportaran ideas en como incorporar a sus curriculums, los contenidos y metodologías generadas en el marco del proyecto para que además del INFOP, ellos puedan continuar reproduciendo estos. (Ojo: esta modalidad no se había contemplado antes, y sería oportuna, ver su pertinencia en los otros países, si acaso existiera capacidad institucional de capacitación por parte de los sindicatos).

Conclusiones de los asistentes:

- Vemos el proyecto útil, nos ayudara a impulsar acciones que habíamos empezado a desarrollar con limitaciones.

**ANNEX 8**  
**AGENDA PARA REUNION DE SOCIOS CIMCAW**  
**Noviembre 14-15, 2006**

**Lugar: Oficina DAI**  
**7600 Wisconsin Ave., Suite 200**  
**Sala de capacitaciones/Training Room, Séptimo Piso**  
**Teléfono: 301-771-7600**

**Martes 14 de noviembre**

- 8:30-9:00** Desayuno
- 9:00-9:15** Bienvenido, expectativas, revisión y ajustes a la agenda (Samira y Rafael)
- 9:15-10:45** Actualización del proyecto desde el campo, incluyendo evaluación de desafíos venideros y soluciones propuestas (Homero)
- 10:45-11:00** Receso
- 11:00-12:15** Actualización Nicaragua, incluyendo evaluación de desafíos venideros y soluciones propuestas (INEH)
- 12:15-12:45** Almuerzo
- 12:45-2:45** Revisión del Plan de Trabajo para la Extensión (Rafael)
- Revisión de entrega de compromisos, calendario de actividades y hacer los ajustes necesarios (Rafael)
  - Presentación de seguimiento y Plan de Monitoreo del Proyecto (Elena y Rafael)
  - Establecimiento de subcomités para apoyar actividades (Rafael)
- 2:45-4:00** Lecciones Aprendidas de CIMCAW (Rafael)  
\*\*Favor venir preparados para compartir lecciones aprendidas clave que la Alianza debería considerar en el desarrollo de CIMCAW II. Estas deberían cubrir las áreas técnica, gerencia del proyecto, el papel de la alianza y el papel de los socios locales (Rafael).
- 4:00-4:15** Receso
- 4:15-5:45** Haciendo la Alianza más efectiva (Rafael). Temas sugeridas:
- ¿Como podemos mejorar nuestra habilidad de responder a oportunidades en el campo?
  - ¿Como podemos agilizar y hacer mas rápido nuestro proceso de tomar decisiones, asegurar que la alianza respeta decisiones, y los comunica de una manera mas eficaz a nuestros socios locales?
  - ¿Necesitamos revisar el protocolo de toma de decisiones?
  - ¿Como podemos minimizar el numero de correos electrónicos y el tiempo que miembros de la alianza dedican a, por ejemplo, llamadas de conferencia de la Alianza?
  - ¿Como podemos facilitar el trabajo de nuestros socios locales?

**5:45-6:00** Resumen y acuerdo de cómo proceder

**Cena a las 7:00 PM.**  
**Jaleo Restaurant**  
7271 Woodmont Ave  
Bethesda Tel. (301) 913-0003

**Miércoles 15 de noviembre**

- 8:30-9:00** Desayuno
- 9:00-10:00** Conversación con Larry Brady, Director (acting), Management Unit, USAID
- 10:00-11:30** Sesión I: Diseño de CIMCAW II (Homero)
- Recapitulación de sesión anterior sobre CIMCAW II
  - Enfoque
  - Objetivo de CIMCAW II
- 11:30-12:30** Sesión II: Diseño de CIMCAW II (Homero, Felipe y Samira)
- Actividades principales
  - Atrayendo y trabajando con nuevos socios (Wal-Mart, New Balance, etc.)
  - Propuesta de estrategia de comunicación con actores claves (Felipe)
  - Proceso de desarrollo de la propuesta (Samira)
  -
- 12:30-1:00** Almuerzo
- 1:00-2:00** Conclusion

**Reuniones bilaterales con Rafael inician a las 2:30**

- 2:30-3:30 FITTVC
- 3:30-4:30 Gap Inc.

## ANNEX 9

**CIMCAW Alliance meeting:** November 15, 2006

**Lessons Learned:** What have we done well? What we can we do better?

### **What we have done well:**

- Laid the groundwork for a rights based approach to development
- Laid the groundwork for social dialogue and relationships that did not exist before CIMCAW –e.g. Consultative Committees validated the contents of our training and have given our work considerable political legitimacy
- Training principles – we have established a methodology for worker selection and concept for joint W-M training that can be replicated properly
- Progress on the most vexing issues in these countries – Freedom of association & right to collective bargaining.
- Personal stories – turning factories around and creating sustainable solutions (e.g. Good Morning – shifting the culture of a factory from hostile to healthy environments). Putting in place systems that will help reduce future problems
- Mutual understanding – getting workers and managers to understand each other's pressures. Hostile environment comes from a lack of dialogue and our model helps establish that dialogue.
- Relationship building through repeat interactions and multiple modules
- Balancing international and local interests and perspectives
- Participatory method and awareness building for how management interact with workers
- Working to reach a minimum standard
- Learned that the private sector monitoring has created a base of knowledge that is important to link to public sector efforts (root-cause analysis)
- Consultative Committees – created, constructed and solidified the space for dialogue. How we can work with fragile processes.
- Consensus based curriculum
- Methodology – tested. The problems are identified by key actors.

- Work on the ground – seizing the moment, commitment, and dedication of our partners. Bringing together historically contentious groups. “Herding the cats.”
- Complex approach – important for impact and sustainability. We have not taken the easy way out.
- Avant garde – locally, nationally, regionally
- What is needed to establish and meet a training schedule – pulling together multiple pieces
- Attitude change – we are starting to develop more awareness among managers. How our model helps their business.
- Empowering workers – workers take ownership over the improvement of the workplace
- Link labor rights as a means to increase development and sustainability (as well as an end)
- Capacity for sub committees

### **What can we do better?**

- Recruiting factories – we have done a lot of groundwork but it remains difficult. Once brands are engaged how to get suppliers engaged? How to get suppliers to engage their peers? How to get associations involved?
- Increase external coordination with other projects that share our principles in the region to increase impact and efficiency (e.g. MFA forum)
- Strengthen CC – support their agenda and give them the ownership they deserve. Involves revisiting scope and roles of all members in the alliance and what the overall framework is within which we can work.
- Support our local partners and give them the resources and
- Improve methodologies for measuring impact – without putting an undue burden on participating factories (eg. Requesting turnover rate before the training)
- Improve communication at all the levels – between the alliance partners and among international and local partners
- Clarity of roles and tasks – will help in our efforts for perfect planning. Measuring three times and cutting once.
- Identifying the hurdles we are facing: COMMUNICATIONS. Coordination.
- Improve planning as we overcome the political hurdles.

- Provide clarity to the companies at the onset regarding our goals and purposes
- Greater dialogue with upper level factory management so they are aware of the benefits of our model
- Institutionalizing our processes, methodologies and procedures – will provide clarity to how and when we involve partners, how to recruit factories, and increase our overall efficiency (see Darryl’s handout)
- Alliance management – plan for time and resources required.
- Quicken decision making process and communicate to the field
- Need value proposition for factories – understand where factories stand and how we get them from point A – B. Identify obstacles and resources.
- More brands – to share the time/resource load, increases our ability to talk to new partners
- Defined expectations of international partners – how flexible are we on the ground? Balanced with meeting the principles of international partners. What are our deal-breakers? Increasing clarity will improve our efficiency.
- Advanced planning necessary – balancing opportunism v. prioritizing
- Time spent dealing with ad-hoc challenges as they emerge is time not spent dealing with lasting impact
- Clarifying our concepts and speaking the same language
- Revise the implementation guide – it was completed before we had the experience of trainings

## ANNEX 10

### **CRITERIA AND PROCESS FOR ADDING BRAND & RETAIL PARTNERS TO THE CIMCAW ALLIANCE**

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 partners committed to the Alliance model. The following outlines CIMCAW's expectations for new brand and retail partners and the process for becoming members of the Alliance.

#### **I. CIMCAW's Expectations regarding New Brand and Retail Partners**

- 1) The company has reviewed key project documents and understands and is committed to the Alliance approach and model.
- 2) The company is prepared to make a contribution to the Alliance and project objectives. For example by:
  - 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.
- 3) A company staff person working in the corporate headquarters is designated as the point person to link with the project.
- 4) A company staff in one of the Central American countries is designated to link with the project (for companies that have field-based staff).
- 5) Agreement to participate, when possible, in briefings/presentations to factories, and, when possible at certain strategic points of the factory trainings.
- 6) 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.
- 7) Providing an estimated in-kind contribution that would account for contributed staff time, travel etc by any brand employee.

8) Making a cash contribution that reflects the value the company places on the alliance.

**II. Process for Adding Alliance Members**

1) All Alliance partners will be consulted on the expansion of the Alliance to include new partner organizations.

2) New partners will be considered based on their contribution to the alliance and to the project objectives. Due diligence will be carried out on all new partners to ensure the credibility of the project.

3) An International Alliance Partner who has done due diligence nominates a candidate to the international alliance partners. The nomination must be done in writing.

4) Consensus will be sought on such decisions which will include the Project Director.

5) International Alliance Partners consider, reach a decision, and respond to the nomination within 10 working days.

6) DAI will negotiate final terms of participation with brand and/or retailer (includes participation and contribution) and signs MOU with them.